



K-12 EDUCATION: STILL GROWING STRONGLY

State Fiscal News Volume 4, No. 5

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The Nelson A. Rockefeller Institute of Government

June 21, 2004

The *Census of Governments* is the most comprehensive source of information on the more than 87 thousand state and local governments in the United States. The Rockefeller Institute of Government will prepare a series of briefs and fact sheets based on the 2002 edition of this once-every-five-years data source as the U.S. Bureau of the Census releases it in coming months. This is the first in the series.

According to recently released 2002 data, state and local governments increased current spending on elementary and secondary education by 39 percent between 1997 and 2002 — a period before the state fiscal crisis hit.¹ Even after adjusting for inflation and growth in pupil enrollment, spending grew by nearly 17 percent. The District of Columbia had the greatest growth in real per-pupil spending (46%) followed by Wyoming (30%), but every state, even those with strict tax and spending limits, increased real per-pupil spending. (See the table below.)

There are no strong regional patterns to the 1997 to 2002 spending increases. However, states that had large declines in enrollment pressures usually had larger spending increases, and vice versa, as the Appendix graph shows.

K-12 education is the single-largest function of state and local government, and is the area over which many citizens have the greatest direct control, through school district budget votes. Voters

1 “Current” spending excludes capital spending.

clearly have been willing to support strong increases in education spending, despite the widely perceived anti-tax and anti-spending sentiment in the United States.

Although many states have cut education aid during the fiscal crisis,² over the longer term the rising trend in education spending is likely to continue, due to federal and state policies to increase standards and the strong public support for education.

At the same time, Medicaid (the number 2 expenditure category in the typical state budget) remains difficult to control, as is discussed in a forthcoming Rockefeller Institute report on Medicaid expenditures by James Fossett and Courtney Burke. As a result, despite recovering tax revenue, state and local governments continue to face fiscal pressure.

For the expenditure data discussed in this brief, go to www.census.gov/govs/www/school.html.

Growth in per-pupil spending on K-12 education, 1997 to 2002 Adjusted for inflation

United States average: 16.8%

Faster than U.S. average

District of Columbia	46.2%
Wyoming	29.6%
Vermont	28.9%
South Dakota	28.3%
California	27.5%
New Mexico	27.1%
Louisiana	26.0%
North Dakota	25.0%
South Carolina	24.1%
Ohio	22.5%
Georgia	22.4%
Massachusetts	22.3%
Illinois	22.3%
New York	21.6%
Missouri	19.7%
Idaho	19.7%
Alabama	19.2%
Mississippi	19.0%
Arkansas	18.7%
Tennessee	18.1%
New Hampshire	18.0%
North Carolina	17.8%
Oklahoma	17.6%
Maine	17.2%
Virginia	17.1%
Colorado	16.9%
Delaware	16.9%

Slower than U.S. average

Nebraska	15.6%
Montana	15.0%
West Virginia	14.8%
Utah	14.5%
Texas	14.3%
Iowa	14.2%
Arizona	13.7%
Wisconsin	13.5%
Kansas	13.2%
Maryland	12.5%
Indiana	12.3%
Kentucky	12.2%
Oregon	12.1%
Hawaii	12.1%
Connecticut	11.5%
Rhode Island	10.9%
Michigan	10.8%
Pennsylvania	10.3%
Minnesota	9.4%
New Jersey	7.8%
Washington	6.8%
Nevada	6.0%
Alaska	4.1%
Florida	3.5%

Sources: Rockefeller Institute analysis of data from the U.S. Bureau of the Census and the U.S. Bureau of Labor Statistics.

2 See “The Impact of State Government Fiscal Crises on Local Governments and Schools,” December 2003 draft paper by Andrew Reschovsky of the Robert M. La Follette School of Public Affairs at the University of Wisconsin-Madison (cited with permission). Higher education, by contrast, has been cut significantly in many states.

Appendix: States With Subsiding Enrollment Pressure Usually Had Larger Spending Increases

