



**AMERICANS FOR
PROSPERITY®**

Center on Budget and Policy Priorities Distorts Reality of School Spending

September 20, 2013

By Casey Given

Last week, the liberal Center on Budget and Policy Priorities (CBPP) released their annual study on public education funding reporting major cuts to America's schools. "At least 34 states are providing less funding per student for the 2013-14 school year than they did before the recession hit," the study contends, depicting cuts as high as 22.8% in dramatic red graphs.

Per usual, CBPP's report has ignited a firestorm of media reports decrying a crisis in school funding and assuring us that America's educational woes can be solved by tax and spending. While this certainly makes for a catchy headline, it is merely a political talking point and fails to match up with reality. By focusing only on state expenditures, CBPP's numbers give an incomplete picture of public school funding. Americans should be weary to follow this big government rally call.

CBPP's statistics start to fall apart after doing some basic math. Take Oklahoma, for example. CBPP's report depicts the Sooner State as the center stage of the war against education, with per pupil spending having been slashed a whopping 22.8% over the past six years, totaling a loss of \$810 per student. But after doing a little algebra, one quickly realizes that Oklahoma's per pupil funding would have to be little over \$3,000 for those numbers to make sense.

As Patrick B. McGuigan of OklahomaWatchdog.org explains, "While the CBPP analysis estimated per-pupil *state* spending in Oklahoma at only \$3,038, the National Education Association – while also a critic of Oklahoma state spending on schools – places *total* per-pupil spending at \$8,285 per student." It turns out CBPP was only reporting on state funding of public education—one small fraction of total education spending. The think tank did not even emphasize in its report that schools receive funding from other sources at all.

Indeed, public education expenditures in America come from a variety of sources. While state governments certainly make up a large portion, schools often receive funding from local governments through property taxes and the federal government through Title I grants. Taking

these two other sources into consideration changes the dreary picture CBPP's report paints for many states.

As Dave Trabert of the Kansas Policy Institute explains, public school expenditures have increased by \$301.6 million in the Sunflower State since 2008 when considering all sources. These facts run contrary to CBPP's fiction that Kansas slashes spending by 16.5% of \$950 over the same time period because local funds makes up nearly half of the state's total school spending.

To some extent, CBPP's narrow focus is understandable. State education agencies are notorious for failing to provide comprehensive statistics about school spending. Jason Bedrick of the Cato Institute recently graded every state on the education statistics they provide and, unsurprisingly, 18 received a failing grade. As a result, the education community is largely clueless about exactly how much money is being spent in America's public schools for the last few years. The U.S. Census Bureau and U.S. Department of Education's National Center for Educational Statistics by far provide the most comprehensive data, but even that has a two-year lag with the latest per pupil figures being from the 2010-11 school year.

Nevertheless, such limited access to accurate data does not excuse CBPP's inaccurate reporting about an education funding crisis that doesn't exist. As I explained in my January 2013 report on school choice, public education's long-term trend has only been towards higher spending and stagnating academic achievement. As seen in the chart below from the report, school spending has nearly doubled since 1983 after adjusting for inflation while test scores on the National Assessment of Educational Progress have remained roughly the same.

Clearly the real crisis in American education is institutional, not fiscal. Until teacher and administrators incentives are aligned toward providing their students the best education, money won't make much of a difference.