



New Strategy for Student Achievement: Spend Less

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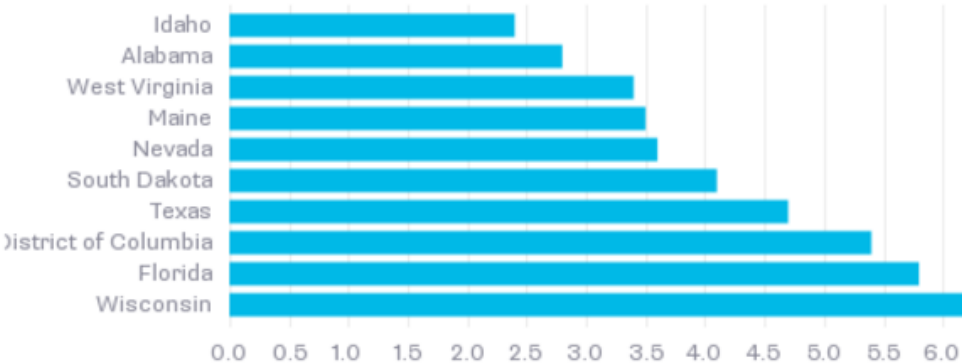
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After spending more money on primary and secondary schools every year for almost four decades and not getting much to show for it, the U.S. is trying the logical alternative: spending less. Whether you think that's a good idea depends on how you value the competing roles of government -- and your appetite for risk.

The U.S. Census Bureau reported last week that spending on public elementary and secondary schools [declined](#) by \$5 billion in 2012, the first time since 1977 expenditures have fallen. In almost half of states, spending per pupil fell.

Where Per-Pupil Funding Is Falling the Most

% drop in per-pupil funding, public primary/secondary schools, 2011-2012



U.S. Census Bureau

What's driving the reductions varies from state to state, but it's not hard to see a pattern. Eight of the 10 jurisdictions with the greatest drops have Republican governors, most of whom have

made a big deal out of cutting taxes. Nor are we talking about a slight dip. In those eight states, 2012 per-pupil spending was lower than in 2009 even before accounting for inflation. (You can find the figures in Table 20 of the [report](#).)

Take Wisconsin, where Republican Governor Scott Walker took office in January 2011 vowing to cut taxes and spending. That year the state spent [\\$11,774](#) per public school student. (Charter schools are mostly excluded from the data.)

Walker has since [made good](#) on his promise. In 2012, per-pupil spending fell [6.2 percent](#), to \$11,042 -- the largest drop in the country -- moving the state from 18th to 22nd in the nation by that measure. After adjusting for inflation, Wisconsin spent less per pupil in 2012 than at any point during the previous decade.

A New Day in Wisconsin Public Education

Spending per pupil at primary/secondary schools, inflation-adjusted



U.S. Census Bureau

(Asked for comment, Walker's press secretary Laurel Patrick told me the cuts were needed to help balance the state's budget deficit, and noted that Wisconsin's per-pupil funding remains above the national average.)

The shift toward lower spending coincides with widespread dissatisfaction with the U.S. system of public education. The country is already [below average](#) in math scores for Organization for Economic Cooperation and Development countries. A quarter of American 15-year-olds don't meet the level of math skills at which, according to the OECD, they "begin to demonstrate the skills that will enable them to participate effectively and productively in life." On reading and science, American students are about average.

In that context, one might ask, why not scale back school funding? A recent [report](#) from the CATO Institute found that the funding increases over the past 40 years haven't led to an increase in verbal or math skills, and that states that lowered their funding saw no decline in test scores.

That research is partially borne out by Wisconsin's limited experience so far with reduced funding. On nationwide [standardized tests](#) given to fourth- and eighth-graders in math and reading in 2013, Wisconsin was one of the states that failed to show improvements over its 2011 test results in any category. But its scores didn't fall either.

Moreover, while the marginal benefit of an extra dollar spent on education is hard to quantify, an extra dollar in tax cuts is tangible, clear and satisfying. You don't have to be Ayn Rand to acknowledge that the purpose of government isn't to spend money; it's to spend money to further a meaningful objective. If the status quo doesn't work, we could at least stop paying so much for it.

At the same time, ensuring value for money isn't the only function of government; the fate of some projects is considered too important to base decisions on a simple cost-benefit analysis. Take public security, where there's little effort to determine whether spending -- for example, [\\$53 billion](#) in federal and state money on correctional services last year to lock up more people than any other country -- could yield better results elsewhere.

Or consider health care, an area in which the U.S. famously spends more than any other country for worse results, yet clings to the model of competing private insurers that leads to much of that extra expense. The unspoken rationale in both cases is that some things matter more than cost -- a particular view of justice, in the first case, and the freedom to choose where we get our health care in the second.

So the choice facing state policy makers, and by extension voters, isn't whether the current education system makes financial sense; by any reasonable measure, it doesn't. A better question is whether that spending reflects other American values, such as investing as much in our children as we can afford to, that take precedence over cost.

An equally good question is whether it's smart to risk making an already mediocre system worse by taking money out of it -- especially when, by popular consensus, improving the educational achievement of U.S. students is among the most important elements of this country's future economic success. At the very least, we should be aware of the chance we're taking.