

Summer 2017

NY's stratospheric school spending

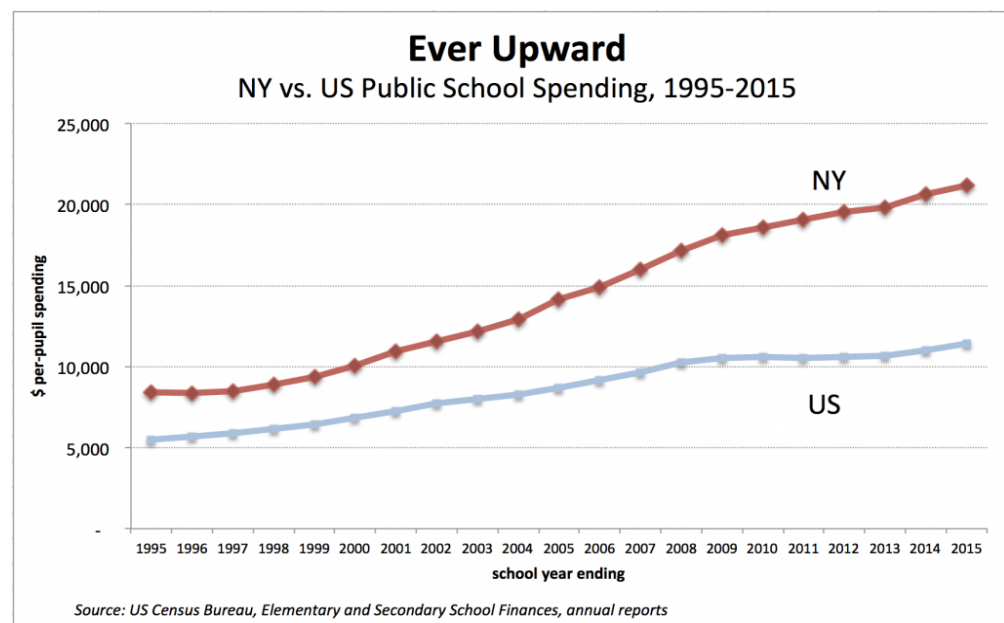
Disputes over public education funding have long dominated New York State's annual budget process. Urban school districts serving large disadvantaged populations claim they don't get a fair share of state aid, while more affluent suburbs seek more state funding to offset their property taxes.

Upstate and down, rich and poor, districts of all types and sizes demand the same thing from Albany: more. Preferably *much* more.

By national standards, however, *all* New York school districts are well funded. In fact, in the nation's K-12 financial race to the top, the Empire State has been opening a larger lead in recent years. This paper uses the most recent federal data to compare broad measures of public school spending in New York and other states – and to point to likely explanations for the differences.

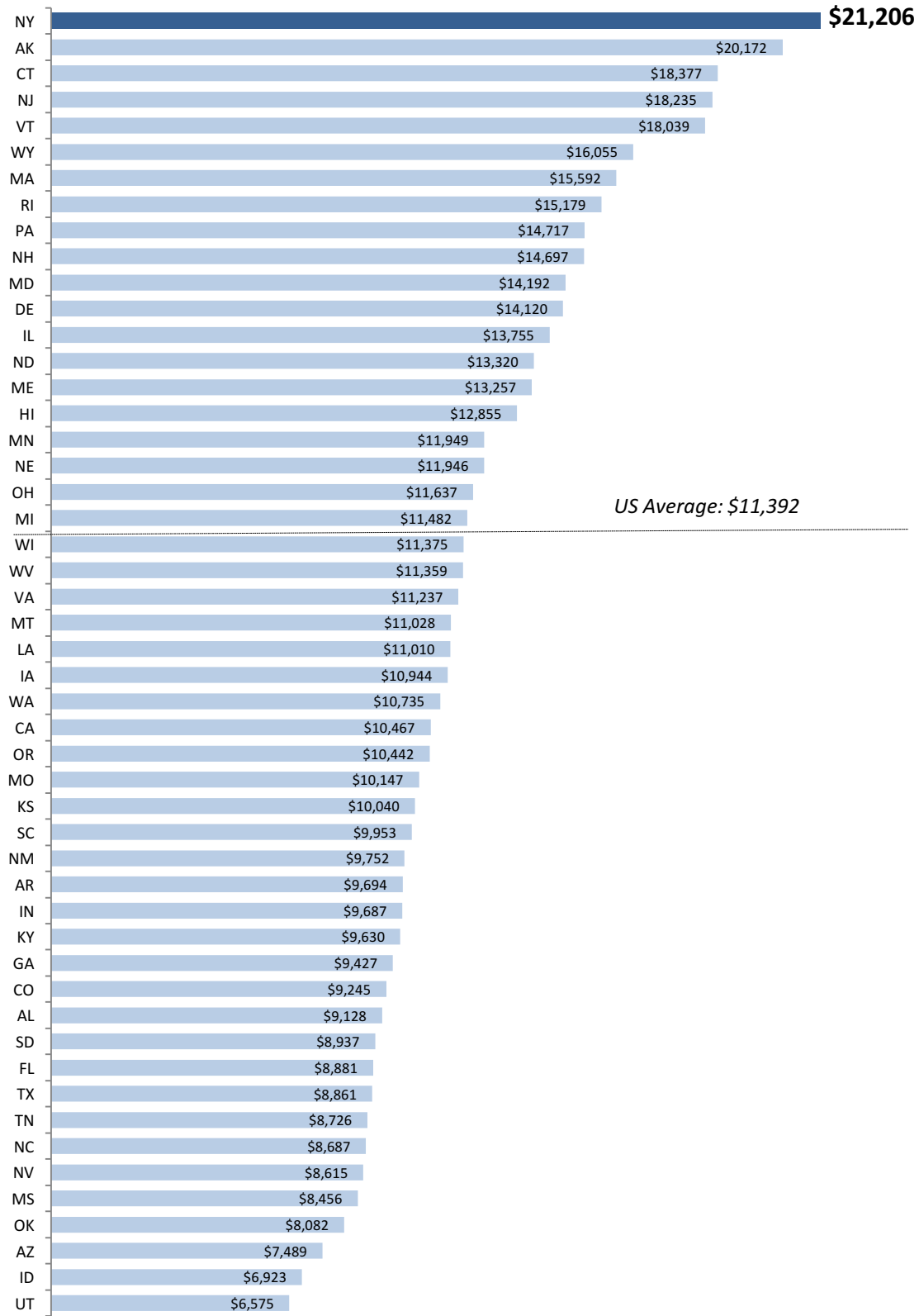
Overview

As of 2014-15, New York led all states with PreK-12 spending of \$21,206 per pupil – 86 percent above the US average, according to Census Bureau data (see chart on page 2). The school spending gap between New York and the national average has widened considerably over the past 20 years, as shown below. This trend accelerated during the Great Recession, when state and local tax revenues were plummeting across the country. From 2007-08 to 2014-15, New York's per-pupil spending increased 24 percent, which was more than double the national post-recession average.



Race to the Top

PreK-12 Public School Spending Per Pupil, 2014-15



Source: Census Bureau

New York’s public elementary and secondary schools spent about \$59 billion to educate 2.6 million pupils in 2014-15. This was exceeded only in California, where public schools spent about \$66 billion to educate 6.2 million pupils.¹ Texas schools spent \$44 billion to educate 5 million pupils, roughly twice New York’s enrollment.

New York has nearly 700 local school districts – the fourth most of any state. But census data show that the administrative costs associated with a large number of districts is not a major factor driving the difference in spending. In the category of “support services,” including central and school administration, New York ranked seventh with spending of \$5,972 per pupil, which was 49 percent above the national average. But if New York had only spent the national average in the support category, it *still* would have ranked second among states in overall per-pupil spending (trailing only sparsely populated Alaska, which is fundamentally incomparable on this scale).

New York’s exceptionally high school spending is driven mainly by instructional salaries and benefits – which, at \$14,769 per pupil, were 114 percent above the national average of \$6,903 in 2014-15. New York’s per-pupil spending in this category – which measures total compensation only for staff interacting directly with pupils in the classroom, including teachers and teacher aides – was greater than the total PreK-12 spending of 42 other states. The 70 percent share of New York’s total school spending flowing to instructional salaries and benefits was the highest of any state’s, well above the national average of 61 percent. New York’s cost is exceptionally high because, as shown in the following table, the state combines the nation’s highest average teacher’s salary and relatively high staffing levels (reflected in a well-below-average average pupil-teacher ratio).

Public School Teacher Salaries and Staffing Levels

	Average Salary	Salary Rank	Pupils per teacher	Ratio Rank		Average Salary	Salary Rank	Pupils per teacher	Ratio Rank
Alabama	\$49,497	34	17.4	10	Nebraska	\$50,318	30	13.6	40
Alaska	\$66,755	6	16.9	12	Nevada	\$56,703	18	21.2	5
Arizona	\$45,406	46	23.1	3	New Hampshire	\$58,554	14	12.5	45
Arkansas	\$48,017	39	13.9	37	New Jersey	\$69,038	5	12.2	48
California	\$72,535	3	23.6	1	New Mexico	\$46,003	43	15.2	27
Colorado	\$49,828	33	17.3	11	New York	\$77,628	1	13.5	41
Connecticut	\$71,709	4	12.9	44	North Carolina	\$47,783	41	15.6	18
Delaware	\$59,195	13	13.9	36	North Dakota	\$50,025	31	11.8	49
Florida	\$48,992	35	15.3	24	Ohio	\$56,172	20	16.2	15
Georgia	\$53,382	23	15.6	16	Oklahoma	\$44,628	48	16.4	14
Hawaii	\$57,189	17	15.6	17	Oregon	\$59,811	12	21.6	4
Idaho	\$45,218	47	18.6	6	Pennsylvania	\$64,717	9	14.3	31
Illinois	\$61,083	11	15.5	19	Rhode Island	\$65,918	7	15.0	28
Indiana	\$50,502	29	18.5	7	South Carolina	\$48,709	37	15.3	23
Iowa	\$52,862	24	14.2	33	South Dakota	\$40,661	50	13.8	38
Kansas	\$48,990	36	13.2	43	Tennessee	\$48,503	38	15.2	25
Kentucky	\$51,093	25	16.6	13	Texas	\$50,576	28	15.3	22
Louisiana	\$47,886	40	15.5	20	Utah	\$45,848	44	23.2	2
Maine	\$50,017	32	12.2	47	Vermont	\$57,642	16	10.6	50
Maryland	\$64,845	8	14.8	30	Virginia	\$50,620	27	14.2	32
Massachusetts	\$74,805	2	13.3	42	Washington	\$53,714	22	18.0	9
Michigan	\$62,778	10	18.1	8	West Virginia	\$45,647	45	14.0	35
Minnesota	\$56,670	19	15.4	21	Wisconsin	\$54,535	21	14.9	29
Mississippi	\$42,564	49	15.2	26	Wyoming	\$57,715	15	12.4	46
Missouri	\$47,394	42	13.6	39					
Montana	\$50,999	26	14.1	34	All U.S.	\$57,379		16.1	

Source: National Center for Education Statistics, *Digest of Education Statistics*

**Distribution of 2014-15 Per-Pupil Spending for All US School Districts
Compared to Per-Pupil Spending by New York School Districts**

All US Quintiles (13,459 districts)	Per-Pupil Spending US Upper Bound	NY Distribution (678 districts)
Lowest 20%	\$8,946	0
Second 20%	\$10,048	0
Third 20%	\$11,729	0
Fourth 20%	\$15,627	38
Top 20%	> \$15,627	640
<i>Top 5%</i>	<i>> \$22,884</i>	<i>206</i>

NOTE: National count excludes 917 districts with missing or incomplete data; NY count also excludes Central Valley school district, for which data appear to have been misreported.

Source: Empire Center calculations based on U.S. Census Bureau

The table above compares spending by 678 New York districts to the distribution of spending totals reported in Census Bureau data for 13,459 school districts across the country. As the distributional breakdown shows:

- All 678 New York school districts not only spent more than the national average but ranked within the top two spending quintiles – i.e., the upper 40 percent of 13,459 districts nationally.
- The vast majority of New York school districts qualified for the nation’s top-spending quintile – meaning they spent more than 80 percent of all U.S. school districts.
- Nearly one-third of New York’s school systems ranked among the highest-spending 5 percent.

Even New York’s lowest-spending school system (the General Brown district, in Jefferson County) spent 6.4 percent more per pupil than the national average. At the other extreme, 213 New York districts spent at least *twice* the U.S. average. (A complete list of New York districts’ per-pupil spending as reported in Census data can be viewed and sorted at www.empirecenter.org/publications/total-expenditures-per-pupil.)

Conclusion

Are New Yorkers getting education results commensurate with their education spending? Given the notorious lack of comparability among performance indicators for different states, that's a hard question to definitively answer. However, there is scant evidence that New York’s schools on the whole produce dramatically better results. For example:

- In the category of PreK-12 Educational Achievement, New York schools were assigned a grade of C- by *Education Week’s* 2017 “Quality Counts” report card on all 50 state systems.
- In 2015, New York fourth and eighth graders scored at roughly the national average on National Assessment of Educational Progress (NAEP) reading tests. New York’s eighth grade NAEP mathematics scores also were close to the national norm – but its fourth grade math scores were below average.²
- New York’s participation-adjusted average College Board SAT score ranked 23rd as of 2016.³

As debates and disputes over New York school funding continue – highlighted in a pending lawsuit challenging the “adequacy” of state funding for Syracuse and New York City⁴ – the national data at least provide a broader perspective and a reality check on the issue.

¹ Public charter school enrollment and funding not included in any of the figures cited here.

² <https://nces.ed.gov/nationsreportcard/>

³ <http://blog.prepscholar.com/average-sat-and-act-scores-by-stated-adjusted-for-participation-rate>

⁴ *Miriam Aristy-Farar v. State of New York*, <https://www.nycourts.gov/ctapps/Decisions/2017/Jun17/Jun17.html>