

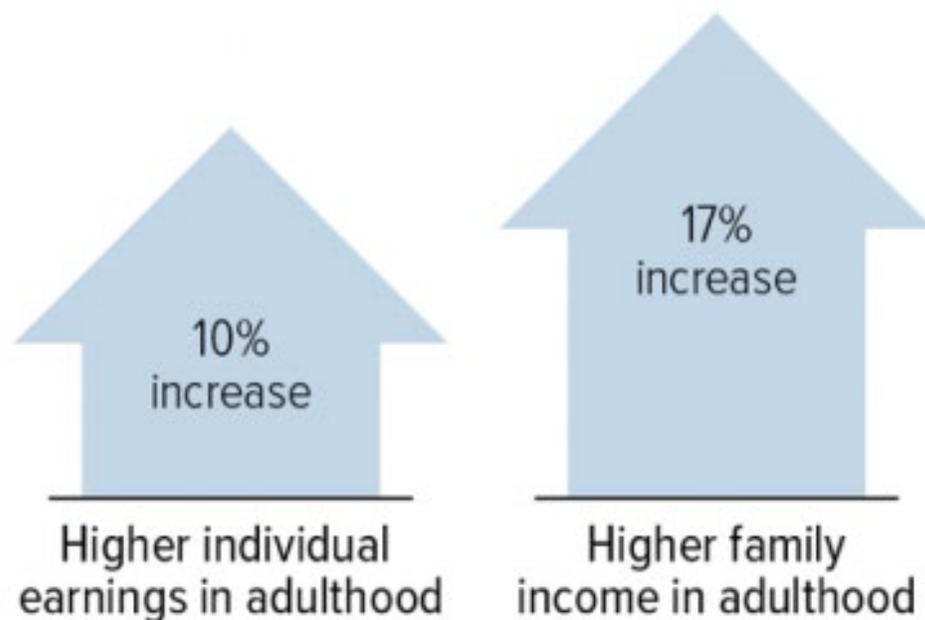


STATE SCHOOL FUNDING AFTER THE GREAT RECESSION

**Michael Leachman, Senior Director of State Fiscal Research
Presentation to the Committee for Education Funding
September 18, 2019**

School Funding Increases Lead to Big Gains for Poor Kids

For low-income students, a 10 percent increase in per-pupil spending (for all 12 school-age years) is associated with:



Source: C. Kirabo Jackson, Rucker C. Johnson, and Claudia Persico, "The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms." *Quarterly Journal of Economics*. October 1, 2015

Largest State Budget Shortfalls on Record

Total state budget shortfall in each fiscal year, in billions of dollars

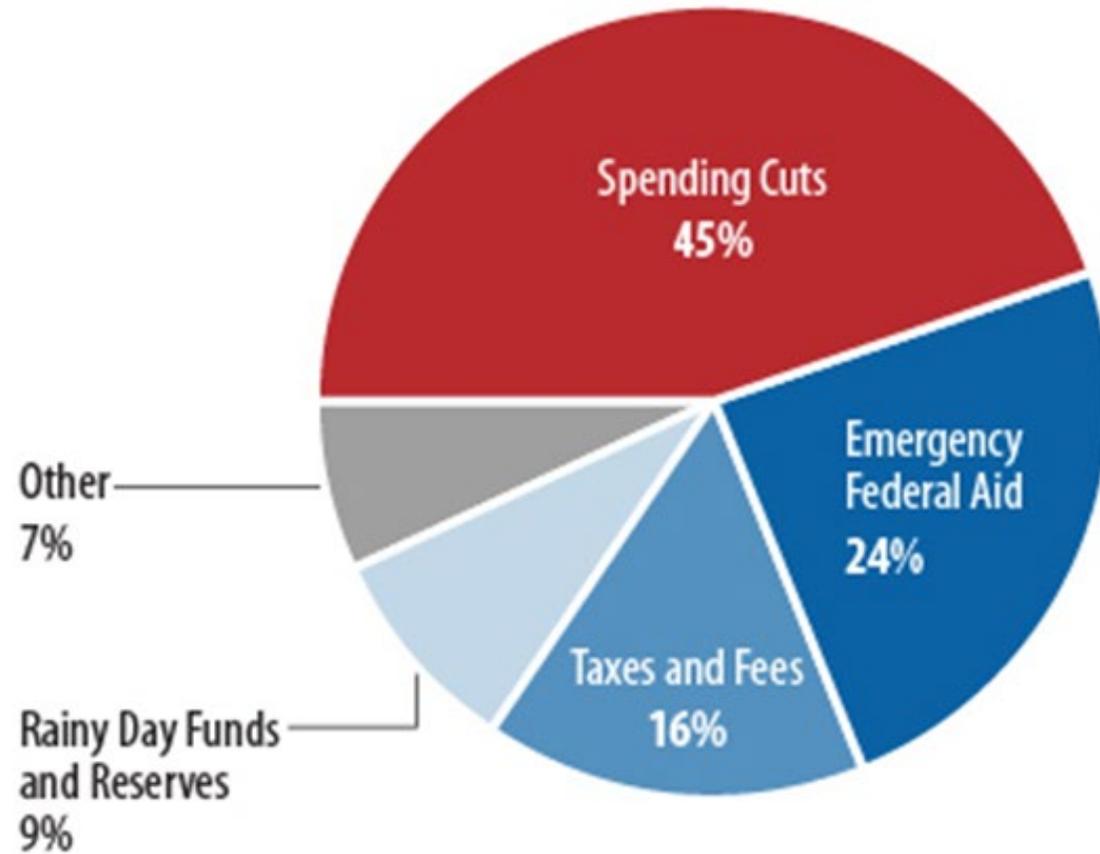


*Reported to date

Source: CBPP survey, revised June 2012.

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States Relied Heavily on Spending Cuts and Federal Aid to Close Budget Gaps (FY08 to FY12)

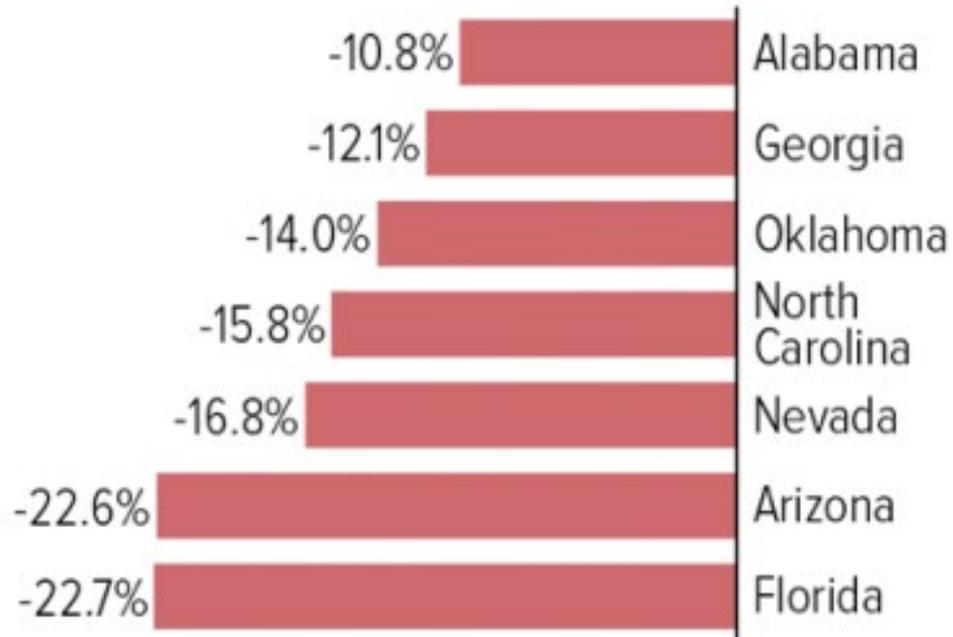


Source: CBPP calculations.

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K-12 Funding More Than 10 Percent Below Pre-Recession Levels in 7 States

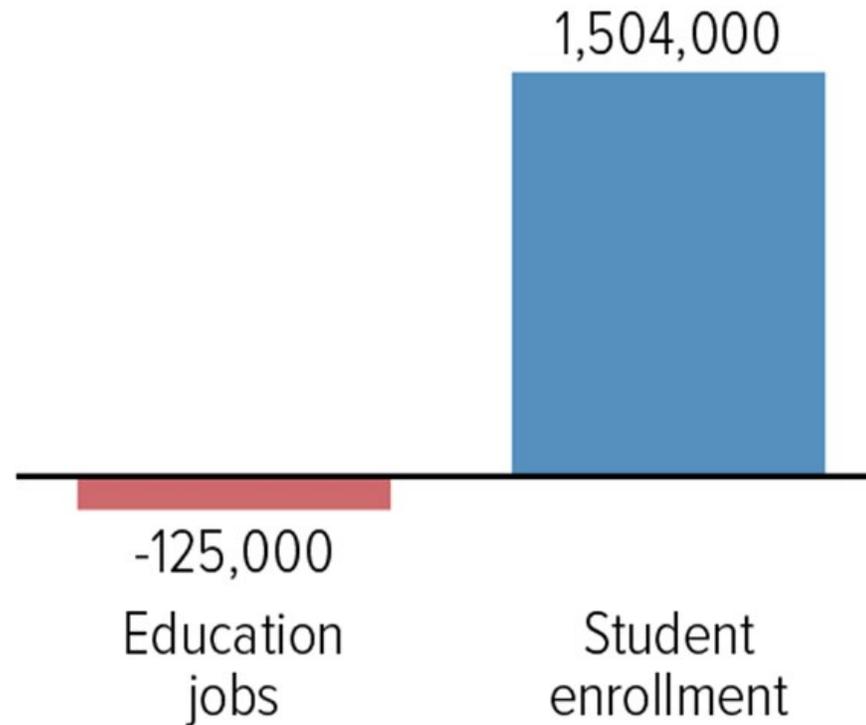
Change in combined state and local funding per student, inflation adjusted, school years 2008-2017



Source: Census Bureau

K-12 Education Jobs Have Fallen as Enrollment Has Grown

Change, fall 2008 to fall 2019



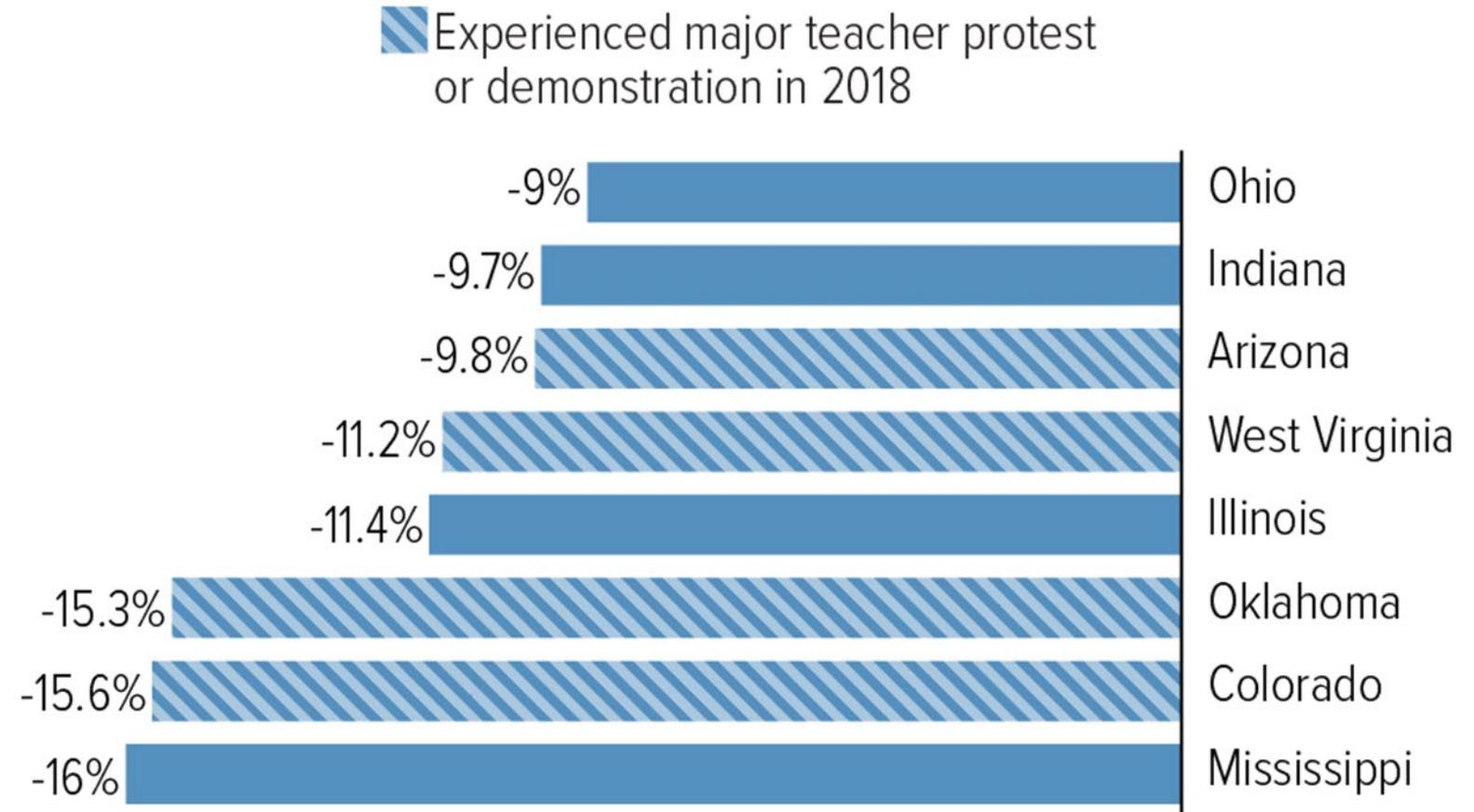
Source: CBPP analysis of data from Bureau of Labor Statistics and National Center for Education Statistics

A classroom scene featuring a green chalkboard. On the left, a red apple sits on a stack of four books. On the right, a globe is partially visible. The words "TEACHER PAY" are written in white chalk on the board and underlined. Several dollar signs are scattered around the text.

TEACHER PAY

Most States Cut Teacher Pay in Recent Years

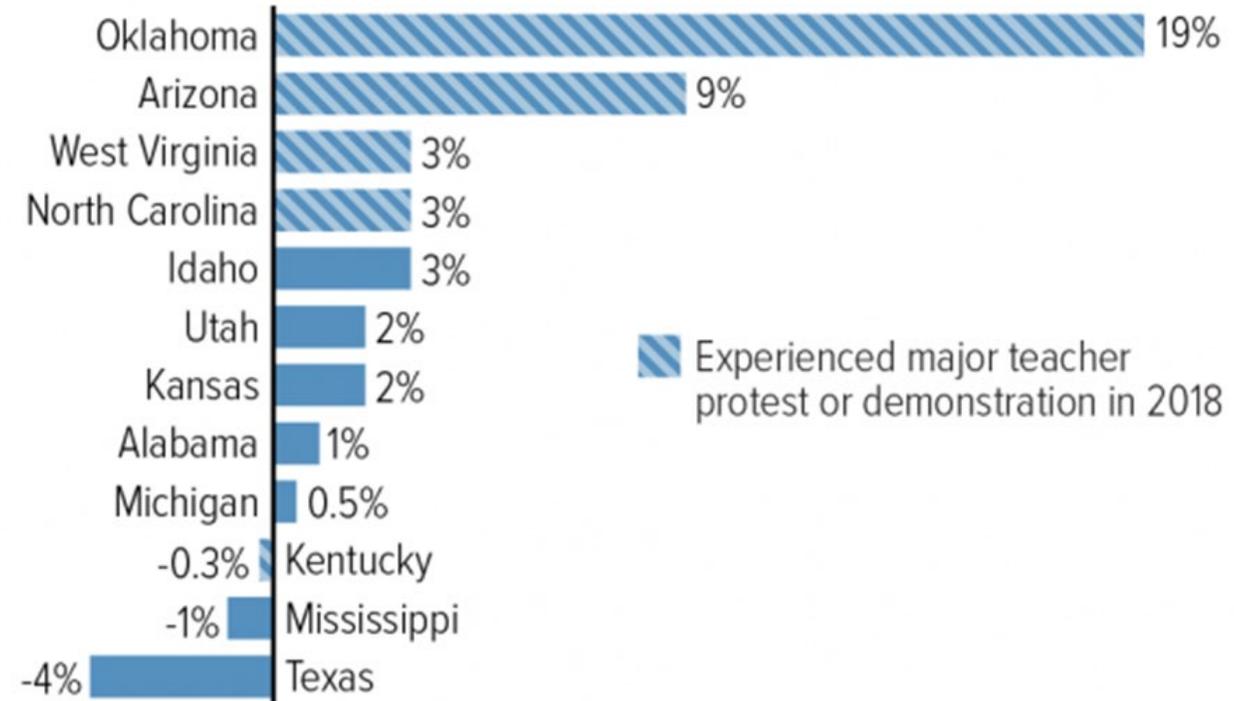
Change in average annual salary of public elementary and secondary school teachers, 2009-10 to 2016-17, inflation adjusted



Source: National Education Association, Estimates of School Statistics, selected years, 1969-70 through 2016-17

Many States With Deep K-12 Funding Cuts Since Recession Boosted Funding in 2018

Percent change in state formula funding* per student, inflation adjusted, fiscal years 2018-19

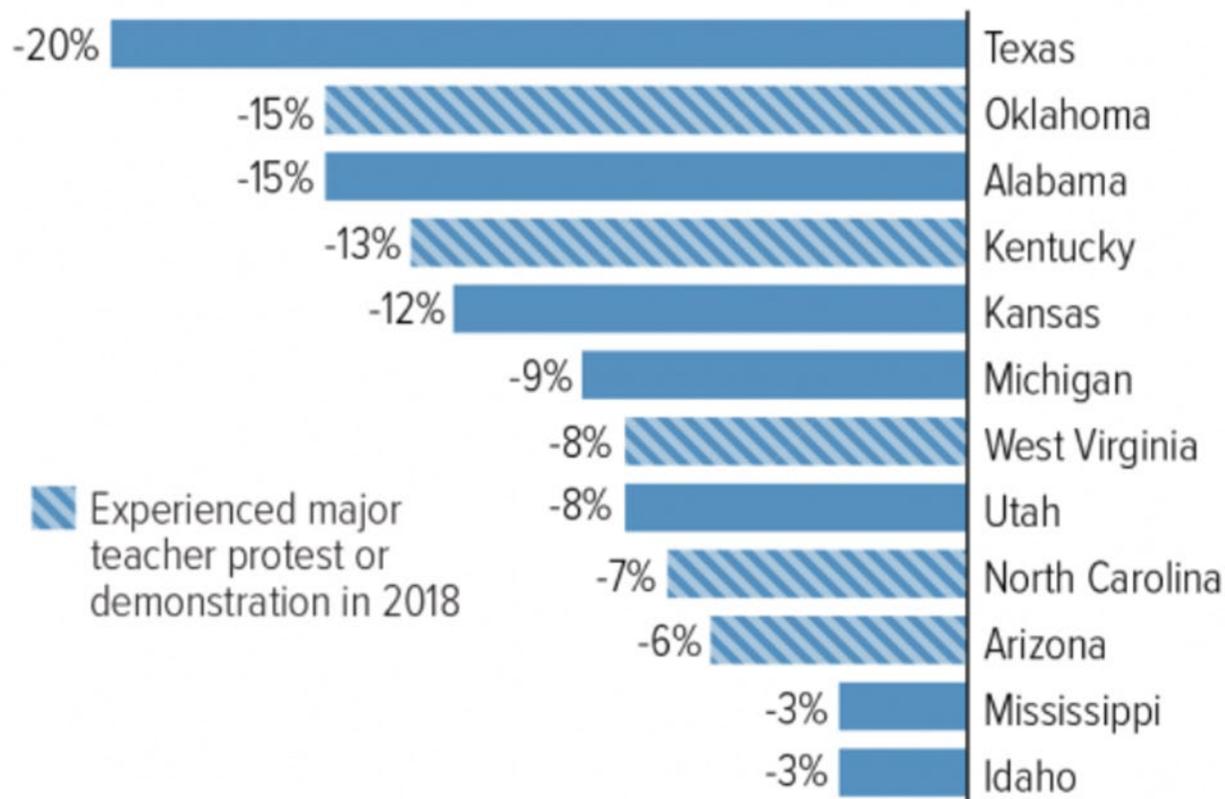


*General or formula funding is the primary form of state K-12 funding. States also typically provide revenue for other, more specific purposes, such as bus transportation and contributions to school employee pension plans.

Source: CBPP budget and enrollment analysis

Despite 2018 Funding Boosts, Some States Remain Far Below Pre-Recession Funding Levels

Percent change in state formula funding* per student, inflation adjusted, fiscal years 2008-2019



*General or formula funding is the primary form of state K-12 funding. States also typically provide revenue for other, more specific purposes, such as bus transportation and contributions to school employee pension plans.

Source: CBPP budget and enrollment analysis

Wide Public School Funding Disparities Exist Across States

Estimated per student state and local funding, after adjusting for cost of living, poverty, and other factors

Top three



Bottom three

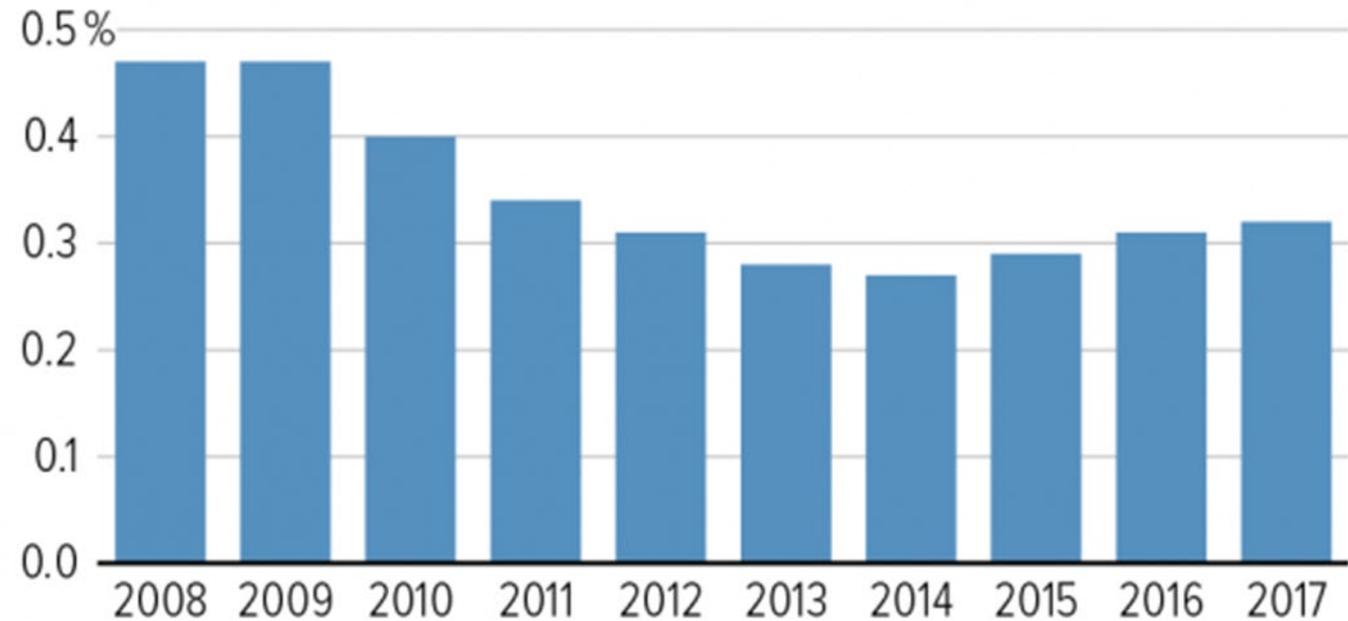


Source: Baker, et al., "Is School Funding Fair?"



Capital Spending for K-12 Schools Still Below Pre-Recession Levels

Total capital spending, public school systems, as a share of gross domestic product

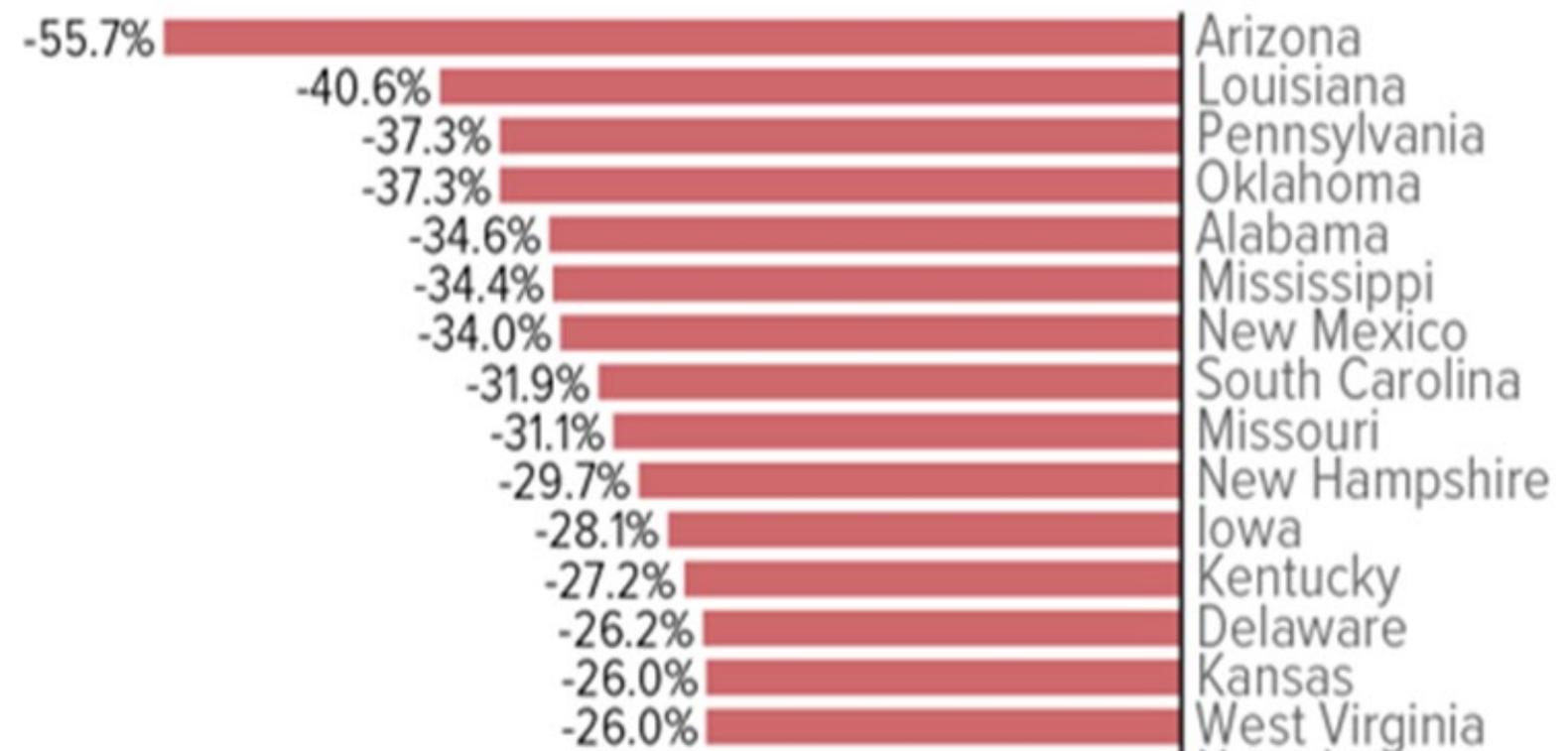


Note: Capital spending covers costs such as building and renovating schools and upgrading school technology.

Source: CBPP analysis of data from Census Bureau "Annual Survey of School System Finances" and Bureau of Economic Analysis

State Funding for Higher Education Remains Far Below Pre-Recession Levels in Most States

Percent change in state spending per student, inflation adjusted, 2008-2018



THANK YOU!

For questions on this presentation:

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