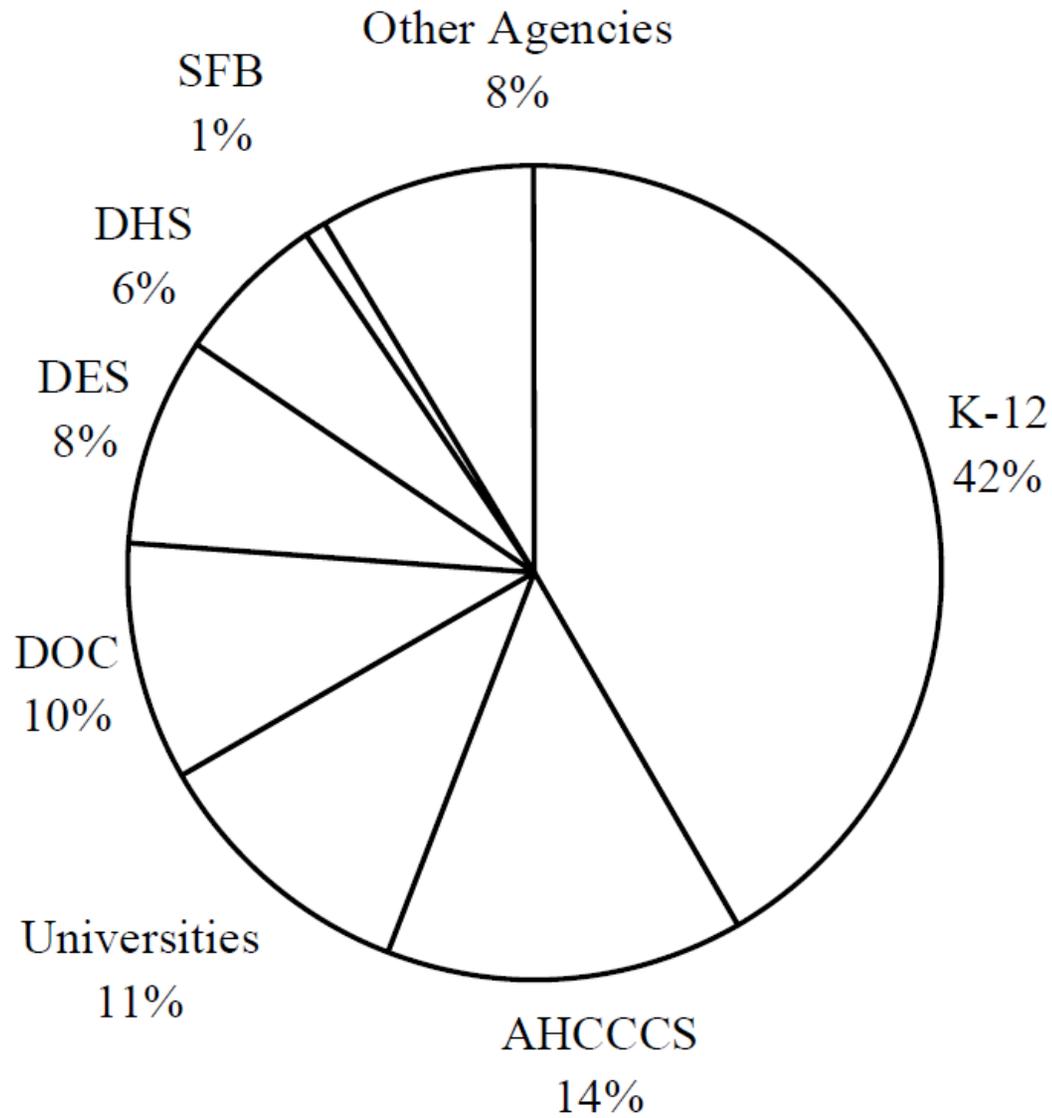


ATRA Outlook Conference

Current issues in K-12 School Finance

Justin Olson
ATRA Research Analyst
Friday, November 21, 2008

FY 2009 General Fund Expenditures



Source: JLBC



Objectives of 1980 reforms

- Reduce disparities in tax rates
- Equalize per-pupil spending
- Decrease reliance on property taxes for schools
- Limit property tax growth
- Allow local prerogative of voter-approved budget overrides
- Distinguish between primary and secondary (voter-approved) taxes

Equalization Base

RCL or DSL

CORL

Soft Capital

Weighted Student Count
x
Base Level Amount
x
Career Ladder or Performance Incentive Program
x
Teacher Experience Index (TEI)
+
TRCL or TSL

Actual Student Count
x
CORL per Student Amount
+
High School Text Book Allowance

Actual Student Count
x
Soft Capital per Student Amount

The Equalization Base

Consists of 3 budget limits:

1. Revenue Control Limit (RCL)
2. Capital Outlay Revenue Limit (CORL)
3. Soft Capital Allocation (SCA)

Funded by a combination of property taxes (QTR) and state tax dollars (equalization aid).

Sample State Aid Calculations

“Property Rich”

\$3,291.42 x 1,000 students (weighted ADM)
\$3,291,420 guaranteed

*How much will come from
local property taxes?*

\$90,000,000/\$100
(district’s taxable value)

x
\$2.9244 QTR
= **\$2,631,960**

(80% of guaranteed amount)

*How much will come from
the state general fund?*

\$3,291,420
minus

\$2,631,960
= **\$659,460**

(20% of guaranteed amount)

“Property Poor”

\$3,291.42 x 1,000 students (weighted ADM)
\$3,291,420 guaranteed

*How much will come from
local property taxes?*

\$30,000,000/\$100
(district’s taxable value)

x
\$2.9244 QTR
= **\$877,320**

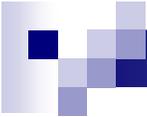
(27% of guaranteed amount)

*How much will come from
the state general fund?*

\$3,291,420
minus

\$877,320
= **\$2,414,100**

(73% of guaranteed amount)



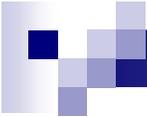
Comparison of State Aid Calculations for Two Actual School Districts (FY 2008)

	Tempe Elementary	Glendale Elementary	Glendale as a % of Tempe value
ADM	12,461	13,053	104.8%
Equalization Base	\$63,753,712	\$64,670,849	101.4%
Value of Taxable Property	\$1,745,085,200	\$405,776,100	23.3%
Elementary QTR	\$1.602	\$1.602	100.0%
QTR Levy	\$27,956,265	\$6,500,532	23.3%
Equalization Assistance	\$35,797,447	\$58,170,317	162.5%
District's Primary Tax Rate	\$2.5909	\$2.4968	96.4%



Causes of Inequities

- Student Weights
- Voter-Approved Overrides
- RCL Exempt Expenditures
- Career Ladder



RCL Exempt Expenditures

Expenditure	FY 2008-09	1-Year Increase
Desegregation	\$211,896,784	2.1%
Adjacent Ways	\$132,424,913	6.2%
Excess Utilities	\$115,139,070	22.4%
General Budget Balance Carry Forward	\$90,026,363	-3.1%
Small School Adjustment	\$24,633,161	1.3%
Career Ladders Budget Balance Carry Forward	\$9,923,815	36.3%
Dropout Prevention	\$5,834,540	3.3%
Total	\$589,878,646	6.0%

FY 2009 Desegregation Levies & Tax Rates

District	Deseg Levy	% RCL	Deseg Tax Rate	Total Primary Tax Rate	District's QTR	Amount Primary Rate Exceeds QTR
Phoenix Union	\$55,800,892	43.4%	\$0.88	\$2.46	\$1.46	\$1.00
Wilson Elementary	\$1,946,054	33.1%	\$1.36	\$3.11	\$1.46	\$1.65
Phoenix Elementary	\$11,151,530	31.4%	\$1.36	\$3.92	\$1.46	\$2.45
Tempe Elementary	\$14,178,248	24.2%	\$0.80	\$2.43	\$1.46	\$0.97
Roosevelt Elementary	\$13,570,494	23.4%	\$1.64	\$2.91	\$1.46	\$1.45
Tucson Unified	\$63,711,047	23.1%	\$1.91	\$5.36	\$2.92	\$2.43
Holbrook Unified	\$2,518,482	23.0%	\$2.92	\$2.92	\$2.92	-\$0.01
Isaac Elementary	\$4,951,155	14.1%	\$2.27	\$2.46	\$1.46	\$1.00
Glendale Union	\$6,131,959	8.4%	\$0.28	\$2.02	\$1.46	\$0.56
Buckeye Elementary	\$1,608,921	8.3%	\$0.62	\$4.36	\$1.46	\$2.90
Washington Elementary	\$6,350,000	5.8%	\$0.36	\$2.14	\$1.46	\$0.68
Scottsdale Unified	\$7,382,169	5.7%	\$0.14	\$2.82	\$3.14	-\$0.33
Cartwright Elementary	\$4,628,061	5.3%	\$1.07	\$2.59	\$1.46	\$1.13
Maricopa Unified	\$1,296,305	5.2%	\$0.45	\$4.93	\$2.92	\$2.01
Amphitheater Unified	\$4,025,000	4.9%	\$0.27	\$3.36	\$3.14	\$0.21
Window Rock Unified	\$632,088	4.2%	\$0.00	\$0.00	\$3.14	-\$3.14
Flagstaff Unified	\$2,241,322	3.9%	\$0.20	\$3.61	\$3.14	\$0.47
Agua Fria Union	\$999,000	3.4%	\$0.08	\$1.88	\$1.57	\$0.31
Mesa Unified	\$8,774,057	2.5%	\$0.24	\$3.60	\$3.14	\$0.46
Total	\$211,896,784					

FY 2009 Small School Adjustment Levies & Tax Rates

	Sm Sch Adj Levy	% RCL	Sm Sch Adj Tax Rate	Total Primary Tax Rate	District's QTR	Amount Primary Rate Exceeds QTR
<i>10 Districts w/ Largest Increases:</i>						
Empire Elementary	\$290,957	339.3%	\$4.79	\$4.90	\$2.92	\$1.98
Crown King Elementary	\$71,705	235.0%	\$1.46	\$2.01	\$2.92	-\$0.91
Red Rock Elementary	\$1,805,771	206.3%	\$4.50	\$7.42	\$1.46	\$5.96
Sentinel Elementary	\$809,835	170.8%	\$10.15	\$10.26	\$2.92	\$7.34
Mary C O'Brien	\$2,705,856	161.5%	\$0.00	\$0.00	\$0.00	\$0.00
Mobile Elementary	\$446,004	145.5%	\$5.37	\$8.40	\$2.92	\$5.47
Young Elementary	\$754,337	142.6%	\$4.45	\$7.24	\$2.92	\$4.32
San Fernando Elementary	\$185,000	137.9%	\$3.79	\$3.79	\$2.92	\$0.87
Wenden Elementary	\$833,874	136.8%	\$4.92	\$5.93	\$1.46	\$4.46
Bouse Elementary	\$435,164	129.6%	\$4.41	\$4.94	\$1.46	\$3.48
<i>10 Districts w/ Highest Tax Rates:</i>						
Sentinel Elementary	\$809,835	170.8%	\$10.15	\$10.26	\$2.92	\$7.34
Bowie Unified	\$832,347	108.6%	\$9.31	\$12.16	\$2.92	\$9.24
Ash Fork Joint Unified	\$1,426,619	82.9%	\$8.45	\$8.45	\$2.92	\$5.52
San Simon Unified	\$996,984	122.0%	\$7.08	\$9.27	\$2.92	\$6.35
Grand Canyon Unified	\$1,130,724	62.1%	\$6.82	\$6.82	\$2.92	\$3.90
Paloma School	\$325,000	58.6%	\$6.77	\$12.72	\$2.92	\$9.80
Mobile Elementary	\$446,004	145.5%	\$5.37	\$8.40	\$2.92	\$5.47
Redington Elementary	\$75,000	52.4%	\$5.25	\$7.47	\$2.92	\$4.55
Wenden Elementary	\$833,874	136.8%	\$4.92	\$5.93	\$1.46	\$4.46
Empire Elementary	\$290,957	339.3%	\$4.79	\$4.90	\$2.92	\$1.98

FY 2009 Local and State Funding for Career Ladder

School District	Career Ladder		QTR		Property Tax	State Funding	% paid by state
	Budget Increase	%RCL	Increase				
Agua Fria Union	\$1,441,759	5.5%	\$0.11		\$1,060,150	\$381,609	26.5%
Amphitheater Unified	\$3,995,081	5.5%	\$0.22		\$2,574,045	\$1,421,036	35.6%
Apache Junction Unified	\$1,401,882	5.5%	\$0.22		\$804,517	\$597,365	42.6%
Catalina Foothills Unified	\$1,118,222	5.5%	\$0.22		\$734,337	\$383,885	34.3%
Cave Creek Unified	\$1,387,977	5.5%	\$0.22		\$184,535	\$1,203,442	86.7%
Chandler Unified	\$8,505,599	5.5%	\$0.22		\$4,061,658	\$4,443,941	52.2%
Crane Elementary	\$1,460,575	5.5%	\$0.11		\$170,893	\$1,289,682	88.3%
Creighton Elementary	\$1,867,118	5.5%	\$0.11		\$457,776	\$1,409,342	75.5%
Dysart Unified	\$5,472,238	5.5%	\$0.22		\$2,267,472	\$3,204,766	58.6%
EVIT	\$1,056,566	5.5%	\$0.00		\$0	\$1,056,566	100.0%
Flagstaff Unified	\$2,728,580	5.5%	\$0.22		\$2,053,842	\$674,738	24.7%
Flowing Wells Unified	\$1,333,599	5.5%	\$0.22		\$397,831	\$935,768	70.2%
Ganado Unified	\$437,086	5.5%	\$0.00		\$49,286	\$387,800	88.7%
Kyrene Elementary	\$4,256,082	5.5%	\$0.11		\$2,118,198	\$2,137,884	50.2%
Litchfield Elementary	\$2,210,851	5.5%	\$0.11		\$680,106	\$1,530,745	69.2%
Mesa Unified	\$17,788,434	5.5%	\$0.22		\$6,660,048	\$11,128,386	62.6%
Patagonia Union	\$28,134	5.5%	\$0.11		\$18,269	\$9,865	35.1%
Payson Unified	\$640,083	5.5%	\$0.22		\$385,579	\$254,504	39.8%
Pendergast Elementary	\$2,573,608	5.5%	\$0.11		\$346,183	\$2,227,425	86.5%
Peoria Unified	\$9,084,305	5.5%	\$0.22		\$3,325,390	\$5,758,915	63.4%
Safford Unified	\$724,700	5.5%	\$0.22		\$155,401	\$569,299	78.6%
Santa Cruz Valley Union	\$144,056	5.5%	\$0.11		\$100,193	\$43,863	30.4%
Scottsdale Unified	\$6,320,966	5.5%	\$0.22		\$3,613,401	\$2,707,565	42.8%
Show Low Unified	\$613,046	5.5%	\$0.22		\$357,111	\$255,935	41.7%
Sunnyside Unified	\$4,278,954	5.5%	\$0.22		\$817,476	\$3,461,478	80.9%
Tanque Verde Unified	\$332,676	5.5%	\$0.22		\$306,061	\$26,615	8.0%
Tolleson Elementary	\$711,180	5.5%	\$0.11		\$194,227	\$516,953	72.7%
Window Rock Unified	\$626,022	5.5%	\$0.00		\$26,178	\$599,844	95.8%
Total	\$82,539,379				\$33,920,162	\$48,619,217	58.9%

Per-Student Expenditures by Districts Statewide

Most Expenditures	
RAINBOW	\$39,372
MOBILE	\$30,319
BLUE	\$24,723
WHITERIVER	\$23,383
ASH CREEK	\$22,782
SENTINEL	\$22,714
APACHE	\$21,504
SAN FERNANDO	\$21,316
COCHISE	\$21,179
PEACH SPRINGS	\$19,947
FORT HUACHUCA	\$19,124
PINE-STRAWBERRY	\$18,632
ALPINE	\$18,163
YOUNG	\$18,011
CROWN KING	\$17,852
OWENS	\$17,493
MARY C. O'BRIEN	\$17,313
MAINE	\$16,901
SKULL VALLEY	\$16,891
SACATON	\$16,667

Least Expenditures	
LAVEEN	\$4,775
MARICOPA	\$5,021
FLORENCE	\$5,061
MOHAVE VALLEY	\$5,372
CRANE	\$5,414
BULLHEAD CITY	\$5,469
PRESCOTT	\$5,472
KINGMAN	\$5,524
SOMERTON	\$5,556
TOLTEC	\$5,557
SNOWFLAKE	\$5,566
YUMA ELEMENTARY	\$5,569
LITTLETON	\$5,583
HIGLEY	\$5,598
THATCHER	\$5,623
DOUGLAS	\$5,624
GADSDEN	\$5,631
CHINO VALLEY	\$5,641
COLORADO RIVER UNION	\$5,643
HUMBOLDT	\$5,663

Per Student Expenditures—Maricopa County

Elementary Districts	
MOBILE	\$30,319
SENTINEL	\$22,714
PALOMA	\$12,394
MORRISTOWN	\$12,265
AGUILA	\$9,301
NADABURG	\$9,035
WILSON	\$8,804
MADISON	\$8,101
PHOENIX ELEMENTARY	\$7,922
ARLINGTON	\$7,484
TEMPE ELEMENTARY	\$7,318
PALO VERDE	\$6,976
KYRENE	\$6,718
UNION ELEMENTARY	\$6,706
ISAAC	\$6,679
RIVERSIDE	\$6,606
ALHAMBRA	\$6,585
CREIGHTON	\$6,446
WASHINGTON	\$6,427
ROOSEVELT	\$6,423
OSBORN	\$6,332
MURPHY	\$6,305
TOLLESON ELEMENTARY	\$6,266
LIBERTY	\$6,191
CARTWRIGHT	\$6,124
PENDERGAST	\$6,046
FOWLER	\$5,986
BALSZ	\$5,925
GLENDALE ELEMENTARY	\$5,919
BUCKEYE ELEMENTARY	\$5,847
AVONDALE	\$5,762
LITCHFIELD	\$5,680
LITTLETON	\$5,583
LAVEEN	\$4,775

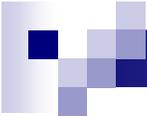
Unified Districts	
SADDLE MOUNTAIN	\$8,584
GILA BEND	\$7,228
WICKENBURG	\$7,030
SCOTTSDALE	\$6,838
FOUNTAIN HILLS	\$6,682
CAVE CREEK	\$6,572
PARADISE VALLEY	\$6,511
MESA	\$6,445
QUEEN CREEK	\$6,388
DYSART	\$6,305
PEORIA	\$6,031
GILBERT	\$6,024
CHANDLER	\$5,999
DEER VALLEY	\$5,897
HIGLEY	\$5,598

Union HS Districts	
PHOENIX UNION	\$8,980
GLENDALE UNION	\$6,842
TOLLESON UNION	\$6,445
AGUA FRIA UNION	\$6,370
TEMPE UNION	\$6,239
BUCKEYE UNION	\$6,115

Tax Rate Comparisons

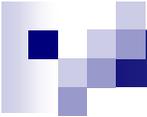
Districts that split the QTR (QTR = \$1.46)	
Highest	
ASH CREEK	\$7.50
RED ROCK	\$7.42
WENDEN	\$5.93
BOUSE	\$4.94
SOMERTON	\$4.43
BUCKEYE	\$4.36
GADSDEN	\$4.31
PEARCE	\$4.31
ELOY	\$4.11
PHOENIX ELEMENTARY	\$3.92
Lowest	
TOLLESON UNION	\$1.60
CASA GRANDE ELEM	\$1.59
KYRENE	\$1.52
MINGUS UNION	\$1.44
CLARKDALE-JEROME	\$1.40
BICENTENNIAL UNION	\$1.16
FOWLER	\$1.15
RIVERSIDE	\$1.14
ALHAMBRA	\$0.96
ARLINGTON	\$0.64

Districts that levy the full QTR (QTR = \$2.92)	
Highest	
PALOMA	\$12.72
BOWIE	\$12.16
SENTINEL	\$10.26
COLORADO CITY	\$10.04
SAN SIMON	\$9.27
McNEAL	\$9.16
ASH FORK	\$8.45
MOBILE	\$8.40
REDINGTON	\$7.47
YOUNG	\$7.24
Lowest	
CAVE CREEK	\$1.69
SEDONA-OAK CREEK	\$1.64
TOPOCK	\$1.60
MORENCI	\$1.56
RUCKER	\$1.55
CONTINENTAL	\$1.51
YUCCA	\$1.44
BAGDAD	\$1.34
WILLIAMSON VALLEY	\$1.23
EAGLE	\$0.55



Effect on State Budget

Equalization Assistance:	FY 2009 Expenditures	FY 2010 Estimates
Career Ladder	\$36,679,223	\$35,542,167
Excess Utilities Replacement	-	\$81,291,939
Subtotal	\$36,679,223	\$116,834,106
Homeowners Rebate:		
Desegregation	\$32,653,999	\$39,511,339
Excess Utilities	\$20,168,216	-
Career Ladder	\$11,939,994	\$14,184,713
Small School Adjustment	\$2,255,199	\$2,548,375
Dropout Prevention	\$933,847	\$1,242,016
Registered Warrants	\$118,203	\$627,700
Subtotal	\$68,069,458	\$58,114,143
Total General Fund Cost	\$104,748,681	\$174,948,249



Reductions should first be directed at inequitable and redundant spending formulas

■ **Current vs. Prior Year**

- FY 2007 Example:
 - 95 districts saw enrollments drop by a total of 6,810 students.
 - 126 districts increased enrollment by a total of 25,518 students.
 - By funding both current and prior year student counts, taxpayers redundantly funded transfer students at a cost of at least \$27.8 million.

■ **Eliminate redundant funding of JTED Students**

- Districts multiple count the same shared student and receive up to double the formula funding.

■ **Stop funding two-years of kindergarten through “early learner” programs**

- Available only to four-year-olds that turn five before January
- Not consistent with statute’s intent

■ **Phase Out Career Ladder**

■ **Cap or Phase Out Budget Limit Exemptions**

Prop 301 & 105

“For fiscal year 2006-2007 and each fiscal year thereafter, the legislature shall increase the base level *or* other components of the revenue control limit by a minimum growth rate of either two per cent or the change in the GDP price deflator...”

Components of the RCL:

$$\text{Base Support Level} + \text{TRCL} = \text{RCL}$$

$$\begin{array}{ccccccccc} \text{Base} & & \text{Weighted} & & \text{Base} & & \text{Adjustment for} & & \text{Adjustment} \\ \text{Support} & = & \text{Student} & \times & \text{Level} & \times & \text{Performance} & \times & \text{for Teacher} \\ \text{Level} & & \text{Count} & & \text{Amount} & & \text{Pay Programs} & & \text{Experience} \end{array}$$

$$\text{TRCL}_{\text{Budget Year}} = \text{TSL}_{\text{Budget Year}} - \text{TSL}_{\text{Current Year}} + \text{TRCL}_{\text{Current Year}}$$

$$\text{TSL} = \begin{array}{ccccccccc} \text{Approved Annual} & & \text{State Support} & & \text{Bus Tokens} & & \text{Field Trip} & & \text{Extended Year} \\ \text{Daily Route Miles} & \times & \text{Level per Mile} & + & \text{and Passes} & + & \text{Support Level} & + & \text{Support Level} \end{array}$$

NCES: Per Pupil Expenditures, FY 2005-06

State	Fall 2005			M&O and		Capital		M&O and Capital		
	student membership	Total M&O (x 1,000)	Total Capital (x 1,000)	Capital (x 1,000)	M&O per pupil	Rank	per pupil	Rank	per pupil	Rank
Alabama	741,758	\$5,699,076	\$908,306	\$6,607,382	\$7,683	41	\$1,225	34	\$8,908	43
Alaska	133,288	\$1,529,645	\$282,474	\$1,812,119	\$11,476	9	\$2,119	6	\$13,596	8
Arizona	1,094,454	\$7,130,341	\$1,399,656	\$8,529,997	\$6,515	49	\$1,279	32	\$7,794	48
Arkansas	474,206	\$3,808,011	\$616,582	\$4,424,593	\$8,030	37	\$1,300	28	\$9,331	40
California	6,437,202	\$53,436,103	\$12,418,105	\$65,854,208	\$8,301	33	\$1,929	9	\$10,230	24
Colorado	779,826	\$6,368,289	\$1,413,147	\$7,781,436	\$8,166	35	\$1,812	15	\$9,978	26
Connecticut	575,059	\$7,517,025	\$1,375,058	\$8,892,083	\$13,072	4	\$2,391	1	\$15,463	4
Delaware	120,937	\$1,405,465	\$279,150	\$1,684,615	\$11,621	8	\$2,308	3	\$13,930	6
District of Columbia	76,876	\$1,057,166	\$157,423	\$1,214,589	\$13,752	3	\$2,048	8	\$15,799	3
Florida	2,675,024	\$20,897,327	\$5,930,011	\$26,827,338	\$7,812	39	\$2,217	4	\$10,029	25
Georgia	1,598,461	\$13,739,263	\$2,135,749	\$15,875,012	\$8,595	29	\$1,336	25	\$9,931	28
Hawaii	182,818	\$1,805,521	\$220,633	\$2,026,154	\$9,876	16	\$1,207	35	\$11,083	19
Idaho	261,982	\$1,694,827	\$233,521	\$1,928,348	\$6,469	50	\$891	44	\$7,361	50
Illinois	2,111,706	\$19,244,908	\$2,709,342	\$21,954,250	\$9,113	23	\$1,283	31	\$10,396	21
Indiana	1,035,074	\$9,241,986	\$1,471,557	\$10,713,543	\$8,929	24	\$1,422	22	\$10,351	23
Iowa	483,482	\$4,039,389	\$696,554	\$4,735,943	\$8,355	31	\$1,441	21	\$9,795	30
Kansas	467,285	\$4,039,417	\$466,825	\$4,506,242	\$8,644	27	\$999	40	\$9,643	35
Kentucky	679,878	\$5,213,620	\$882,108	\$6,095,728	\$7,668	42	\$1,297	30	\$8,966	42
Louisiana	654,526	\$5,554,278	\$633,737	\$6,188,015	\$8,486	30	\$968	41	\$9,454	39
Maine	195,498	\$2,119,408	\$179,951	\$2,299,359	\$10,841	12	\$920	42	\$11,762	13
Maryland	860,020	\$9,381,613	\$1,136,821	\$10,518,434	\$10,909	11	\$1,322	27	\$12,230	12
Massachusetts	971,909	\$12,210,581	\$1,547,236	\$13,757,817	\$12,564	7	\$1,592	19	\$14,155	5
Michigan	1,741,845	\$16,681,981	\$3,196,953	\$19,878,934	\$9,577	18	\$1,835	12	\$11,413	16
Minnesota	839,243	\$7,686,638	\$1,844,952	\$9,531,590	\$9,159	22	\$2,198	5	\$11,357	18
Mississippi	494,954	\$3,550,261	\$343,492	\$3,893,753	\$7,173	46	\$694	50	\$7,867	46
Missouri	917,705	\$7,592,485	\$1,191,510	\$8,783,995	\$8,273	34	\$1,298	29	\$9,572	36
Montana	145,416	\$1,254,360	\$121,886	\$1,376,246	\$8,626	28	\$838	45	\$9,464	38
Nebraska	286,646	\$2,672,629	\$301,843	\$2,974,472	\$9,324	21	\$1,053	38	\$10,377	22
Nevada	412,395	\$2,959,728	\$981,141	\$3,940,869	\$7,177	45	\$2,379	2	\$9,556	37
New Hampshire	205,767	\$2,139,113	\$257,200	\$2,396,313	\$10,396	14	\$1,250	33	\$11,646	14
New Jersey	1,395,602	\$20,869,993	\$2,483,211	\$23,353,204	\$14,954	1	\$1,779	16	\$16,733	1
New Mexico	326,758	\$2,729,707	\$442,185	\$3,171,892	\$8,354	32	\$1,353	24	\$9,707	33
New York	2,815,581	\$41,149,457	\$5,120,309	\$46,269,766	\$14,615	2	\$1,819	14	\$16,433	2
North Carolina	1,416,436	\$10,476,056	\$1,657,611	\$12,133,667	\$7,396	44	\$1,170	36	\$8,566	45
North Dakota	98,283	\$857,774	\$110,338	\$968,112	\$8,728	25	\$1,123	37	\$9,850	29
Ohio	1,839,683	\$17,829,599	\$3,072,940	\$20,902,539	\$9,692	17	\$1,670	18	\$11,362	17
Oklahoma	634,739	\$4,406,002	\$446,416	\$4,852,418	\$6,941	48	\$703	49	\$7,645	49
Oregon	552,194	\$4,773,751	\$563,536	\$5,337,287	\$8,645	26	\$1,021	39	\$9,666	34
Pennsylvania	1,830,684	\$19,631,006	\$3,395,112	\$23,026,118	\$10,723	13	\$1,855	10	\$12,578	11
Rhode Island	153,422	\$1,934,429	\$111,684	\$2,046,113	\$12,609	6	\$728	48	\$13,337	10
South Carolina	701,544	\$5,696,629	\$1,293,411	\$6,990,040	\$8,120	36	\$1,844	11	\$9,964	27
South Dakota	122,012	\$948,671	\$109,799	\$1,058,470	\$7,775	40	\$900	43	\$8,675	44
Tennessee	953,928	\$6,681,456	\$757,594	\$7,439,050	\$7,004	47	\$794	47	\$7,798	47
Texas	4,525,394	\$33,851,773	\$8,301,145	\$42,152,918	\$7,480	43	\$1,834	13	\$9,315	41
Utah	508,430	\$2,778,236	\$678,893	\$3,457,129	\$5,464	51	\$1,335	26	\$6,800	51
Vermont	96,638	\$1,237,442	\$77,185	\$1,314,627	\$12,805	5	\$799	46	\$13,604	7
Virginia	1,214,472	\$11,470,735	\$1,715,010	\$13,185,745	\$9,445	19	\$1,412	23	\$10,857	20
Washington	1,031,985	\$8,239,716	\$1,811,525	\$10,051,241	\$7,984	38	\$1,755	17	\$9,740	32
West Virginia	280,866	\$2,651,491	\$97,660	\$2,749,151	\$9,440	20	\$348	51	\$9,788	31
Wisconsin	875,174	\$8,745,195	\$1,385,824	\$10,131,019	\$9,993	15	\$1,583	20	\$11,576	15
Wyoming	84,409	\$965,350	\$175,306	\$1,140,656	\$11,437	10	\$2,077	7	\$13,513	9

Average Salary of Public School Teachers in FY 2006

1	California	\$59,825
2	Connecticut	\$59,304
3	District of Columbia	\$59,000
4	Illinois	\$58,686
5	New Jersey	\$58,156
6	New York	\$57,354
7	Massachusetts	\$56,369
8	Michigan	\$54,739
9	Rhode Island	\$54,730
10	Maryland	\$54,333
11	Delaware	\$54,264
12	Pennsylvania	\$54,027
13	Alaska	\$53,553
14	Ohio	\$50,314
15	Oregon	\$50,044
16	Hawaii	\$49,292
17	Minnesota	\$48,489
18	Georgia	\$48,300
19	Indiana	\$47,255
20	Vermont	\$46,622
21	Wisconsin	\$46,390
22	Washington	\$46,326
23	New Hampshire	\$45,263
24	Arizona	\$44,672
25	Colorado	\$44,439
26	Nevada	\$44,426
27	North Carolina	\$43,922
28	Virginia	\$43,823
29	Florida	\$43,302
30	Wyoming	\$43,255
31	South Carolina	\$43,011
32	Arkansas	\$42,768
33	Kentucky	\$42,592
34	Tennessee	\$42,537
35	Texas	\$41,744
36	New Mexico	\$41,637
37	Kansas	\$41,467
38	Idaho	\$41,150
39	Iowa	\$41,083
40	Maine	\$40,737
41	Mississippi	\$40,576
42	Missouri	\$40,462
43	Nebraska	\$40,382
44	Alabama	\$40,347
45	Louisiana	\$40,029
46	Utah	\$40,007
47	Montana	\$39,832
48	Oklahoma	\$38,772
49	West Virginia	\$38,284
50	North Dakota	\$37,764
51	South Dakota	\$34,709

Salaries Relative to Per Capita Income

1	Michigan	166.2%
2	Illinois	152.9%
3	Ohio	152.6%
4	Arkansas	150.5%
5	California	150.0%
6	Georgia	150.0%
7	Mississippi	150.0%
8	Oregon	149.3%
9	Indiana	147.8%
10	Pennsylvania	147.1%
11	Rhode Island	145.6%
12	Kentucky	144.3%
13	South Carolina	143.4%
14	New Mexico	142.2%
15	Alaska	139.9%
16	Delaware	139.4%
17	Arizona	138.1%
18	West Virginia	137.2%
19	Utah	136.5%
20	North Carolina	136.5%
21	Idaho	135.7%
22	Wisconsin	134.6%
23	Hawaii	133.1%
24	Vermont	132.7%
25	Tennessee	132.4%
26	Alabama	130.8%
27	New York	130.7%
28	Montana	128.5%
29	Maine	126.3%
30	Iowa	125.7%
31	Minnesota	124.8%
32	Missouri	124.6%
33	New Jersey	124.5%
34	Maryland	123.5%
35	Louisiana	121.8%
36	Massachusetts	121.6%
37	Washington	120.1%
38	Kansas	120.0%
39	Nebraska	119.0%
40	Texas	118.9%
41	Oklahoma	118.7%
42	North Dakota	117.3%
43	Florida	117.0%
44	Connecticut	115.2%
45	Nevada	114.8%
46	New Hampshire	114.0%
47	Colorado	112.5%
48	Virginia	109.2%
49	South Dakota	107.7%
50	District of Columbia	101.9%
51	Wyoming	99.8%

Sources: National Education Association and Bureau of Economic Analysis

Average Salary of Instructional Staff in FY 2006

1	Connecticut	\$62,395
2	New Jersey	\$61,541
3	Alaska	\$60,376
4	California	\$59,825
5	District of Columbia	\$59,000
6	New York	\$58,630
7	Michigan	\$58,592
8	Massachusetts	\$58,353
9	Illinois	\$58,012
10	Rhode Island	\$57,915
11	Delaware	\$56,865
12	Arizona	\$56,559
13	Pennsylvania	\$55,652
14	Maryland	\$55,201
15	Oregon	\$52,381
16	Ohio	\$51,682
17	Hawaii	\$51,248
18	Georgia	\$50,705
19	Minnesota	\$50,579
20	Wisconsin	\$50,497
21	Indiana	\$49,780
22	Washington	\$48,833
23	Vermont	\$48,150
24	New Hampshire	\$47,338
25	Nevada	\$46,657
26	Colorado	\$46,544
27	Kentucky	\$46,032
28	Virginia	\$45,876
29	South Carolina	\$45,190
30	Maine	\$45,066
31	Wyoming	\$44,835
32	Florida	\$44,560
33	Texas	\$44,323
34	Tennessee	\$44,173
35	Arkansas	\$43,950
36	North Carolina	\$43,922
37	Nebraska	\$43,800
38	Utah	\$43,180
39	Iowa	\$42,486
40	Kansas	\$42,468
41	Alabama	\$42,384
42	Missouri	\$42,335
43	Mississippi	\$42,084
44	Louisiana	\$41,856
45	New Mexico	\$41,637
46	Idaho	\$41,150
47	Oklahoma	\$40,370
48	West Virginia	\$39,856
49	Montana	\$39,832
50	North Dakota	\$39,065
51	South Dakota	\$35,983

Salaries Relative to Per Capita Income

1	Michigan	177.9%
2	Arizona	174.8%
3	Alaska	157.8%
4	Georgia	157.4%
5	Ohio	156.7%
6	Oregon	156.3%
7	Kentucky	156.0%
8	Indiana	155.6%
9	Mississippi	155.5%
10	Arkansas	154.7%
11	Rhode Island	154.1%
12	Pennsylvania	151.5%
13	Illinois	151.1%
14	South Carolina	150.7%
15	California	150.0%
16	Utah	147.4%
17	Wisconsin	146.5%
18	Delaware	146.1%
19	West Virginia	142.9%
20	New Mexico	142.2%
21	Maine	139.7%
22	Hawaii	138.4%
23	Tennessee	137.5%
24	Alabama	137.4%
25	Vermont	137.0%
26	North Carolina	136.5%
27	Idaho	135.7%
28	New York	133.6%
29	New Jersey	131.8%
30	Missouri	130.4%
31	Minnesota	130.2%
32	Iowa	130.0%
33	Nebraska	129.0%
34	Montana	128.5%
35	Louisiana	127.3%
36	Washington	126.6%
37	Texas	126.3%
38	Massachusetts	125.9%
39	Maryland	125.4%
40	Oklahoma	123.6%
41	Kansas	122.9%
42	North Dakota	121.3%
43	Connecticut	121.2%
44	Nevada	120.5%
45	Florida	120.4%
46	New Hampshire	119.2%
47	Colorado	117.9%
48	Virginia	114.3%
49	South Dakota	111.6%
50	Wyoming	103.4%
51	District of Columbia	101.9%

Sources: National Education
Association and Bureau of
Economic Analysis

States	FY 1986 Values*			FY 2006 Values			% Change	
	Expenditures	Expenditures	Rank	Expenditures	Expenditures	Rank	Expenditures	Rank
	(in \$1,000)	Per Pupil		(in \$1,000)	Per Pupil			
Alabama	\$3,552,881	\$4,842	40	\$5,164,406	\$7,486	43	45.36%	40
Alaska	\$1,214,869	\$11,265	1	\$1,442,269	\$11,635	8	18.72%	50
Arizona	\$2,742,468	\$5,131	35	\$6,451,870	\$6,339	50	135.26%	4
Arkansas	\$1,809,151	\$4,136	48	\$3,546,999	\$8,043	39	96.06%	13
California	\$25,341,169	\$5,788	26	\$50,918,654	\$8,505	30	100.93%	11
Colorado	\$3,493,577	\$6,256	19	\$5,994,440	\$8,265	35	71.58%	27
Connecticut	\$3,674,643	\$7,838	7	\$7,080,396	\$13,239	4	92.68%	14
Delaware	\$689,694	\$7,305	12	\$1,299,349	\$11,553	9	88.39%	15
D.C.	\$752,726	\$8,792	3	\$1,023,952	\$14,322	3	36.03%	42
Florida	\$8,509,392	\$5,294	32	\$19,042,877	\$7,655	40	123.79%	6
Georgia	\$4,306,686	\$3,928	49	\$12,528,856	\$8,428	32	190.92%	2
Hawaii	\$1,007,456	\$6,119	21	\$1,648,086	\$9,693	18	63.59%	30
Idaho	\$900,023	\$4,319	45	\$1,618,215	\$6,642	49	79.80%	18
Illinois	\$12,172,919	\$6,669	17	\$18,658,428	\$9,501	20	53.28%	35
Indiana	\$4,840,916	\$5,007	37	\$9,108,931	\$9,463	22	88.17%	16
Iowa	\$3,411,002	\$7,087	13	\$3,808,200	\$8,469	31	11.64%	51
Kansas	\$2,443,880	\$5,873	25	\$3,718,153	\$8,556	29	52.14%	36
Kentucky	\$2,796,306	\$4,350	44	\$4,812,591	\$7,611	41	72.11%	26
Louisiana	\$4,508,100	\$5,669	27	\$5,554,766	\$9,125	25	23.22%	47
Maine	\$1,023,565	\$4,834	41	\$2,056,266	\$11,310	10	100.89%	12
Maryland	\$4,940,288	\$7,311	11	\$8,682,586	\$10,856	13	75.75%	23
Massachusetts	\$7,127,411	\$8,547	4	\$11,357,857	\$12,566	7	59.35%	33
Michigan	\$13,251,864	\$8,297	6	\$16,353,921	\$10,096	16	23.41%	46
Minnesota	\$4,846,343	\$6,815	15	\$7,310,284	\$9,366	24	50.84%	37
Mississippi	\$1,828,235	\$3,666	50	\$3,243,888	\$7,047	48	77.43%	21
Missouri	\$4,190,760	\$5,234	33	\$7,115,207	\$8,337	34	69.78%	28
Montana	\$969,339	\$6,322	18	\$1,193,182	\$8,823	26	23.09%	48
Nebraska	\$1,604,165	\$6,005	22	\$2,512,914	\$9,426	23	56.65%	34
Nevada	\$733,848	\$4,551	42	\$2,722,264	\$7,098	46	270.96%	1
New Hampshire	\$868,416	\$5,304	31	\$2,021,144	\$10,562	14	132.74%	5
New Jersey	\$9,305,733	\$8,403	5	\$19,669,576	\$15,155	1	111.37%	7
New Mexico	\$1,428,698	\$5,067	36	\$2,554,638	\$8,407	33	78.81%	19
New York	\$23,615,413	\$9,056	2	\$38,866,853	\$14,843	2	64.58%	29
North Carolina	\$5,387,244	\$4,964	38	\$9,567,000	\$7,263	45	77.59%	20
North Dakota	\$648,272	\$5,461	29	\$786,870	\$8,609	28	21.38%	49
Ohio	\$10,583,280	\$5,901	24	\$17,167,866	\$10,034	17	62.22%	32
Oklahoma	\$3,043,429	\$5,131	34	\$4,161,024	\$7,049	47	36.72%	41
Oregon	\$3,296,548	\$7,337	10	\$4,458,028	\$8,681	27	35.23%	43
Pennsylvania	\$12,636,906	\$7,548	8	\$18,711,100	\$10,990	12	48.07%	39
Rhode Island	\$1,008,352	\$7,486	9	\$1,825,900	\$12,797	6	81.08%	17
South Carolina	\$2,565,802	\$4,195	47	\$5,312,739	\$8,143	37	107.06%	8
South Dakota	\$617,714	\$4,924	39	\$916,563	\$8,077	38	48.38%	38
Tennessee	\$3,646,734	\$4,458	43	\$6,446,691	\$7,267	44	76.78%	22
Texas	\$13,542,421	\$4,219	46	\$31,919,107	\$7,584	42	135.70%	3
Utah	\$1,498,664	\$3,603	51	\$2,627,022	\$5,556	51	75.29%	24
Vermont	\$573,560	\$6,227	20	\$1,177,478	\$13,102	5	105.29%	9
Virginia	\$5,216,363	\$5,349	30	\$10,705,162	\$9,478	21	105.22%	10
Washington	\$4,568,758	\$6,000	23	\$7,870,979	\$8,201	36	72.28%	25
West Virginia	\$1,925,176	\$5,472	28	\$2,527,767	\$9,677	19	31.30%	44
Wisconsin	\$5,192,051	\$6,762	16	\$8,435,359	\$10,364	15	62.47%	31
Wyoming	\$691,515	\$6,850	14	\$863,423	\$10,999	11	24.86%	45

*Note: 1986 values are inflation-adjusted and represent the 1986 expenditure expressed in terms of the 2006 dollar.

Source: American Legislative Exchange Council

School Funding in FY 2006

	States	Expenditures Per Pupil ¹	Student-to- Teacher Ratio ¹	Expenditures Per Class ²
1	District of Columbia	\$14,322	14.0	\$200,508
2	Alaska	\$11,635	16.8	\$195,468
3	Connecticut	\$13,239	14.5	\$191,966
4	New York	\$14,843	12.9	\$191,475
5	New Jersey	\$15,155	12.4	\$187,922
6	California	\$8,505	20.8	\$176,904
7	Michigan	\$10,096	17.4	\$175,670
8	Delaware	\$11,553	15.1	\$174,450
9	Oregon	\$8,681	19.5	\$169,280
10	Massachusetts	\$12,566	13.2	\$165,871
11	Maryland	\$10,856	15.2	\$165,011
12	Pennsylvania	\$10,990	15.0	\$164,850
13	Indiana	\$9,463	17.1	\$161,817
14	Washington	\$8,201	19.3	\$158,279
15	Hawaii	\$9,693	16.3	\$157,996
16	Ohio	\$10,034	15.6	\$156,530
17	Minnesota	\$9,366	16.4	\$153,602
18	Wisconsin	\$10,364	14.6	\$151,314
19	Illinois	\$9,501	15.8	\$150,116
20	Vermont	\$13,102	10.9	\$142,812
21	Colorado	\$8,265	17.0	\$140,505
22	New Hampshire	\$10,562	13.2	\$139,418
23	Wyoming	\$10,999	12.6	\$138,587
24	Rhode Island	\$12,797	10.7	\$136,928
25	West Virginia	\$9,677	14.1	\$136,446
26	Arizona	\$6,339	21.3	\$135,021
27	Nevada	\$7,098	19.0	\$134,862
28	Louisiana	\$9,125	14.7	\$134,138
29	Maine	\$11,310	11.7	\$132,327
30	Florida	\$7,655	16.8	\$128,604
31	Nebraska	\$9,426	13.4	\$126,308
32	New Mexico	\$8,407	14.8	\$124,424
33	Georgia	\$8,428	14.7	\$123,892
34	Montana	\$8,823	14.0	\$123,522
35	Utah	\$5,556	22.1	\$122,788
36	Kentucky	\$7,611	16.0	\$121,776
37	Idaho	\$6,642	18.0	\$119,556
38	Virginia	\$9,478	12.6	\$119,423
39	Kansas	\$8,556	13.9	\$118,928
40	South Carolina	\$8,143	14.6	\$118,888
41	Tennessee	\$7,267	16.0	\$116,272
42	Iowa	\$8,469	13.7	\$116,025
43	Arkansas	\$8,043	14.4	\$115,819
44	Missouri	\$8,337	13.7	\$114,217
45	Texas	\$7,584	15.0	\$113,760
46	Mississippi	\$7,047	15.7	\$110,638
47	South Dakota	\$8,077	13.4	\$108,232
48	North Carolina	\$7,263	14.8	\$107,492
49	Oklahoma	\$7,049	15.2	\$107,145
50	North Dakota	\$8,609	12.3	\$105,891
51	Alabama	\$7,486	12.8	\$95,821

Sources: 1. American Legislative Exchange Council 2. Calculated from the given ALEC data