

# Alabama

**K-12 Spending Per Pupil**  
\$9,473

**Higher Education Spending Per Student**  
\$7,764

**Average Teacher Salary**  
\$50,239

**Student-Teacher Ratio**  
18.25 to 1

## State Rank

**34th** Per-Pupil Spending 2008

**40th** Per-Pupil Spending 2016

**48th** Per-Pupil Spending Growth

**6th** Support for Higher Education 2008

**23rd** Support for Higher Education 2016

**6th** Growth in Cost of Higher Education (Four-Year Degree)

**40th** Average Teacher Salary

**34th** Growth in Average Teacher Salary

**28th** Student-Teacher Ratio 2008

**43rd** Student-Teacher Ratio 2016

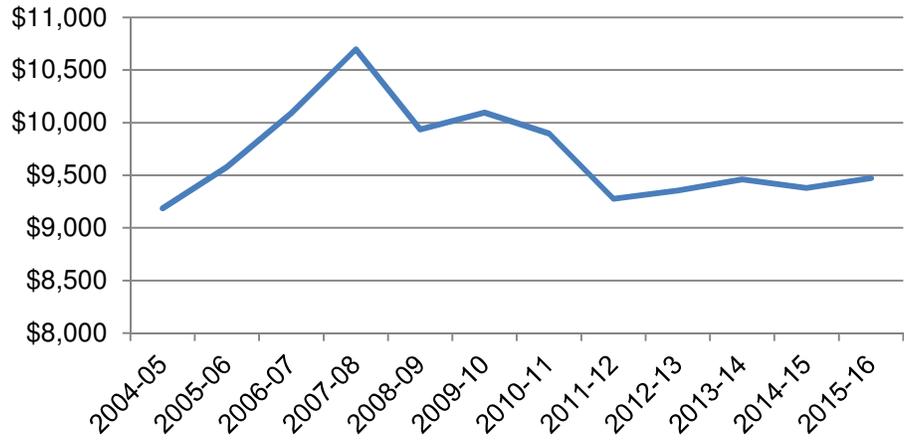
**51st** Improvement in Student-Teacher Ratio

**41st** Tax Fairness

**39th** Tax Effort 2015

**37th** Improvement in Tax Effort

## K-12 Spending Per Pupil



Following the Great Recession, Alabama chose to cut expenditures, particularly in education. Consequently, in 2016, Alabama spent 11.4 percent less per student than in 2008.<sup>1</sup> As a direct result of cuts in school spending, the student-teacher ratio, which had been the 28th best in the nation in 2008, dropped to 43rd. By not hiring teachers and by allowing average teacher salaries to fall by 7.5 percent, adjusting for inflation, the state slowed its recovery. This decrease in teacher salaries brought Alabama to 40th for salary rankings, while dropping the improvement of the student-teacher ratio to 51st.

Following the recession, Alabama also decreased support for public higher

education. Overall support dropped by 36 percent. Only two other states cut their support for higher education at higher rates. Simultaneously, prices for state four-year schools increased by 71 percent from 2008 to 2016. These price increases were ranked sixth highest in the nation for four-year schools.

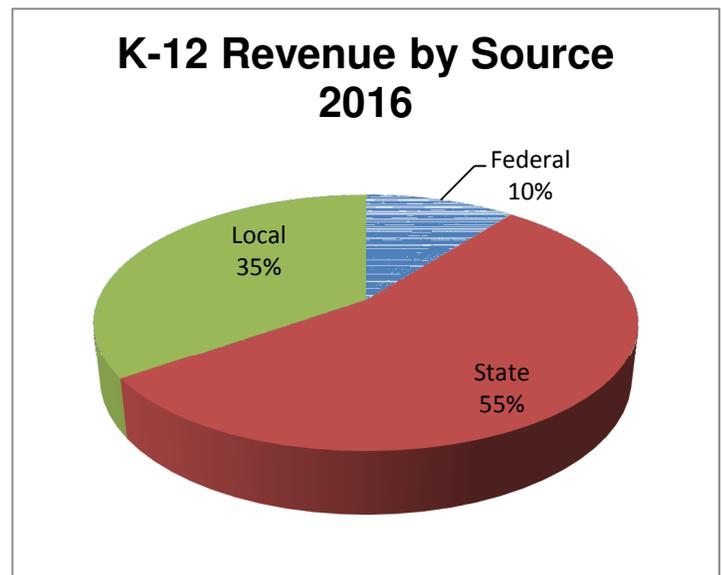
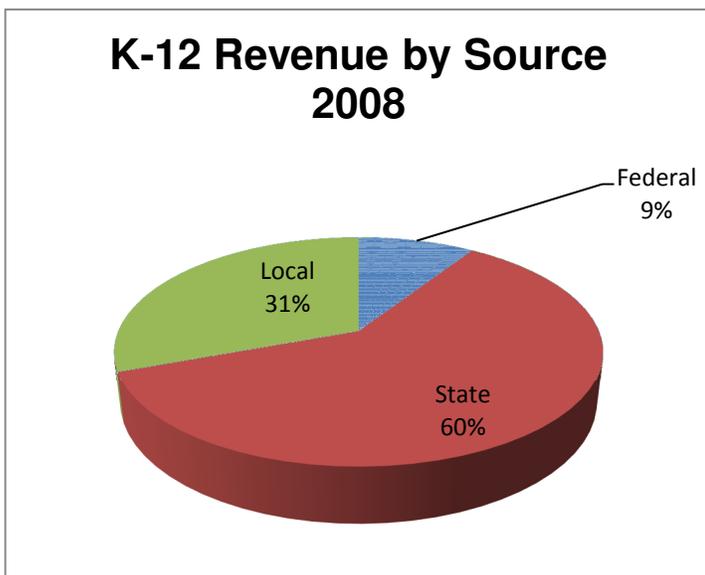
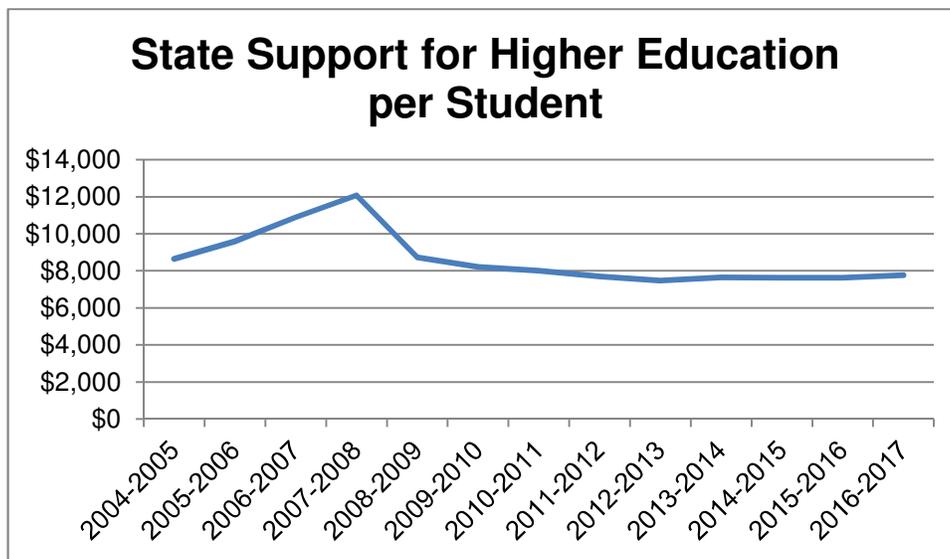
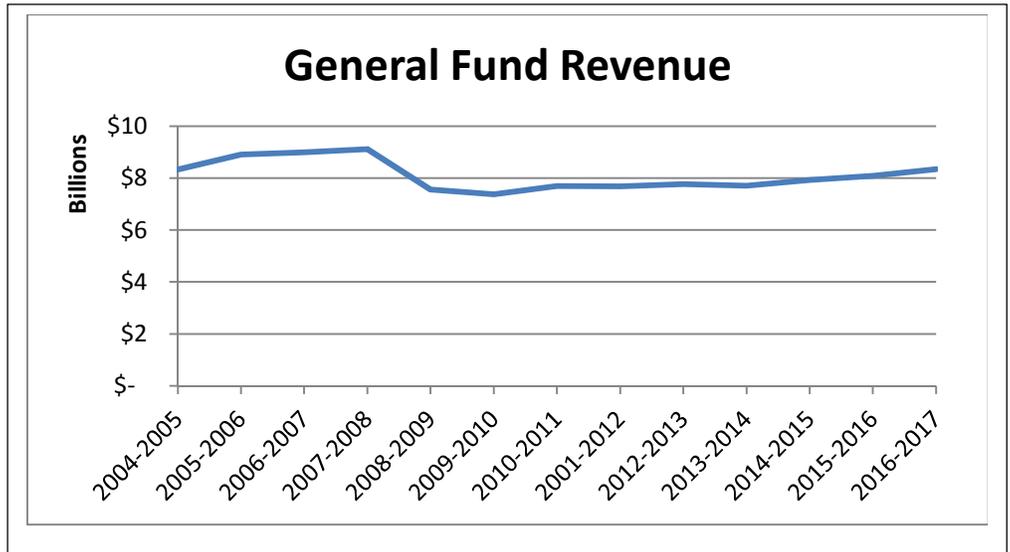
Alabama tax revenues have not yet reached pre-recession levels. Although Alabama has recently increased its state education funding by \$216 million, the budget is still below its 2008 high.<sup>2</sup> Gov. Kay Ivey has recently supported tax cuts targeted at the middle class.<sup>3</sup> These would make the system fairer, particularly with a median income currently ranking 46th in the nation, but they will also further

destabilize education spending, particularly since there is no current plan to increase taxes elsewhere to offset this cut. Since Alabama levies very low tax rates on the top earners within the state, there is capacity for the state to do more.

Between 2008 and 2015, the state's tax effort fell by 5.3 percent. Holding down investments in public schools could be addressed if state leaders chose to align their tax code with the state's economic capacity by increasing taxes on the highest earners. Ranking 37th for improvement in tax effort, Alabama requires significant changes in order to use taxes effectively and raise support for education to pre-recession levels.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$899 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$862 Million**



# STATE REPORTS

## Alaska

**K-12 Spending Per Pupil**  
\$17,960

**Higher Education Spending Per Student**  
\$18,500

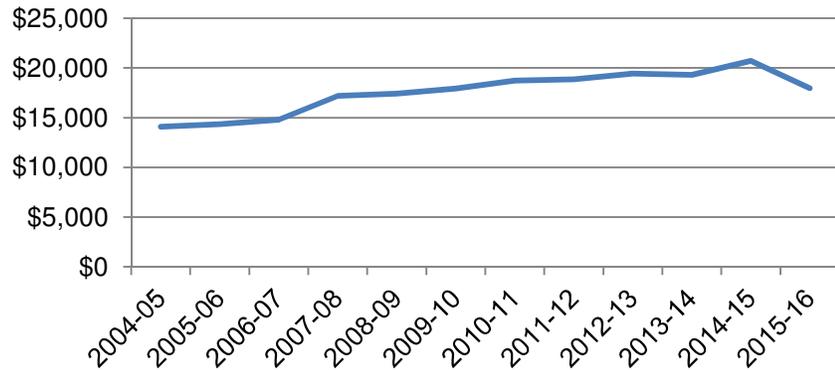
**Average Teacher Salary**  
\$69,474

**Student-Teacher Ratio**  
16.91 to 1

### State Rank

<b>3rd</b>	Per-Pupil Spending 2008
<b>6th</b>	Per-Pupil Spending 2016
<b>15th</b>	Per-Pupil Spending Growth
<b>1st</b>	Support for Higher Education 2008
<b>1st</b>	Support for Higher Education 2016
<b>18th</b>	Growth in Cost of Higher Education (Four-Year Degree)
<b>8th</b>	Average Teacher Salary
<b>7th</b>	Growth in Average Teacher Salary
<b>43rd</b>	Student-Teacher Ratio 2008
<b>40th</b>	Student-Teacher Ratio 2016
<b>11th</b>	Improvement in Student-Teacher Ratio
<b>47th</b>	Tax Fairness
<b>51st</b>	Tax Effort 2015
<b>51st</b>	Improvement in Tax Effort

### K-12 Spending Per Pupil



Rich in natural resources, particularly oil, Alaska has not levied income taxes on individuals since 1980. Alaska's revenues from natural resources have gone into the state's Permanent Fund, which is used to make an annual payment to every Alaska family. The oil reserves put Alaska in a unique situation in the aftermath of the Great Recession. Alaska was able to pay more for teachers and increase educational services. However, now that the boom is ending, the state is in trouble. Cuts to the taxes on oil companies have compounded this problem.<sup>4</sup> Alaska now faces deficits that are equal to half the value of its \$4 billion general fund.<sup>5</sup>

With revenues plummeting, an income tax or a diversion of Permanent Fund dollars to pay for public services is being proposed as a solution, particularly in the House. In

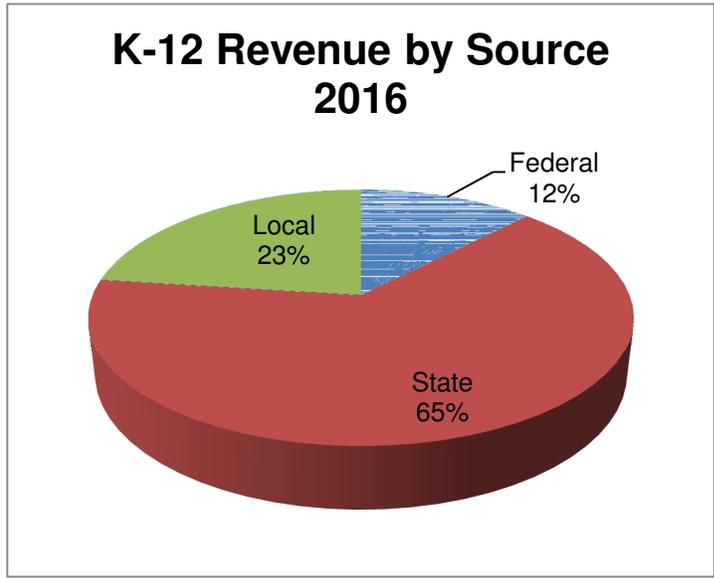
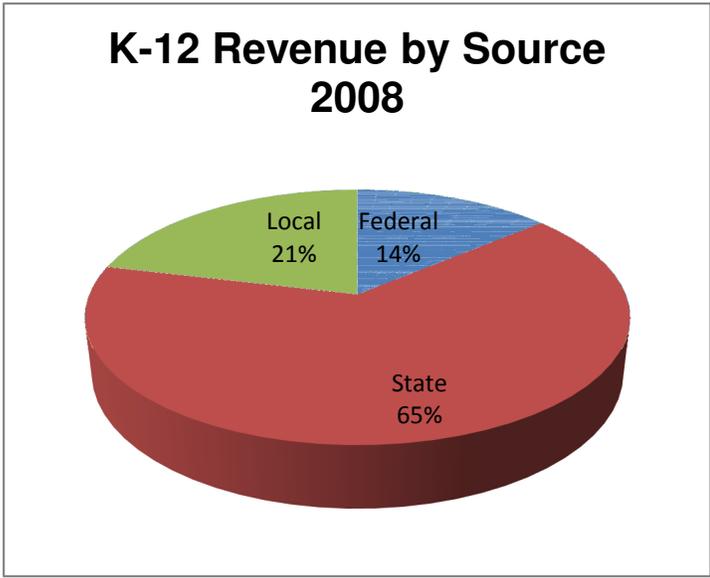
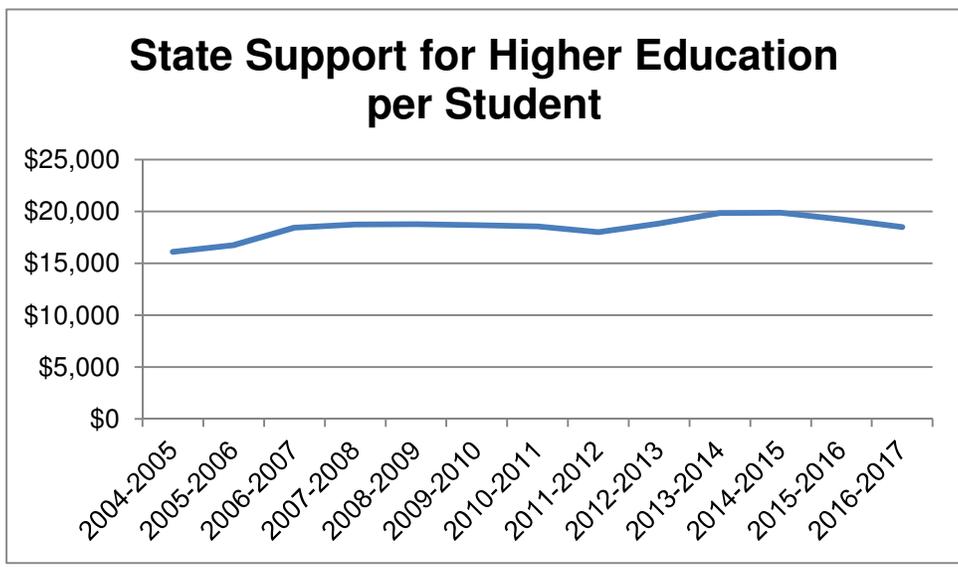
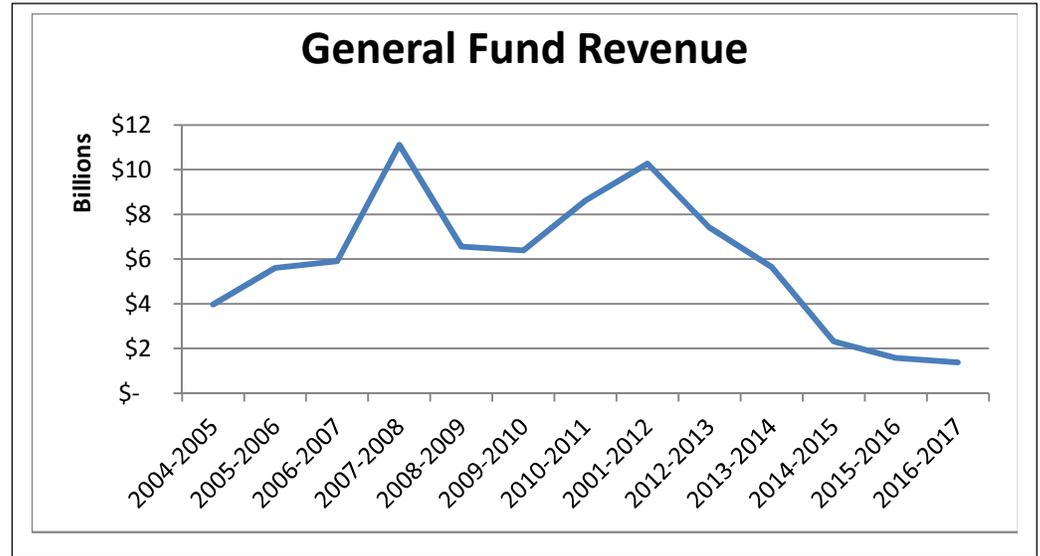
order to ensure the state budget does not end up with a deficit, the Senate has focused on reducing education funding rather than levying income taxes. Alaska finds itself struggling to compete with states that have rededicated funds to hiring teachers, even though the state has been able to increase teacher salaries by 2.7 percent, after adjusting for inflation.<sup>6</sup> Alaska ranks 6th in per-pupil expenditures, in large part because it must provide for a system of far-flung rural schools and a harsh climate.

In higher education, the merit-based scholarships offered through the state have taken several large hits within the past years due to cuts. Because of this destabilization, many state universities are shrinking with regard to teachers, students and programs. Although its support for higher education is the

highest in the nation, Alaska has seen a 1.4 percent decline in funding of public higher education compared with pre-recession levels. But because of its oil revenues, while state support for higher education actually peaked in 2014, it subsequently declined by 7 percent. Tuition and fees have increased more than 40 percent since the recession.

The state has spent down its budgetary reserves and cut services. But it cannot cut its way out of its current predicament. This year, the Legislature reduced the permanent fund payout and used those funds to pay for services.<sup>7</sup> To compound the issue, the state currently ranks 50th in terms of economic growth. With the worst tax effort in the nation, as well as the most significant decrease in effort, Alaska requires significant changes going forward.

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$5 Million**



## Arizona

**K-12 Spending Per Pupil**  
\$7,809

**Higher Education Spending Per Student**  
\$2,975

**Average Teacher Salary**  
\$47,746

**Student-Teacher Ratio**  
23.13 to 1

### State Rank

**49th** Per-Pupil Spending 2008

**49th** Per-Pupil Spending 2016

**49th** Per-Pupil Spending Growth

**43rd** Support for Higher Education 2008

**50th** Support for Higher Education 2016

**2nd** Growth in Cost of Higher Education (Four-Year Degree)

**46th** Average Teacher Salary

**49th** Growth in Average Teacher Salary

**49th** Student-Teacher Ratio 2008

**50th** Student-Teacher Ratio 2016

**49th** Improvement in Student-Teacher Ratio

**36th** Tax Fairness

**31st** Tax Effort 2015

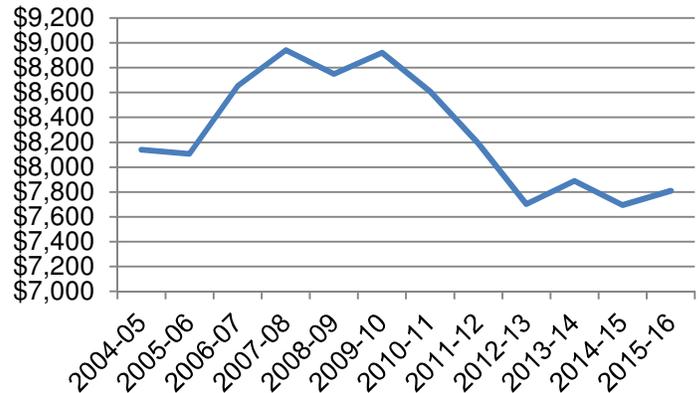
**40th** Improvement in Tax Effort

In the years following the Great Recession, the Arizona Legislature cut funding for K-12 schools by \$4.6 billion according to the Arizona School Boards Association.<sup>8</sup> The association describes how this has affected Arizona schools:

*Arizona schools are still receiving less than a decade ago, resulting in overcrowded classrooms, an inability to fund new textbooks or technology, broken down school buses and leaky roofs, and a loss of critical support staff such as nurses and guidance counselors. Thousands of Arizona classrooms are without full-time, certified teachers.<sup>9</sup>*

Arizona now ranks at the bottom for education spending, teacher pay and the ratio of students to teachers. For 2015-16, Arizona ranked 49th among the states and the District of Columbia for per-pupil funding. Spending was down 12.7 percent compared with 2007-2008, and only two other states saw a larger decline in per-pupil spending between 2008 and 2016. The state ranks 46th for teacher salaries, and only two other states saw slower growth in teacher pay between 2009 and 2018. After a 15 percent decline in the student-teacher ratio, Arizona ranks 50th among the states. Only two

### K-12 Spending Per Pupil



other states had larger declines.

Arizona also ranks near the bottom for support for higher education. For FY 2017, spending was 55 percent below pre-recession levels, and the state ranked last for spending on higher education. No other state showed a larger decline in post-recession support for higher education.

Arizona's failure to fund education is the result of what has been described as an "ideological aversion to taxes."<sup>10</sup> Twenty-five years of tax cuts have significantly reduced state revenues and shifted the burden to the poor and middle class. Corporate tax cuts alone have cost the state about \$4 billion in revenue since 2007.<sup>11</sup> Comparing 2008 and 2015, the state reduced its tax effort by 7.4 percent.

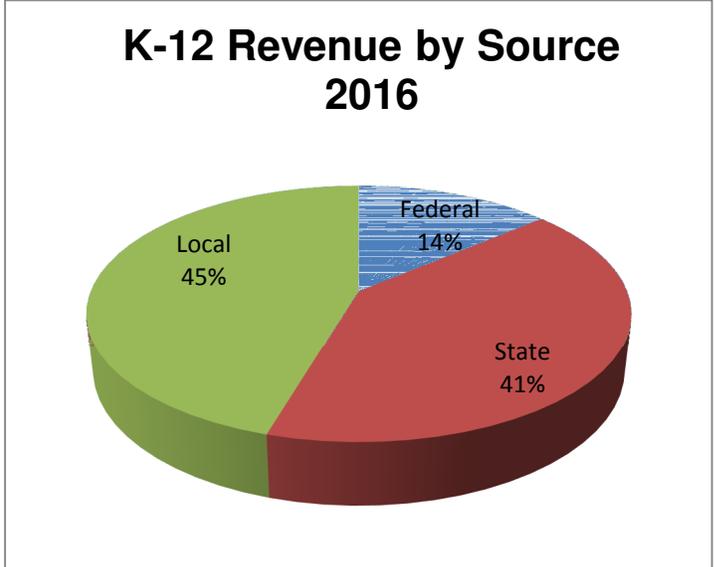
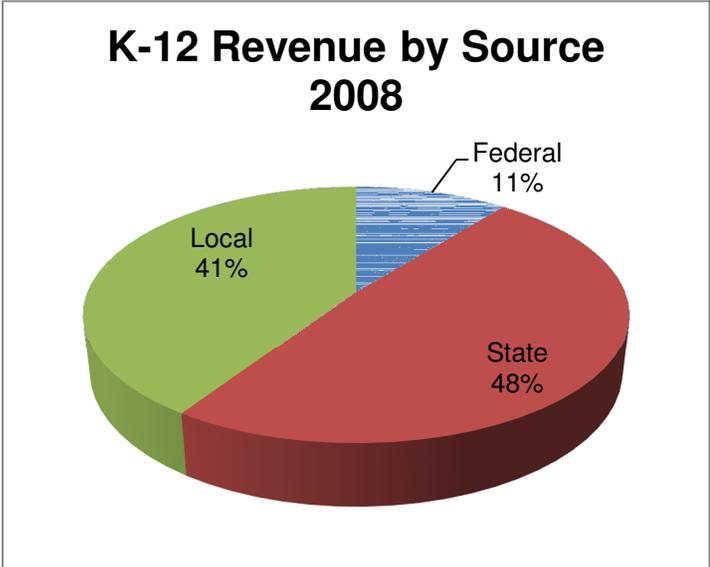
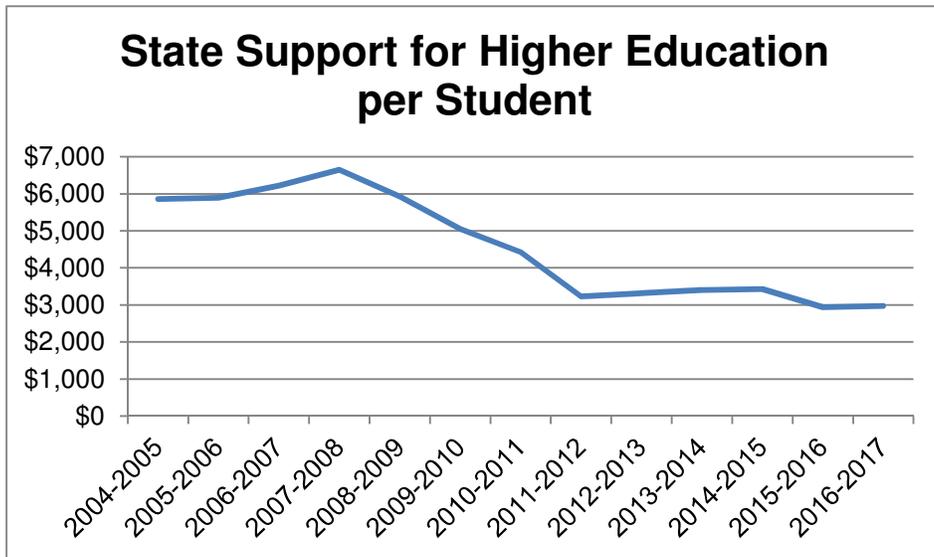
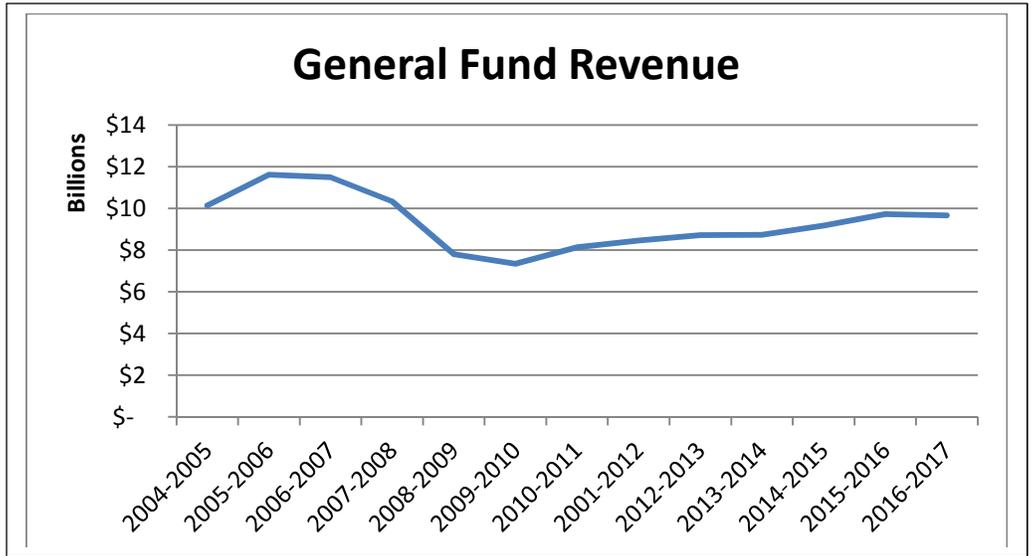
In 2016, the Legislature

referred Proposition 123, the Arizona Education Finance Amendment, to voters, which proposed increasing education funding by \$3.5 billion over 10 years through higher general fund allocations and annual distributions of the state land trust permanent fund, but did not increase taxes to pay for the additional spending.<sup>12</sup> Similarly, Gov. Doug Ducey's proposal to give teachers a 20 percent pay increase by 2020 had no revenue source to pay for the increase.<sup>13</sup>

After a historic teacher walkout this year, education advocates have filed a ballot initiative, the Invest in Education Act. The initiative would increase taxes on Arizona's highest earners, implementing a 3.46 percent surcharge on income over \$500,000 and a 4.46 percent surcharge on income over \$1,000,000.<sup>14</sup>

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$1.1 Billion**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$1.1 Billion**



## Arkansas

**K-12 Spending Per Pupil**  
\$10,099

**Higher Education Spending Per Student**  
\$8,483

**Average Teacher Salary**  
\$49,017

**Student-Teacher Ratio**  
13.75 to 1

### State Rank

**41st** Per-Pupil Spending 2008

**36th** Per-Pupil Spending 2016

**23rd** Per-Pupil Spending Growth

**19th** Support for Higher Education 2008

**17th** Support for Higher Education 2016

**33rd** Growth in Cost of Higher Education (Four-Year Degree)

**43rd** Average Teacher Salary

**34th** Growth in Average Teacher Salary

**23rd** Student-Teacher Ratio 2008

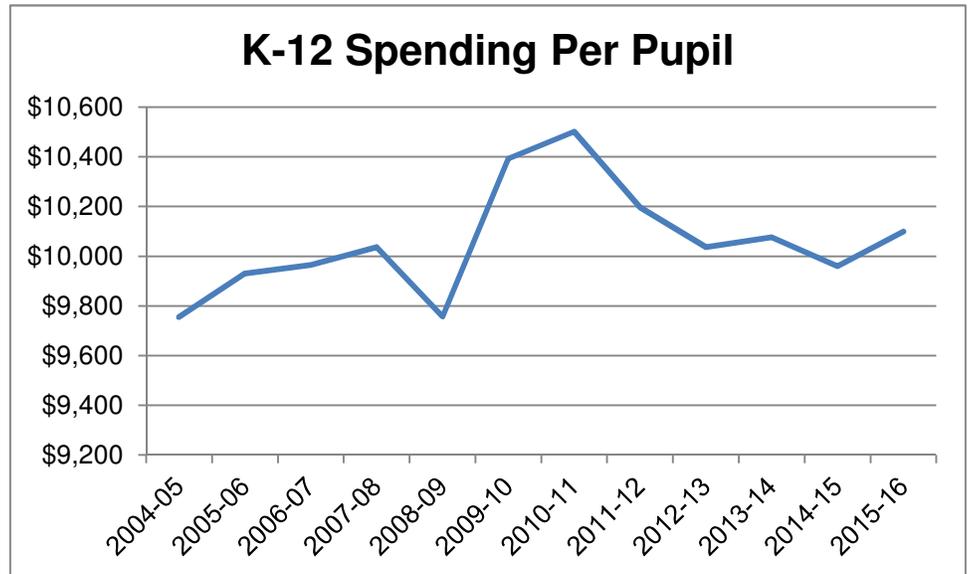
**16th** Student-Teacher Ratio 2016

**7th** Improvement in Student-Teacher Ratio

**22nd** Tax Fairness

**16th** Tax Effort 2015

**18th** Improvement in Tax Effort



Real per-pupil spending in Arkansas declined by \$542 between 2011 and 2015. By 2016, it was still far below its peak.

This is the result of choices made by Arkansas state lawmakers. In the 2013, 2015 and 2017 legislative sessions, there were tax cuts that had a net negative impact on revenue.<sup>15</sup>

Among other changes, the 2013 tax cut exempted half of capital gains from the income tax and lowered income tax rates. In 2016, this tax cut would cost the state \$160 million. Almost half of that money will go to the richest 5 percent of

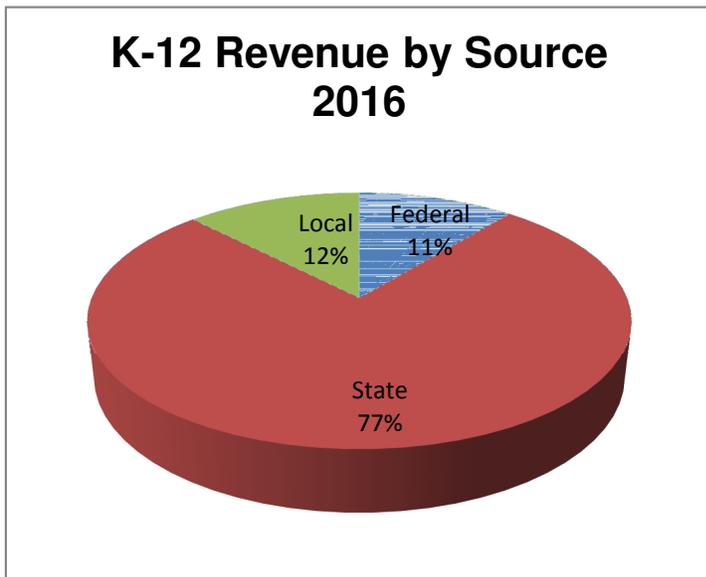
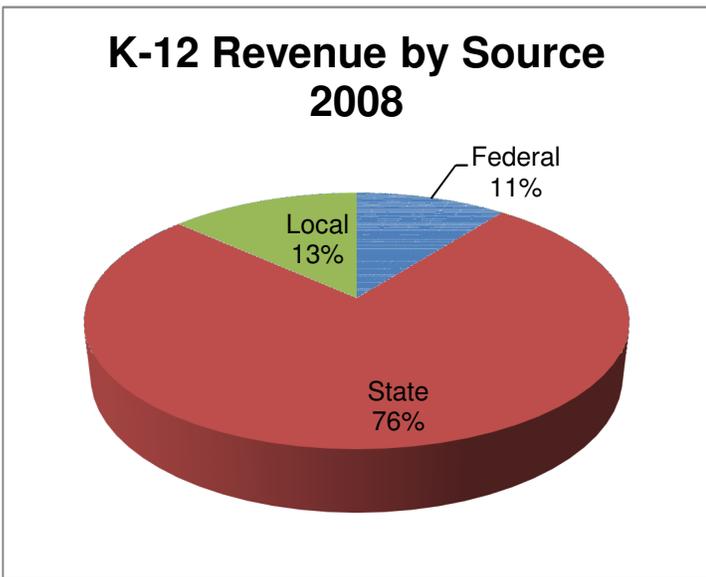
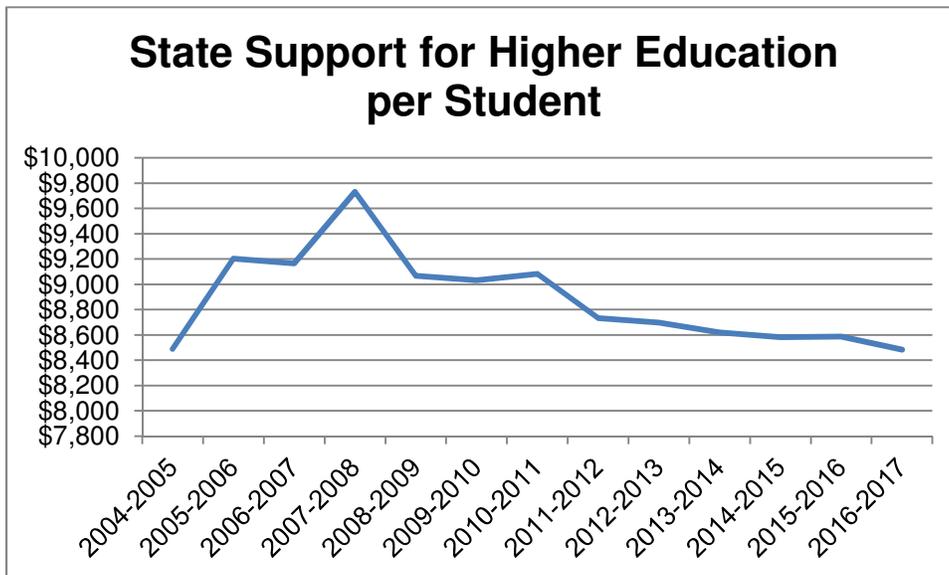
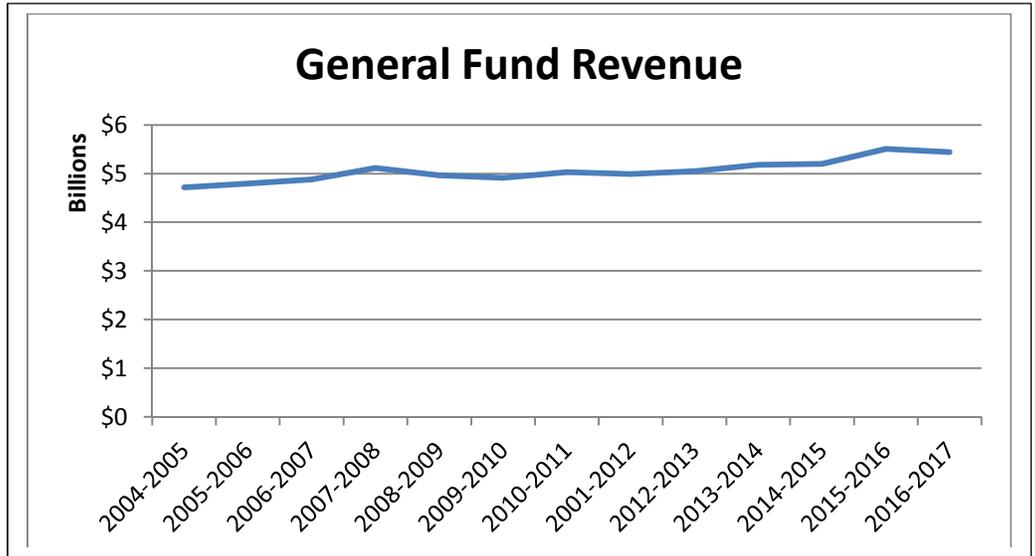
Arkansas taxpayers. Those taxpayers make an average of more than \$155,000 a year.<sup>16</sup> And with a median income ranked 47th in the nation, the middle class cannot afford to pay for these tax cuts, particularly since the state has the 11th-highest taxes on the lowest-earning 20 percent of the population.

While these tax cuts did not reduce the state's overall tax effort, they took a toll on public education. In the current year, analysts at the state Legislature recommended a funding increase of 2.4 percent to simply keep

pace with inflation, but the Legislature provided far less.<sup>17</sup>

Arkansas was one of 16 states to improve the pupil-teacher ratio over the period we studied. However, the state was 34th in average teacher salary growth. Real teacher pay fell by 7.5 percent. State support for higher education fell by 13 percent on a real per-student basis. Meanwhile, tuition costs per student increased by 45 percent and 30 percent for two- and four-year schools, respectively.

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$143 Million**



# California

**K-12 Spending Per Pupil**  
\$11,790

**Higher Education Spending Per Student**  
\$8,786

**Average Teacher Salary**  
\$81,126

**Student-Teacher Ratio**  
23.63 to 1

## State Rank

**23rd** Per-Pupil Spending 2008

**23rd** Per-Pupil Spending 2016

**19th** Per-Pupil Spending Growth

**29th** Support for Higher Education 2008

**15th** Support for Higher Education 2016

**8th** Growth in Cost of Higher Education (Four-Year Degree)

**2nd** Average Teacher Salary

**5th** Growth in Average Teacher Salary

**50th** Student-Teacher Ratio 2008

**51st** Student-Teacher Ratio 2016

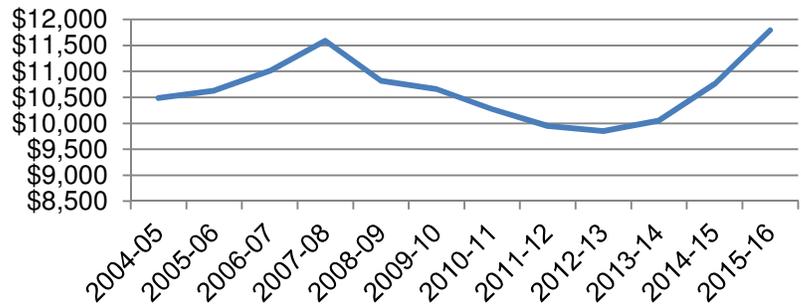
**48th** Improvement in Student-Teacher Ratio

**1st** Tax Fairness

**15th** Tax Effort 2015

**31st** Improvement in Tax Effort

## K-12 Spending Per Pupil



California was particularly hard-hit by the recession. Spending for the 2012-13 school year was 15 percent below 2007-2008 levels, after adjusting for inflation. The state's support for education is primarily set by Proposition 98, a 1988 voter-approved initiative that set minimum state spending levels for K-14 schools and community colleges. Proposition 98's funding formula takes state economic conditions into account, so when the Great Recession reduced tax revenue, K-12 support was cut back significantly.<sup>18</sup>

In 2012, voters approved California Proposition 30, which increased the sales tax and raised income taxes on higher earners, imposing a 13.3 percent tax on incomes over \$1 million. Those new taxes helped fund a rebound, and by 2016, per-pupil spending was 1.7 percent higher than 2008. Additionally, teacher salaries grew throughout the recession, ranking 2nd overall and 5th in terms of growth. However, California continues to have high student-teacher ratios, ranking 51st among the states and the District of Columbia.

In 2016, Californians approved Proposition 55, extending the Proposition 30 income tax increases through 2030, and this year, Gov. Jerry Brown has proposed \$3 billion more in state funding to achieve the goal for full funding that he set for 2020-21. This additional revenue is meant to restore all districts to pre-recession inflation-adjusted funding levels.<sup>19</sup>

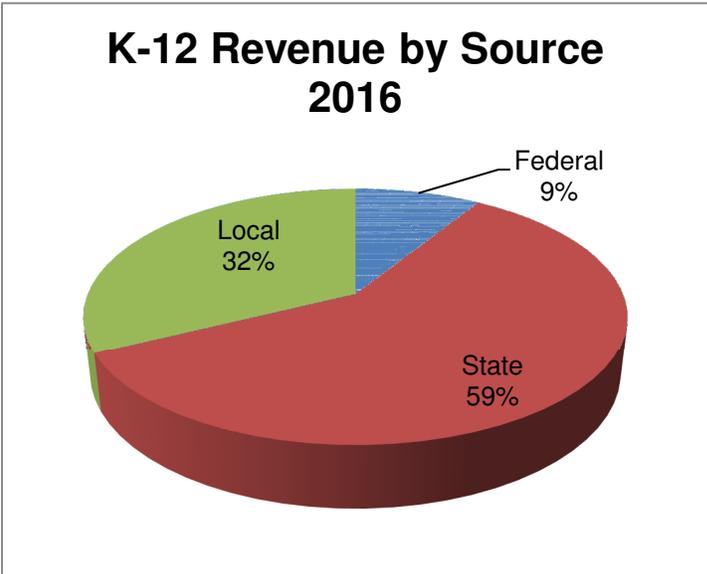
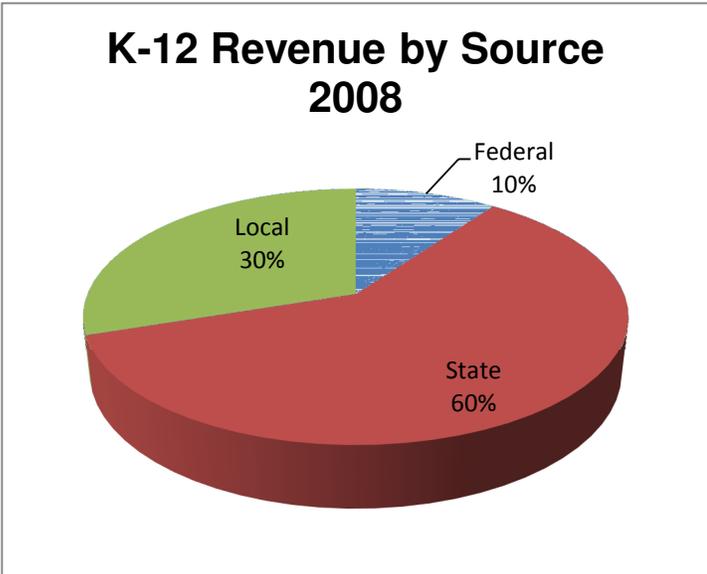
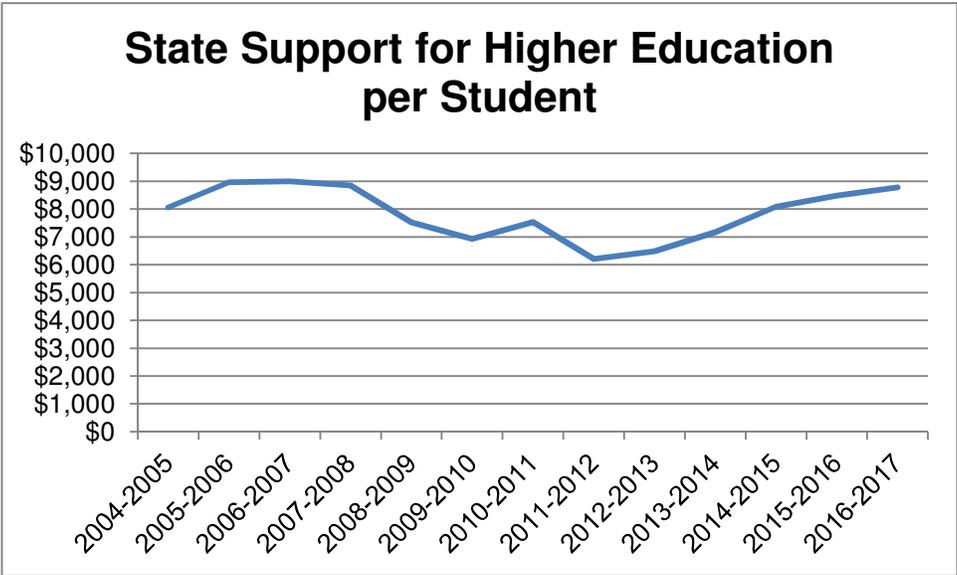
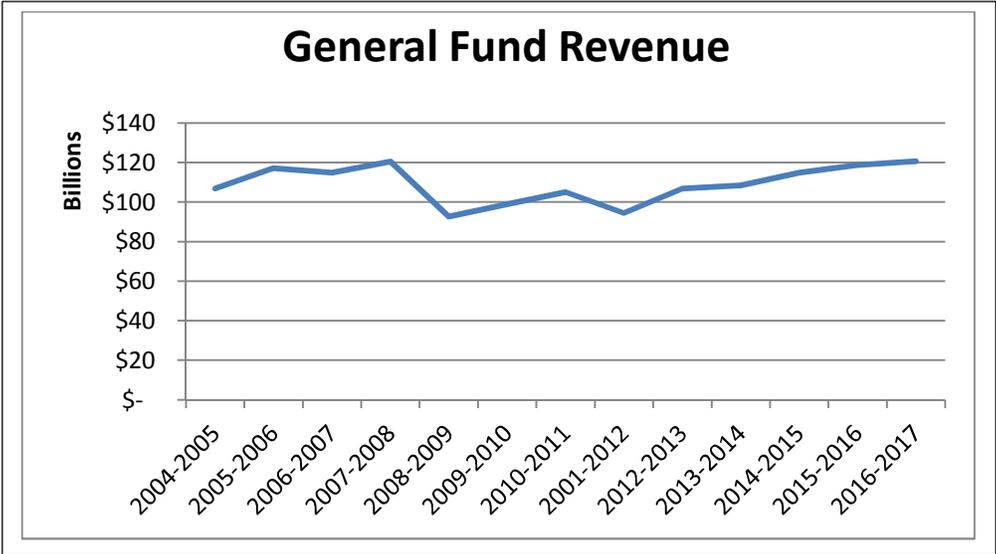
That will fall short of what California schools need to address unmet needs. For example, 57 percent of school districts in California don't employ a school nurse. And there is currently about 1 librarian for every 8,000 students, while it is recommended that schools have a librarian for every 785 students.<sup>20</sup> Advocates, including the United Teachers Los Angeles, are calling on state leaders to increase the state's investment in schools to \$20,000 per pupil by the year 2020. And despite 2013 legislation that provides for allocation of supplemental revenues to school districts based on their numbers of high-needs students, advocates have filed lawsuits alleging that districts are shortchanging these students

by millions of dollars.<sup>21</sup>

California has done better than most states in maintaining funding for higher education after the recession. The state ranks 15th for support for higher education. Again, that doesn't mean California is where it needs to be. Over the last four decades, spending has fallen from 18 percent of the budget to 12 percent, and over the last 20 years, tuition has tripled at both the University of California and California State University.<sup>22</sup> Tuition costs for four-year colleges have increased by 66 percent, and only seven states saw a higher increase in costs; for two-year colleges, tuition costs increased 92 percent, the highest increase for any state.

Despite recent tax increases, taxes have not kept up with the growth in taxable resources. California is ranked fourth with regard to economic growth, yet its tax effort was reduced by 3.4 percent when 2015 is compared with 2008. This implies that state leaders can do more to align their tax code with state economic capacity.

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$96 Million**



## Colorado

**K-12 Spending Per Pupil**  
\$9,821

**Higher Education Spending Per Student**  
\$4,787

**Average Teacher Salary**  
\$52,389

**Student-Teacher Ratio**  
17.36 to 1

### State Rank

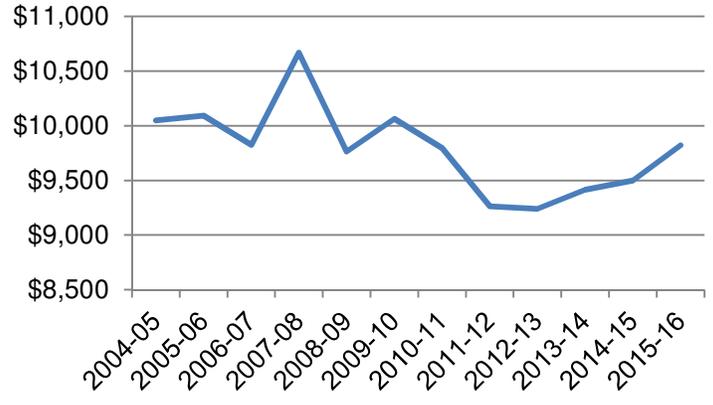
- 36th** Per-Pupil Spending 2008
- 39th** Per-Pupil Spending 2016
- 44th** Per-Pupil Spending Growth
- 48th** Support for Higher Education 2008
- 46th** Support for Higher Education 2016
- 7th** Growth in Cost of Higher Education (Four-Year Degree)
- 32nd** Average Teacher Salary
- 30th** Growth in Average Teacher Salary
- 40th** Student-Teacher Ratio 2008
- 41st** Student-Teacher Ratio 2016
- 33rd** Improvement in Student-Teacher Ratio
- 38th** Tax Fairness
- 35th** Tax Effort 2015
- 14th** Improvement in Tax Effort

Even before the recession, Colorado struggled to pay for public education. In 1992, voters passed the Taxpayer's Bill of Rights. TABOR limits the ability of the state Legislature to increase taxes and places a cap on spending. It also strengthened the impact of a previous property tax limitation referred to as the Gallagher amendment. The combination severely weakened the ability of Colorado to fund public services.<sup>23</sup>

In order to protect education, Colorado voters enacted Amendment 23 in 2000. It allowed for education increases of 1 percent above the TABOR caps. In 2010, following the onset of the Great Recession, the Colorado Legislature created a loophole to circumvent this required spending, effectively ignoring the voices of voters and underfunding schools by more than \$1 billion per year.<sup>24</sup>

Amendment 23 provides for a base amount of funding provided per student, as well as additional money for a variety of factors, such as the cost of living within the district and the number of students eligible for the free lunch program. Although Amendment 23 is supposed to adjust with inflation, in 2009, the Legislature determined that only the base factor will change with inflation, not the additional money given to

### K-12 Spending Per Pupil



districts to account for student poverty, small scale or other factors affecting cost. In this way, the Legislature was able to save money at the expense of the students and districts that needed funding the most.<sup>25</sup>

Comparing 2008 and 2015, the state increased its tax effort by more than 3.1 percent. The legalization of marijuana has played some role, now providing almost 2 percent of general fund revenues.<sup>26</sup> But because the state was below the TABOR cap, revenue was also able to grow without constraint.<sup>27</sup> Initial revenues from legalization were much lower than expected.<sup>28</sup> Even though revenue is growing, TABOR has limited the ability of the state to move forward.

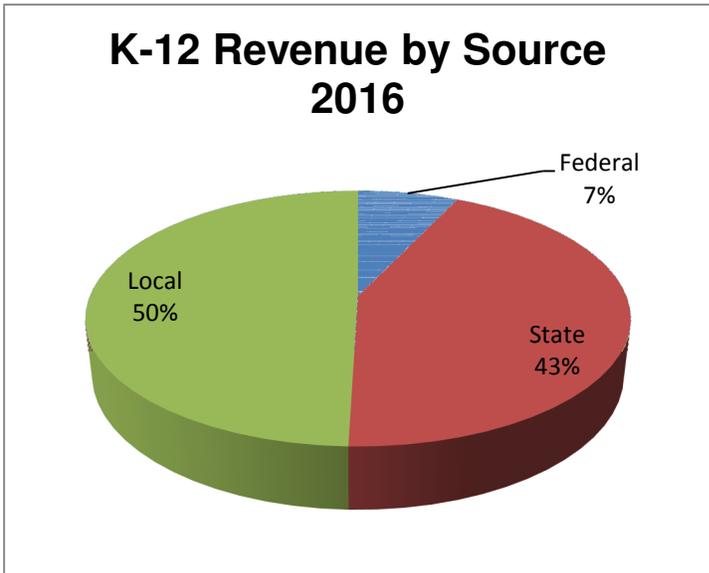
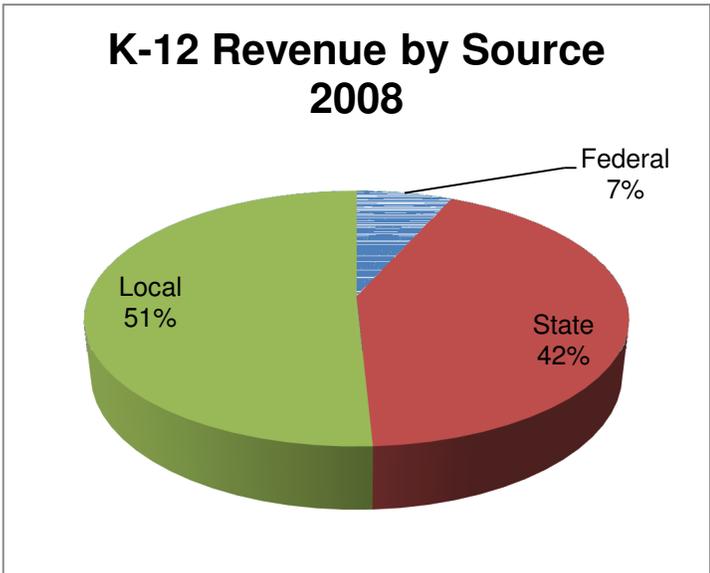
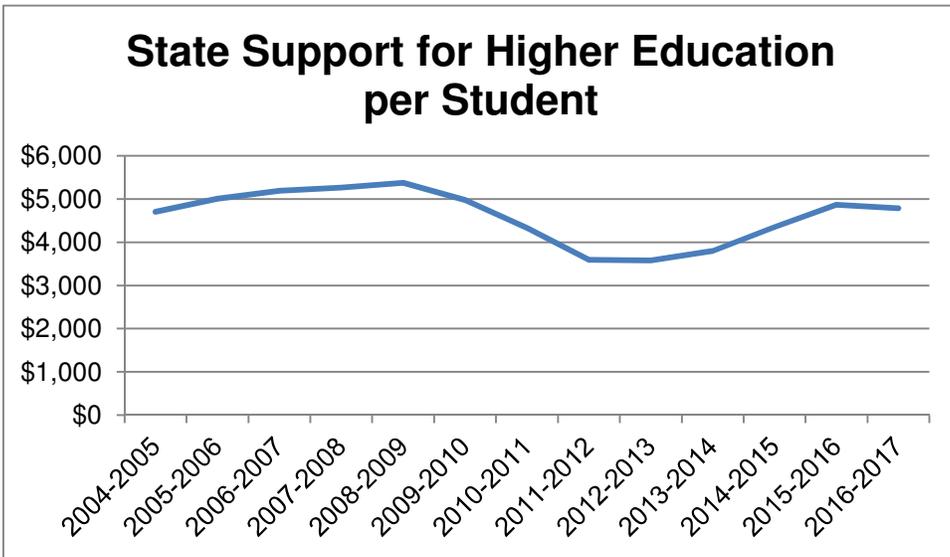
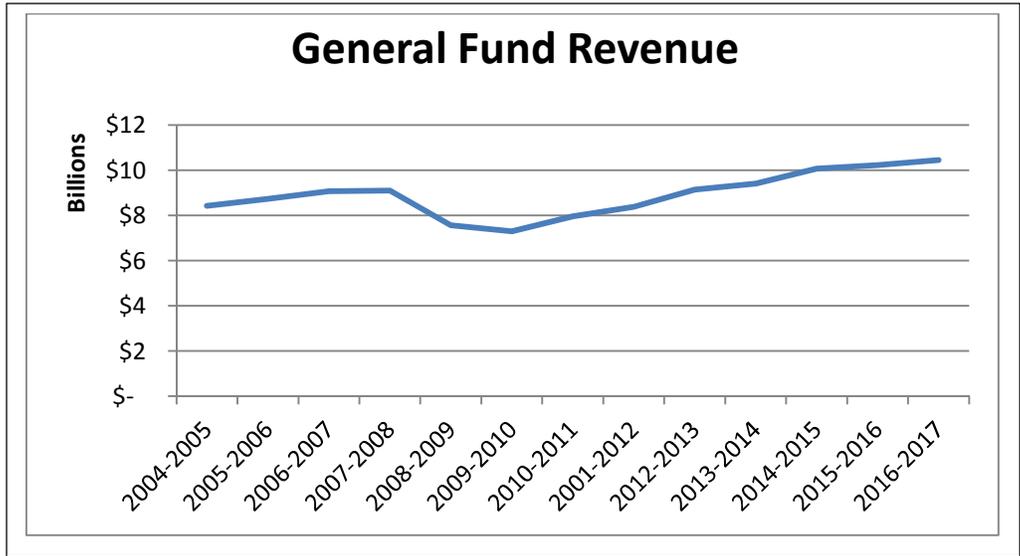
Real 2016 per-student spending is down 8 percent compared with 2008, so Colorado ranks 39th among states. Meanwhile, its spending on higher education is down 9 percent, after inflation adjustments, so it currently ranks 46th.

Simultaneously, prices at state colleges have risen. The price of state four-year schools has risen by 69 percent, the seventh-largest rise in the nation. At the same time, the state has been refunding taxes as a result of TABOR; preventing investment in public schools.<sup>29</sup>

Although Colorado teachers recently walked out of schools to advocate for larger education budgets, the Legislature is unable to raise budgets without cutting other governmental programs. As such, it is important that Colorado voters and lawmakers focus efforts on reforming the TABOR system and increasing investment, if public services in the state are to fully recover from the recession. There is a proposal this year for a citizen's initiative that would raise taxes on certain corporations and those individuals making over \$150,000 a year. AFT Colorado is part of the Great Schools, Thriving Communities coalition supporting this measure.<sup>30</sup>

**Total Investment  
Needed To Reach  
2008 K-12  
Spending Levels:  
\$747 Million**

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$87 Million**



## Connecticut

**K-12 Spending Per Pupil**  
\$19,445

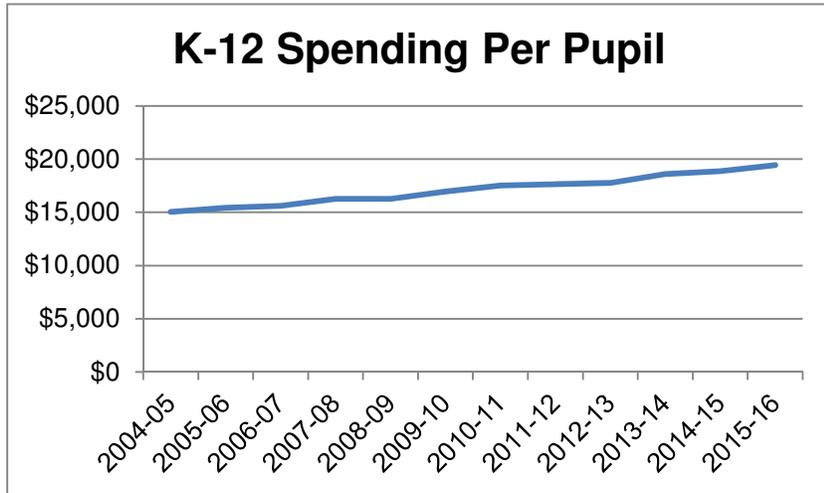
**Higher Education Spending Per Student**  
\$12,931

**Average Teacher Salary**  
\$73,113

**Student-Teacher Ratio**  
12.29 to 1

### State Rank

- 6th** Per-Pupil Spending 2008
- 3rd** Per-Pupil Spending 2016
- 3rd** Per-Pupil Spending Growth
- 3rd** Support for Higher Education 2008
- 4th** Support for Higher Education 2016
- 24th** Growth in Cost of Higher Education (Four-Year Degree)
- 5th** Average Teacher Salary
- 21st** Growth in Average Teacher Salary
- 26th** Student-Teacher Ratio 2008
- 5th** Student-Teacher Ratio 2016
- 2nd** Improvement in Student-Teacher Ratio
- 12th** Tax Fairness
- 14th** Tax Effort 2015
- 7th** Improvement in Tax Effort



In the decade before the Great Recession, Connecticut's state expenditures declined as a share of personal income.<sup>31</sup> As the state got richer, investment in public services did not follow. Rather than address this issue head-on when the recession started, the state mostly used one-time solutions, such as spending down trust funds, in an effort to limit cuts. As a result, in 2011 the state was in a poor position as the fiscal crisis worsened. Its revenue was inadequate to its needs, and its easier options were already spent.

The Legislature raised a number of taxes in 2011, including moving the top tax personal income tax rate from 6.5 percent to 6.7 percent. But the net effect of this tax increase was to largely replace the gimmicky budgeting practices that the

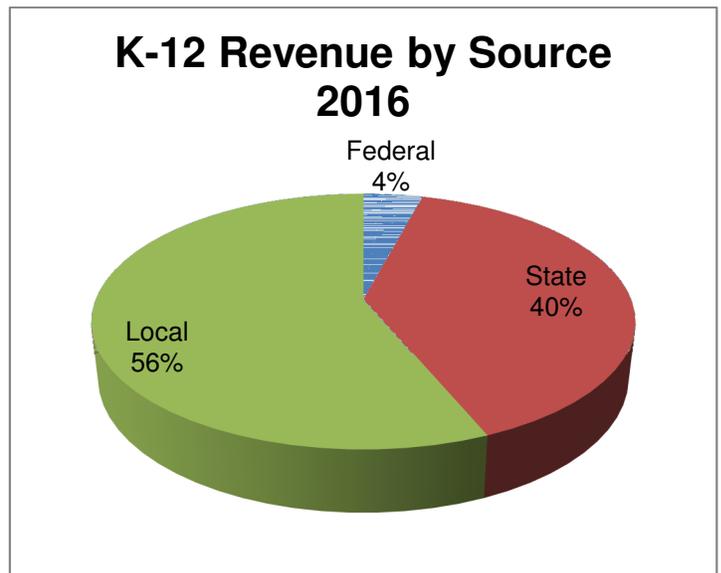
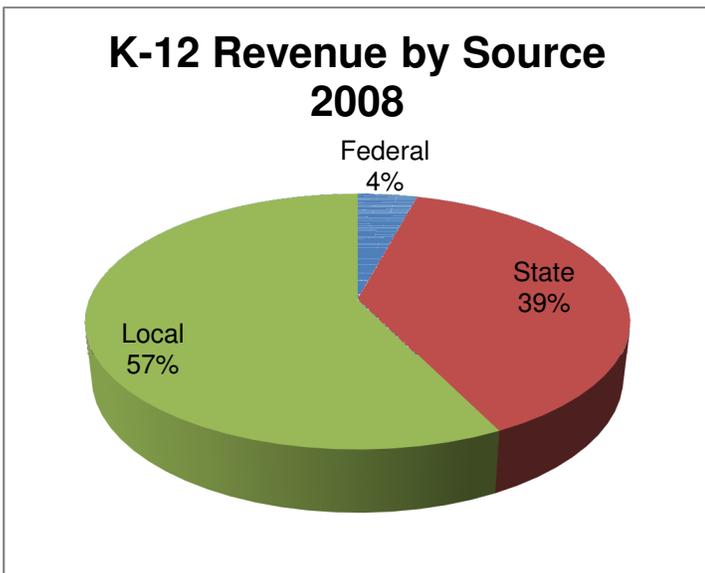
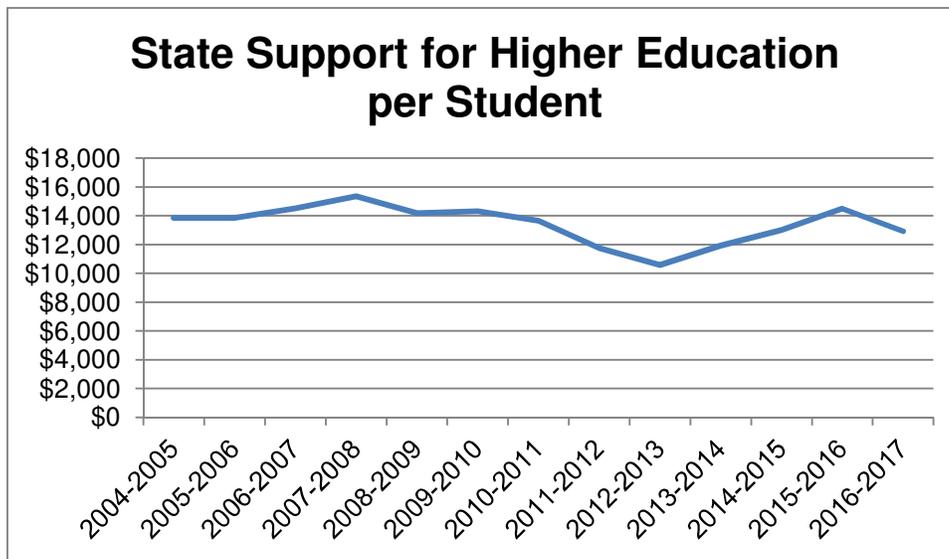
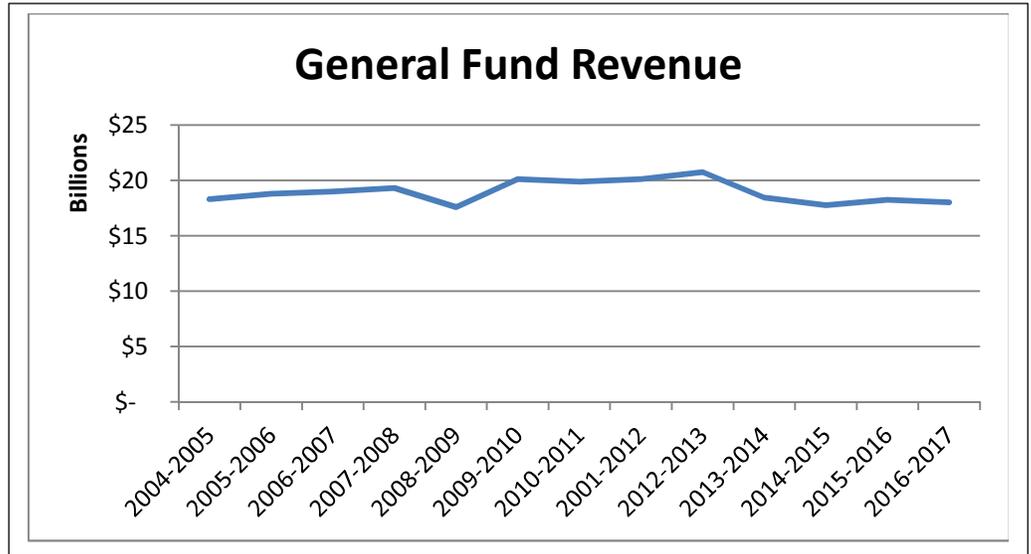
state had used to that point.<sup>32</sup> While this action was able to prevent Connecticut from falling off a fiscal cliff, it did not move the state forward. Faced with more fiscal pressure, the state raised taxes again in 2015, including adopting corporate combined reporting.<sup>33</sup>

These changes helped Connecticut increase education spending at a rate greater than the consumer price index over the six years following the recession, making it a leader among the states. For example, Connecticut is still fifth in the nation for teacher pay. However, it has still suffered from austerity: State and local investment in public services has recovered at a slower rate following the Great Recession than in any of the previous three recessions.<sup>34</sup> Adjusting for inflation, average teacher

pay in Connecticut is 4 percent lower than it was in 2009. Real state support for higher education is down 15.8 percent. At the same time, two- and four-year schools have seen 30 percent and 39 percent increases in tuition, respectively.

Connecticut also systematically relies on local funding for schools to a greater extent than other states. The state provides just 40 percent of K-12 funding, well below the national average. Declining state aid and an inability to levy local income or sales taxes adds to the pressures facing communities with limited ability to raise property taxes. For a city like Hartford, where the property tax base is constrained by the large number of tax-exempt buildings owned by the state and nonprofits, the situation can become dire.<sup>35</sup>

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$219 Million**



# District of Columbia

**K-12 Spending Per Pupil**  
\$19,651

**Higher Education Spending Per Student**  
\$11,519

**Average Teacher Salary**  
\$76,486

**Student-Teacher Ratio**  
12.38 to 1

## State Rank

**4th** Per-Pupil Spending 2008

**2nd** Per-Pupil Spending 2016

**5th** Per-Pupil Spending Growth

**NA** Support for Higher Education 2008

**6th** Support for Higher Education 2016

**3rd** Growth in Cost of Higher Education (Four-Year Degree)

**4th** Average Teacher Salary

**3rd** Growth in Average Teacher Salary

**4th** Student-Teacher Ratio 2008

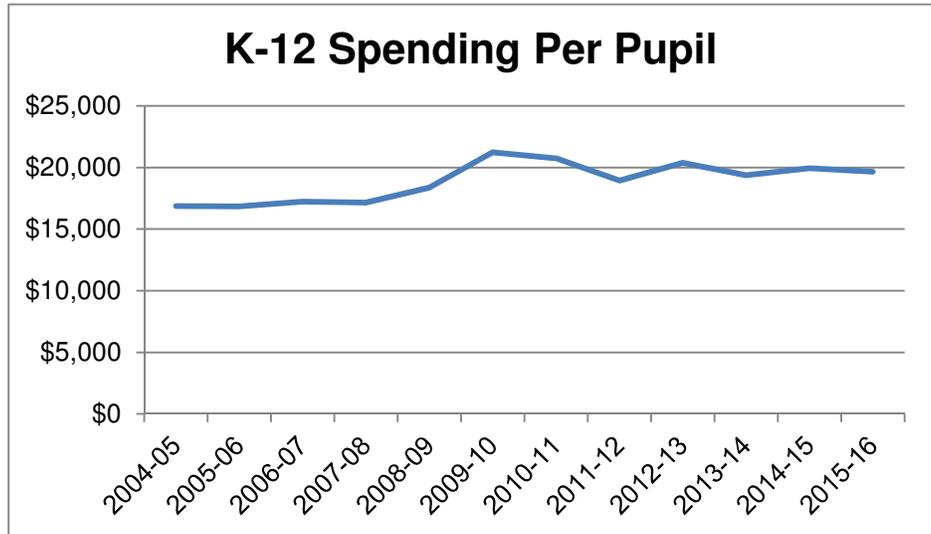
**8th** Student-Teacher Ratio 2016

**16th** Improvement in Student-Teacher Ratio

**9th** Tax Fairness

**6th** Tax Effort 2015

**15th** Improvement in Tax Effort



The District of Columbia Council passed a number of tax changes before and after the Great Recession. A 2018 report by the DC Fiscal Policy Institute summarizes the trend in personal income taxes:

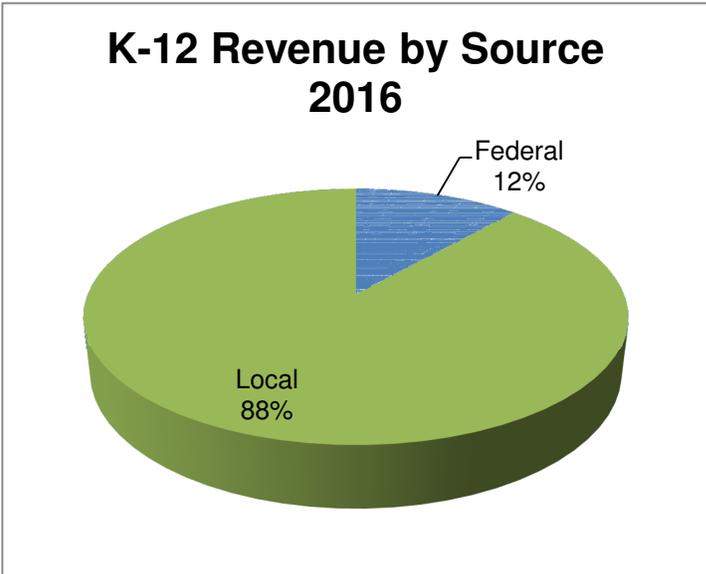
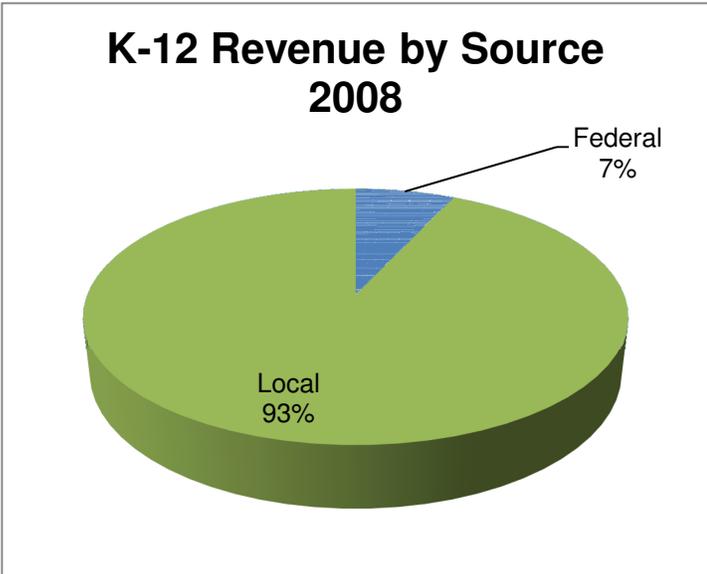
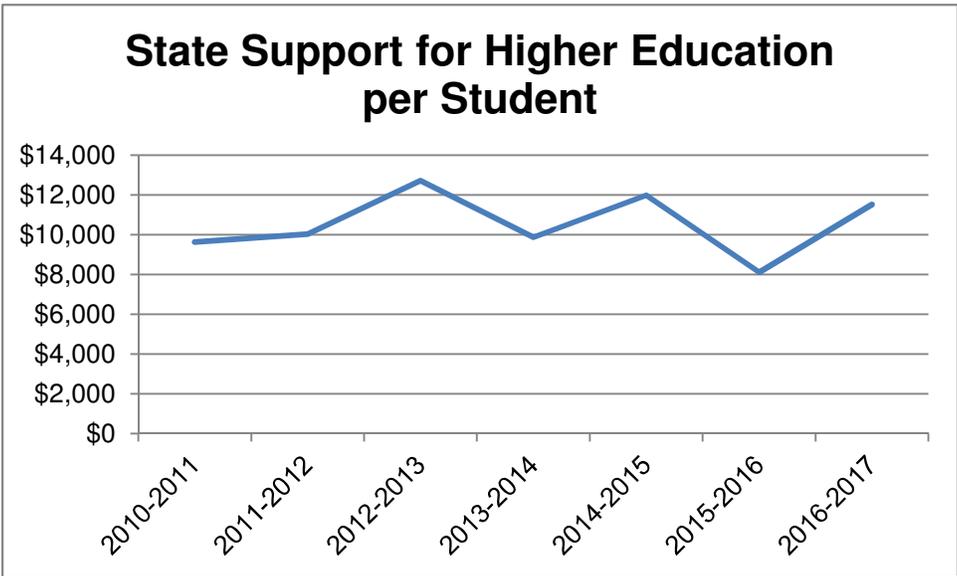
*Over the past two decades, DC has created a more progressive tiered income tax system, in which residents with higher incomes pay a larger share of their income in taxes than residents with lower incomes. This tax framework helps distribute the tax responsibility across District residents in a more fair and balanced way. DC has also expanded provisions that reduce income tax liability (taxes owed), such as the standard deduction. However, a recent income tax cut for residents with incomes over \$350,000 has worked against the long-term trend toward greater progressivity.<sup>40</sup>*

The report also details the last major tax overhaul in the district in 2015. Following the recommendations of its Tax Review Commission, the council lowered a number of taxes in the district. The business tax rate was lowered from 9.975 percent to 9 percent in 2017. The rate will fall to 8.25 percent in 2018. The council also exempted passive investment vehicles, such as mutual funds, from the unincorporated business franchise tax. The Tax Review Commission’s recommendations to raise revenue were largely ignored, but the council did expand the sales tax base slightly to include sales previously excluded.

Because the District of Columbia is a jurisdiction that is made up entirely of the city of Washington, its needs are different than

those of other states. It has a higher than average share of special education students, homeless students, and students qualifying for free or reduced-price lunch. This drives more federal revenue and has made D.C. a leader in per-pupil spending. But that doesn’t mean spending is adequate to meet community needs.

Prior to the tax overhaul in 2015, D.C. commissioned a comprehensive education adequacy study in 2013. The final report made recommendations to ensure adequate and equitable local funding for both traditional public schools and charter schools in the district. Six years later, after accounting for inflation, schools in D.C. have not reached the level of resources recommended in the report, particularly funds targeted to children “at risk” of academic failure.<sup>41</sup>



# Delaware

**K-12 Spending Per Pupil**  
\$15,091

**Higher Education Spending Per Student**  
\$6,680

**Average Teacher Salary**  
\$60,484

**Student-Teacher Ratio**  
15.05 to 1

## State Rank

**11th** Per-Pupil Spending 2008

**12th** Per-Pupil Spending 2016

**14th** Per-Pupil Spending Growth

**27th** Support for Higher Education 2008

**35th** Support for Higher Education 2016

**30th** Growth in Cost of Higher Education (Four-Year Degree)

**14th** Average Teacher Salary

**36th** Growth in Average Teacher Salary

**33rd** Student-Teacher Ratio 2008

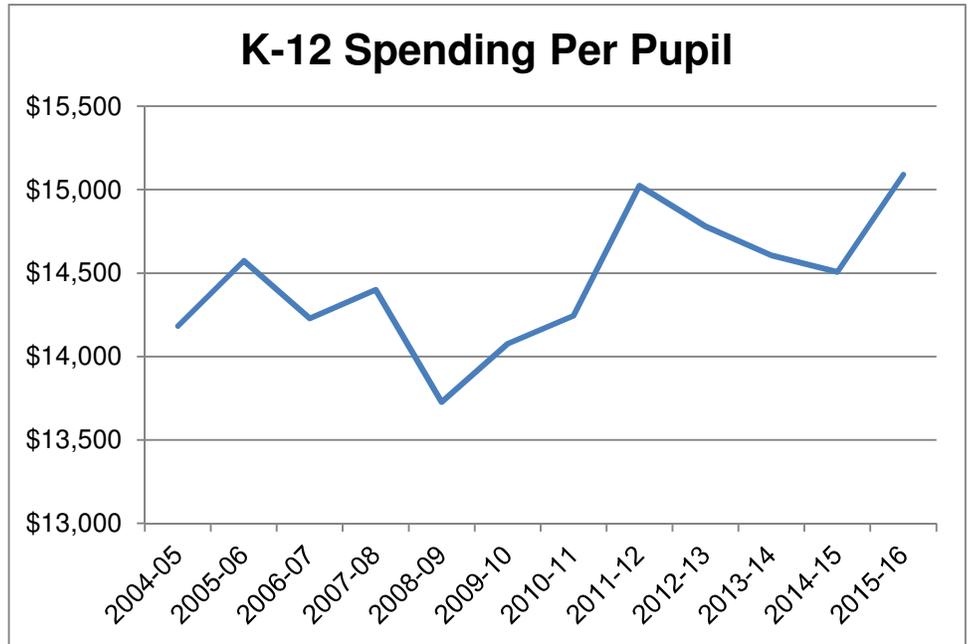
**25th** Student-Teacher Ratio 2016

**18th** Improvement in Student-Teacher Ratio

**26th** Tax Fairness

**50th** Tax Effort 2015

**26th** Improvement in Tax Effort



Earlier this year, the ACLU filed a lawsuit calling for adequate investment in education for all Delaware’s children. It pointed to a governor’s task force in 2015 that found Delaware needed greater investment, including in early childhood education and in supports for at-risk children. The ACLU also noted that the Delaware Legislature had acknowledged that the state’s funding system does not reflect the needs of its children and schools.<sup>36</sup>

This lawsuit—which is, in part, a result of the inequitable distribution of funding in the system—comes as spending has become volatile. Per-pupil expenditures peaked in 2011-

12 at \$15,023. Spending then dropped for three straight years and recovered again in 2016, exceeding 2012 levels. But in 2017, the state made additional education cuts.<sup>37</sup> Since the recession, average teacher pay is down nearly 8 percent.

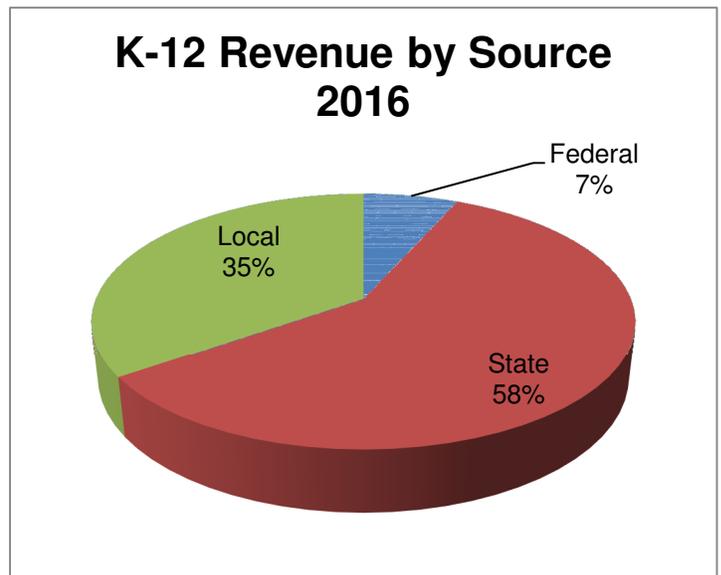
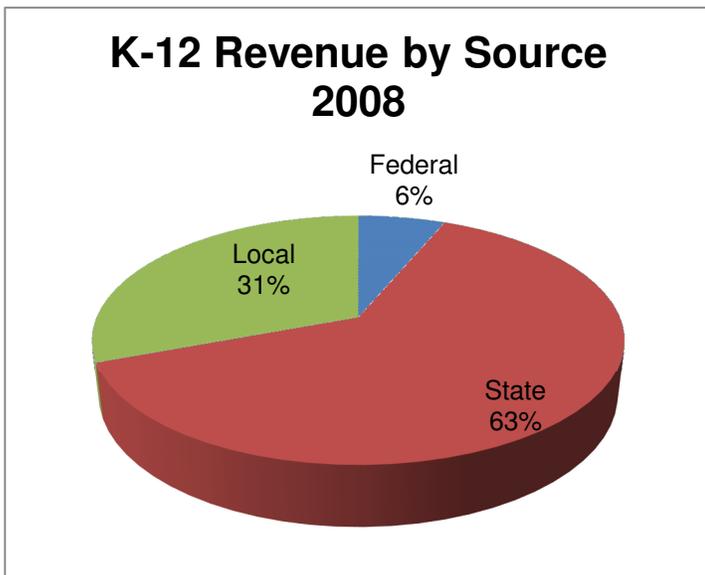
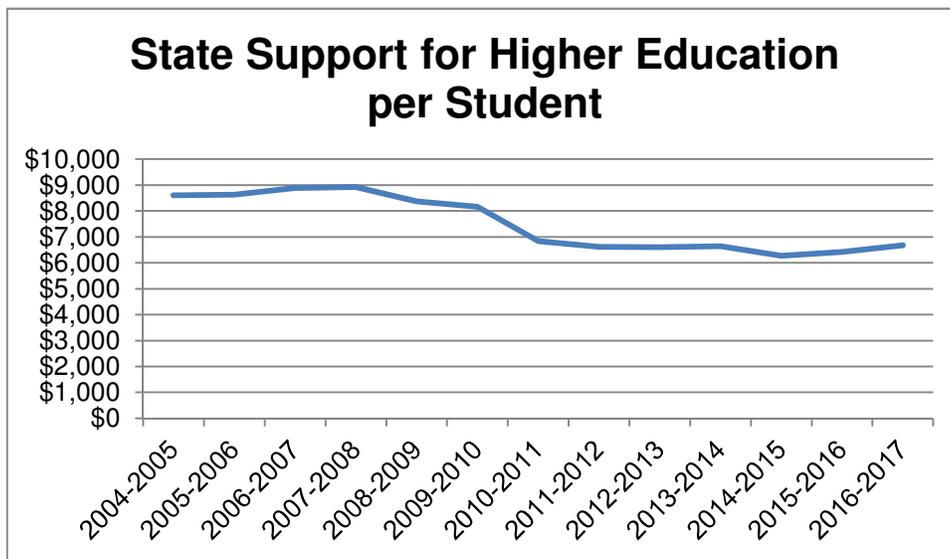
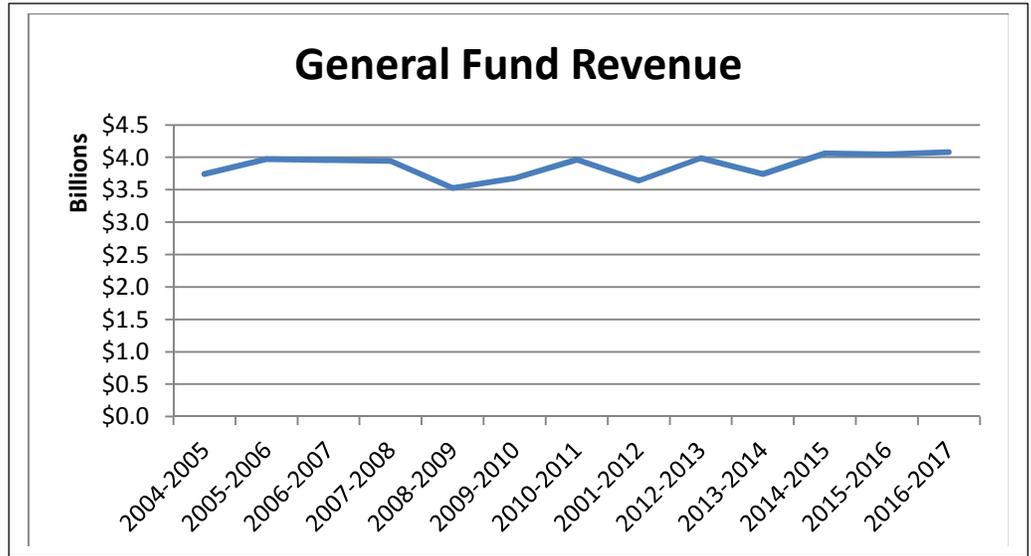
Policymakers in Delaware have also been hard on higher education. There was a 25 percent reduction in state support for higher education, adjusting for inflation. Tuition has been increased by 34 percent in both two- and four-year colleges.

Lawmakers did take some steps to stabilize funding, particularly in the immediate aftermath of the recession. In

2009, they raised the top rate on the income tax from 5.95 percent to 6.6. Even so, comparing 2008 to 2015, the state reduced its already low tax effort by 1.7 percent. The amount of taxes collected rose, but not at the same rate as the growth in the tax base.

Delaware has a reputation for being one of the most corporate-friendly states in the country. The state’s tax code allows multistate companies to shelter revenue in Delaware to avoid taxes in other jurisdictions.<sup>38</sup> In 2016, the Legislature passed the Delaware Competes Act, which changed how corporate income taxes are assessed and will lead to a decline in revenue.<sup>39</sup>

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$80 Million**



## Florida

**K-12 Spending Per Pupil**  
\$9,149

**Higher Education Spending Per Student**  
\$7,386

**Average Teacher Salary**  
\$47,721

**Student-Teacher Ratio**  
15.29 to 1

### State Rank

**39th** Per-Pupil Spending 2008

**44th** Per-Pupil Spending 2016

**51st** Per-Pupil Spending Growth

**22nd** Support for Higher Education 2008

**29th** Support for Higher Education 2016

**9th** Growth in Cost of Higher Education (Four-Year Degree)

**47th** Average Teacher Salary

**51st** Growth in Average Teacher Salary

**20th** Student-Teacher Ratio 2008

**30th** Student-Teacher Ratio 2016

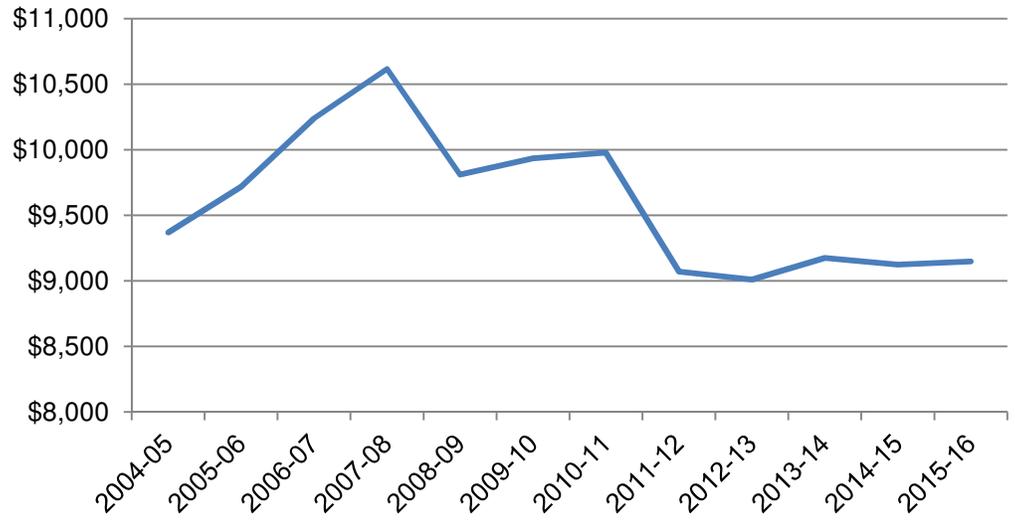
**44th** Improvement in Student-Teacher Ratio

**48th** Tax Fairness

**47th** Tax Effort 2015

**50th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Disinvestment has been a hallmark of Florida state budgets since the recession. Gov. Rick Scott likes to talk about how the value of tax cuts enacted under his watch is more than \$10 billion.<sup>42</sup> As a result, Florida reduced its tax effort between 2008 and 2015 by 21 percent. Only one state had a greater reduction in tax effort, and Florida is now 47th overall in the nation in terms of the amount of resources it devotes to paying for public services.

These changes have systematically lowered taxes on the richest, but have not similarly lowered taxes on the poorest Floridians. In fact, only one other state

forces the poor to pay a higher percentage of their income to taxes. Because Florida has no income tax, the poorest Floridians have always paid a much higher share of their income in taxes than the rich. In Florida, those making less than \$17,000 a year paid 12.9 percent of their income in state and local taxes in 2015. In 2016, the richest 1 percent of Floridians—who made more than \$489,000 in that year—paid just 2.5 percent of their income in state and local taxes. Only three states have lower taxes on the rich.<sup>43</sup>

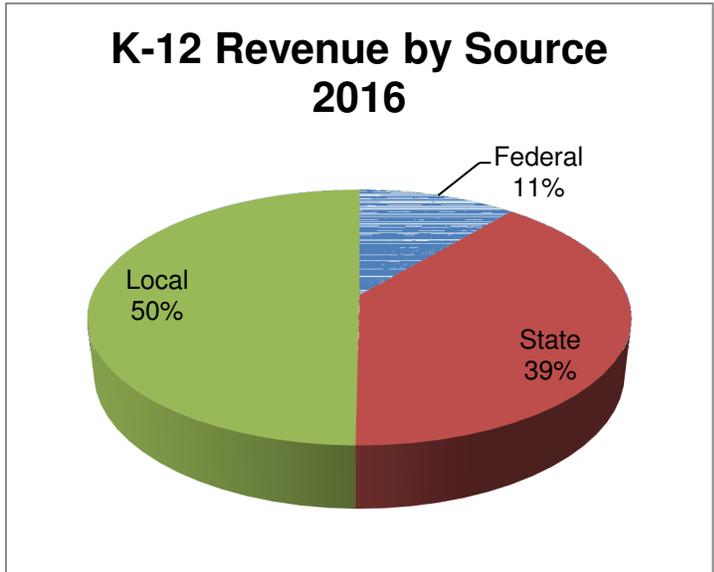
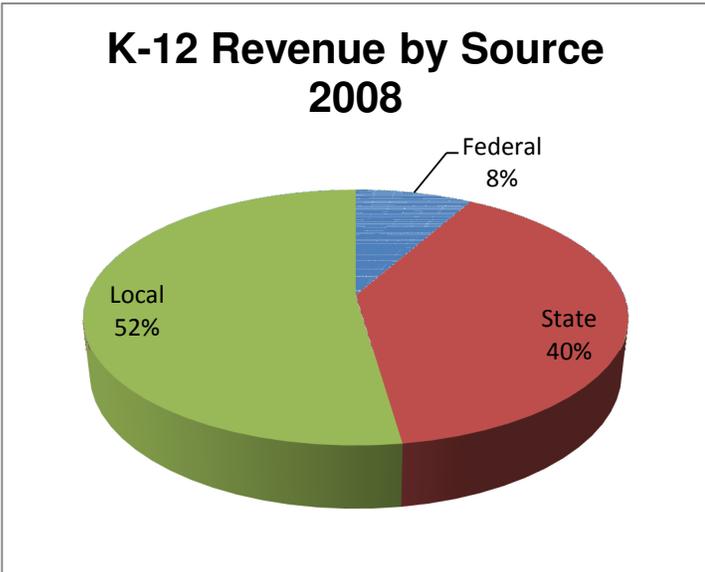
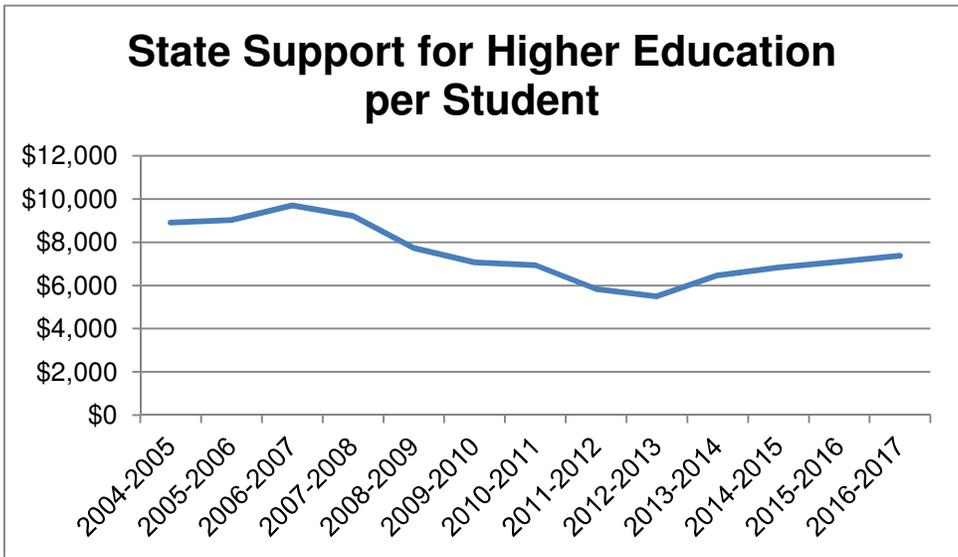
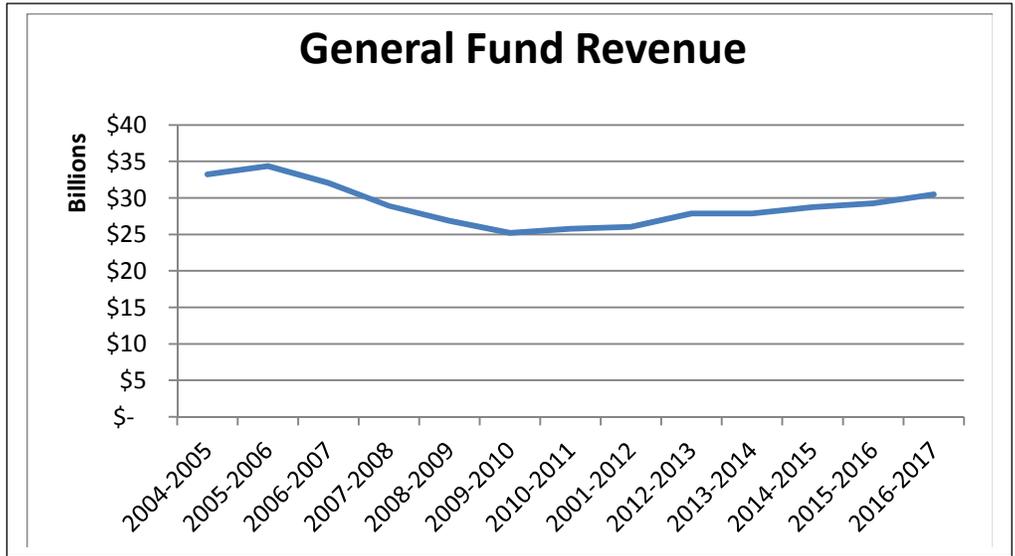
The results can be seen everywhere. Real per-pupil spending has shrunk by 13.8

percent since the recession, the largest reduction in the nation. Real average teacher pay is 12 percent lower than it was in 2009, the worst such drop in the nation. Despite having a constitutionally mandated class-size reduction program, there are 1.29 more students per teacher. Only seven states have added more students per teacher than Florida.

Higher education is also suffering disinvestment. Real state support for higher education is down almost 20 percent. Tuition at four-year public institutions has risen by 60 percent even after controlling for the increase in consumer prices.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$4.1 Billion**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$1.1 Billion**



## Georgia

**K-12 Spending Per Pupil**  
\$10,020

**Higher Education Spending Per Student**  
\$9,186

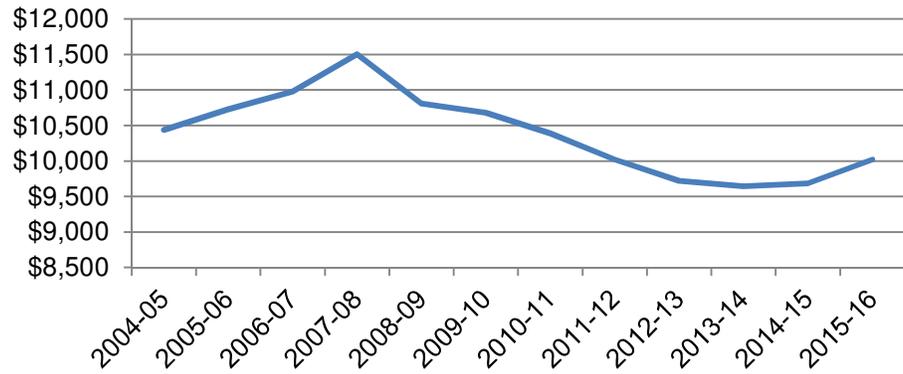
**Average Teacher Salary**  
\$56,329

**Student-Teacher Ratio**  
15.55 to 1

### State Rank

- 25th** Per-Pupil Spending 2008
- 37th** Per-Pupil Spending 2016
- 50th** Per-Pupil Spending Growth
- 10th** Support for Higher Education 2008
- 12th** Support for Higher Education 2016
- 5th** Growth in Cost of Higher Education (Four-Year Degree)
- 23rd** Average Teacher Salary
- 37th** Growth in Average Teacher Salary
- 23rd** Student-Teacher Ratio 2008
- 34th** Student-Teacher Ratio 2016
- 45th** Improvement in Student-Teacher Ratio
- 23rd** Tax Fairness
- 45th** Tax Effort 2015
- 48th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Among the 50 states, Georgia had the second-largest reduction in state per-student education funding following the recession. Austerity cuts had been put in place in 2003 and by 2018, more than \$9 billion had been cut from Georgia's schools.<sup>44</sup> In 2014, Alan Essig, former executive director of the Georgia Budget & Policy Institute wrote about the education cuts, saying:

*The financial squeeze for Georgia's 180 local districts caused more than 70 percent of schools to shorten the standard 180-day school, 80 percent of districts to furlough teachers, 95 percent to increase Student to Teacher Ratio, 62 percent to eliminate electives, 42 percent to eliminate art and music programs and 70 percent to cut professional development for teachers.*<sup>45</sup>

Comparing 2008 and 2015, the state reduced its tax effort by 12.7 percent, the fourth-

worst reduction in the nation. The impact on education was severe. The state was spending almost 13 percent less on K-12 education in 2016 compared with 2008, adjusting for inflation. And, by 2017, real state spending on higher education was down 16 percent.

At the same time Georgia lawmakers were cutting taxes, they were also working to shift more tax dollars to private schools. In 2008, legislators created the Georgia Qualified Education Expense Tax Credit, which allowed tax filers to receive a dollar-for-dollar reduction in their state income tax bill up to \$1,000 if they are single and \$2,500 if they are married, in exchange for donations to private voucher-granting organizations. Corporations can receive a credit up to 75 percent of their tax liability in exchange for contributions to the organizations. The statewide

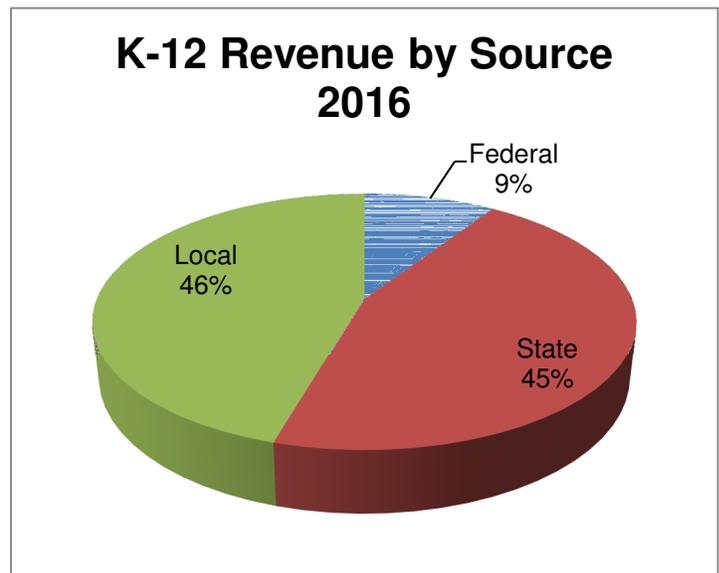
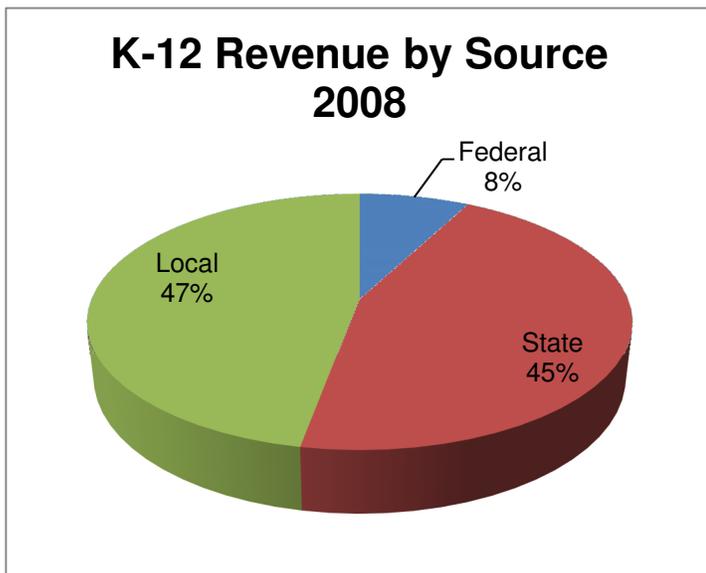
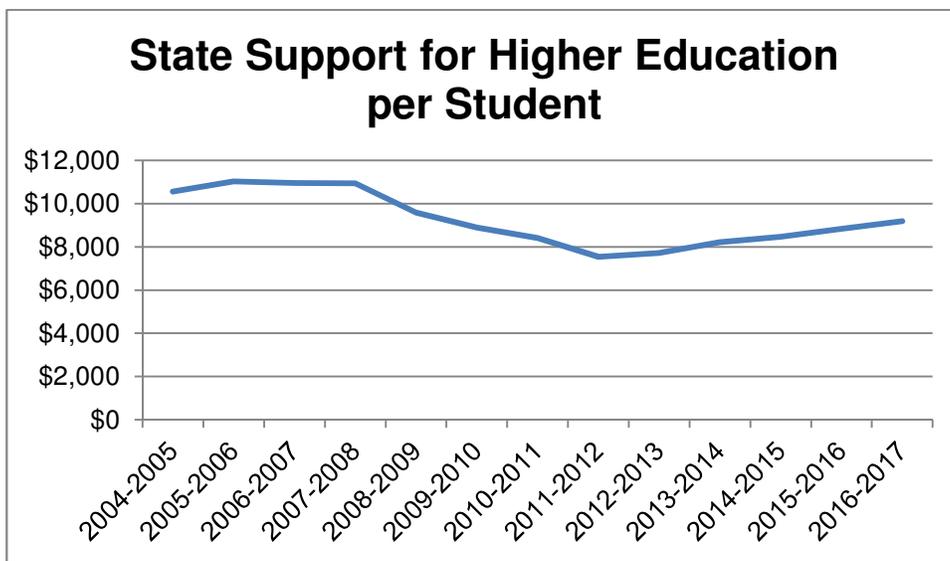
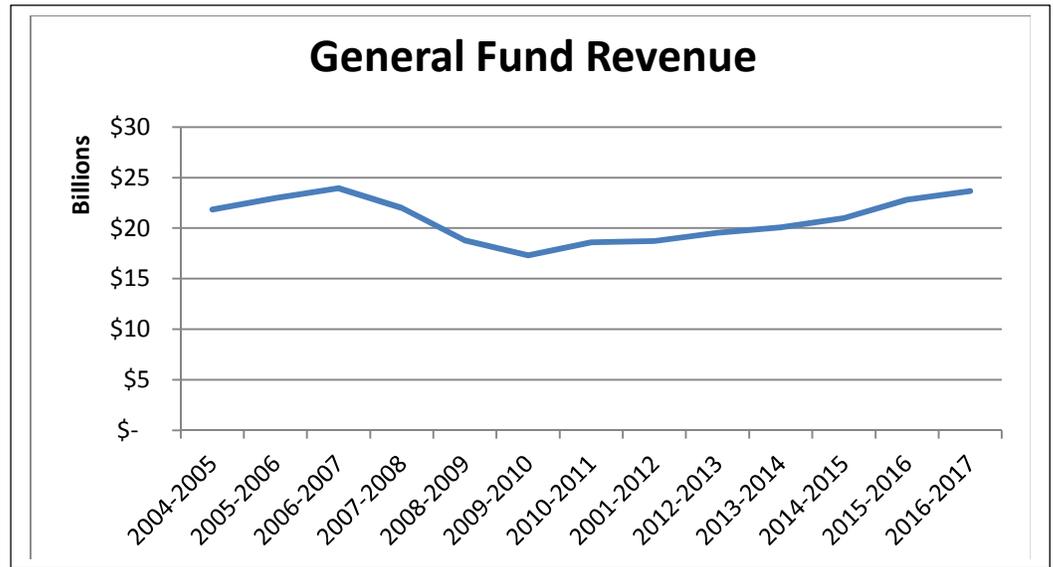
cap on the total tax credit is \$58 million in 2018; it increases to \$100 million in 2019.<sup>46</sup>

This year, Georgia lawmakers finally put a stop to funding cuts and added \$167 million to the 2019 state budget, which will fully fund the state's K-12 funding formula for the first time since 2003.<sup>47</sup> However, advocates say that full funding under the Quality Basic Education formula itself falls short of adequate because districts have been absorbing transportation and health insurance costs from the state.<sup>48</sup>

Georgia lawmakers may well find themselves unable to follow through on their commitment to fully fund Georgia's schools. In March, the governor signed tax cut legislation that is projected to reduce revenues by more than \$1 billion a year.<sup>49</sup> The new tax law lowers the corporate tax rate and the top individual income tax rate.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$2.6 Billion**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$611 Million**



## Hawaii

**K-12 Spending Per Pupil**  
\$14,101

**Higher Education Spending Per Student**  
\$18,404

**Average Teacher Salary**  
\$57,866

**Student-Teacher Ratio**  
15.49 to 1

### State Rank

**13th** Per-Pupil Spending 2008

**15th** Per-Pupil Spending 2016

**20th** Per-Pupil Spending Growth

**2nd** Support for Higher Education 2008

**2nd** Support for Higher Education 2016

**4th** Growth in Cost of Higher Education (Four-Year Degree)

**18th** Average Teacher Salary

**40th** Growth in Average Teacher Salary

**37th** Student-Teacher Ratio 2008

**33rd** Student-Teacher Ratio 2016

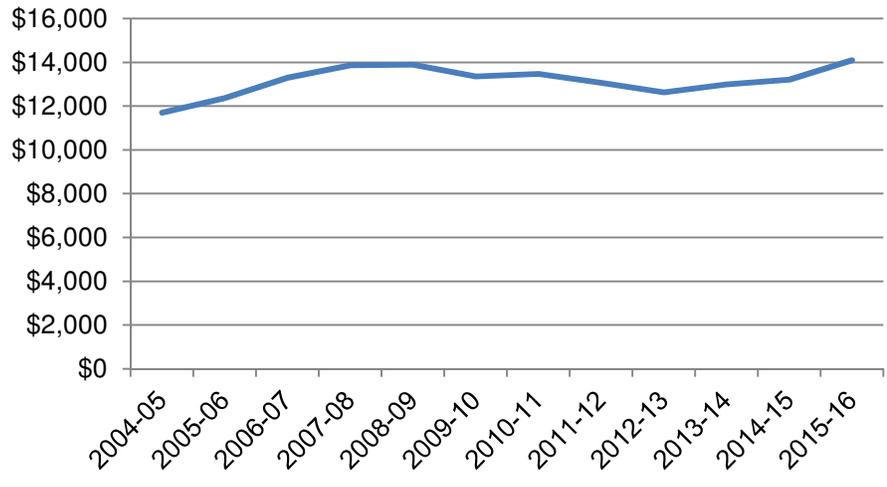
**9th** Improvement in Student-Teacher Ratio

**8th** Tax Fairness

**5th** Tax Effort 2015

**6th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Between 2009 and 2016, state lawmakers took action on personal and corporate income and sales taxes that had a net positive impact on revenue. During that period, the state increased its tax effort by 7.9 percent.

Since the recession, education expenditures have not kept up with inflation, meaning schools are less able to pay for the basic school supplies student need.<sup>50</sup> Many schools have started online funding lists to encourage community members to donate supplies or money; however, this is not a long-term solution to the issue.

Currently, the education system of Hawaii is unfunded by property tax of any kind. Although Hawaii's

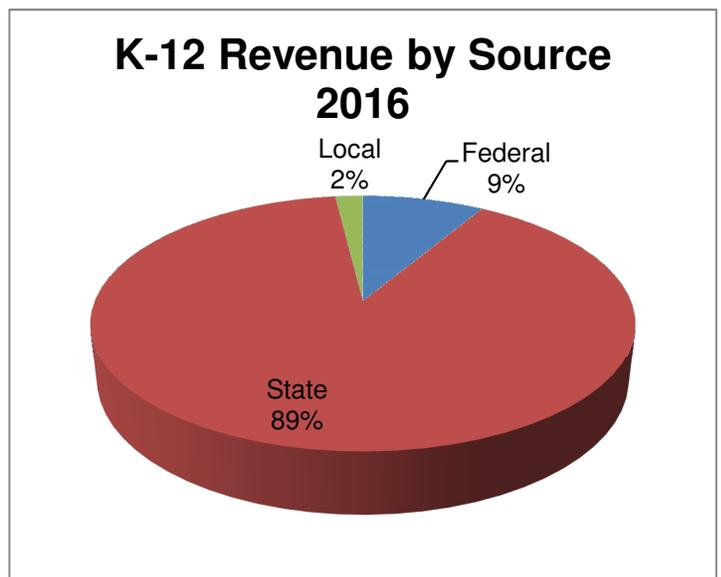
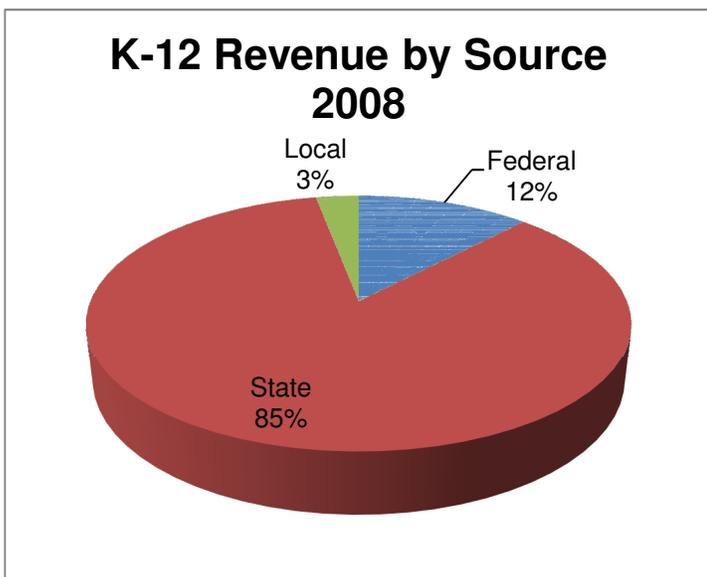
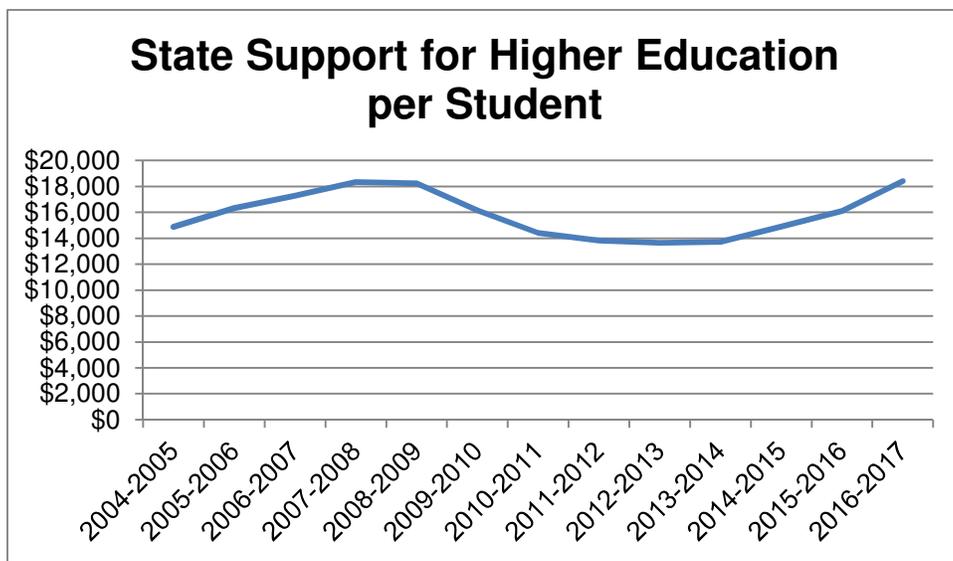
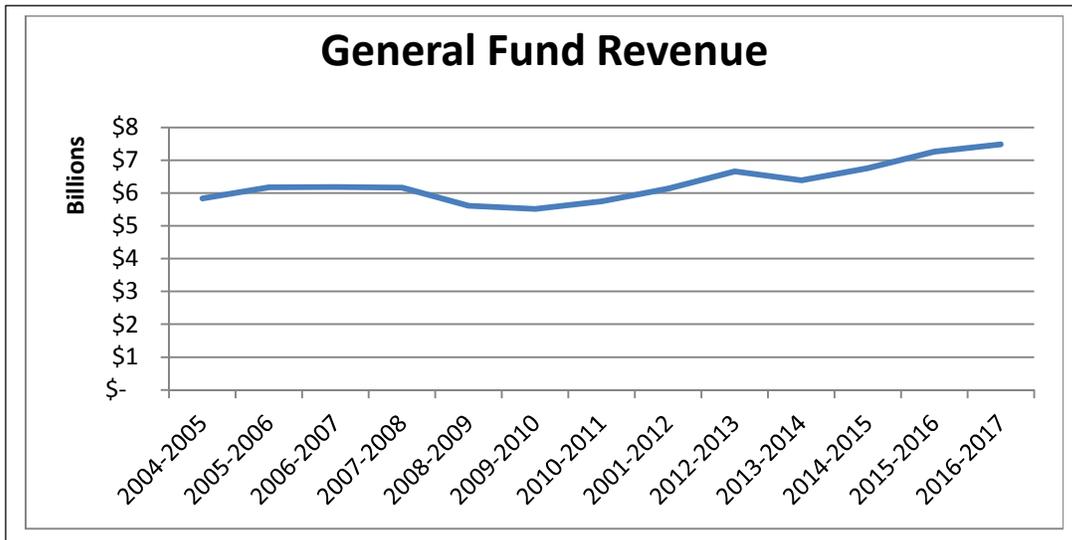
unique single statewide school district design should promote equity, the lack of property taxes undermines the stability of education funding.

Without increases on property and excise taxes, the Hawaii school system will continue to deteriorate, and schools will lose teachers at increasing rates. Although Hawaii boasts relatively high teacher salaries, ranking 18th in the nation, the cost of living makes teaching unaffordable.<sup>51</sup>

There is some hope that Hawaii could use property taxes to pay for education, however. Recently, Democrats within the state Legislature proposed an initiative to let Hawaiian

voters determine if property taxes could be used to support education within the state.<sup>52</sup> This initiative is vital to increasing the education budget within Hawaii and increasing funding to correspond to inflation. Additionally, the 2017 legislative session in Hawaii demonstrates a decrease in income taxes for the poor and the reinstatement of property tax brackets for the highest earners.<sup>53</sup> These changes will lead the state to more progressive tax policies and greater overall income.

Students' higher education costs have also increased in recent years, increasing 68 percent and 81 percent for two- and four-year schools, respectively. These increases in price are the fourth-highest in the nation.



## Idaho

**K-12 Spending Per Pupil**  
\$7,341

**Higher Education Spending Per Student**  
\$8,792

**Average Teacher Salary**  
\$49,225

**Student-Teacher Ratio**  
18.67 to 1

### State Rank

**50th** Per-Pupil Spending 2008

**50th** Per-Pupil Spending 2016

**46th** Per-Pupil Spending Growth

**11th** Support for Higher Education 2008

**14th** Support for Higher Education 2016

**22nd** Growth in Cost of Higher Education (Four-Year Degree)

**41st** Average Teacher Salary

**28th** Growth in Average Teacher Salary

**45th** Student-Teacher Ratio 2008

**45th** Student-Teacher Ratio 2016

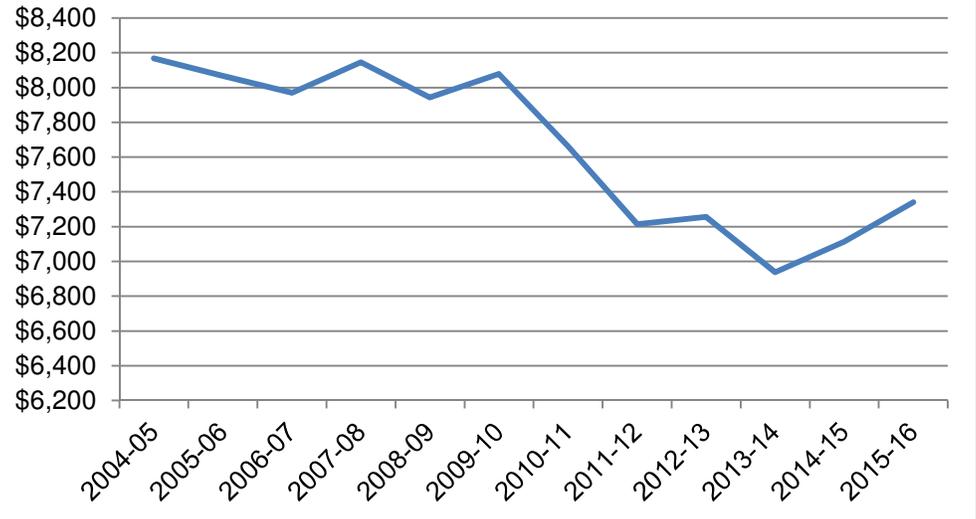
**32nd** Improvement in Student-Teacher Ratio

**18th** Tax Fairness

**28th** Tax Effort 2015

**30th** Improvement in Tax Effort

### K-12 Spending Per Pupil



In the aftermath of the 2010 elections, Idaho experienced some of the same attacks on public services and public workers that were seen in states like Wisconsin and Michigan. In 2011, conservative Idaho legislators passed a plan to curtail collective bargaining and limit due process for teachers. In 2012, voters overturned these measures, upsetting Gov. Butch Otter's agenda. In the aftermath of his defeat, Otter created a task force to bring stakeholders together around the path forward on education policy.<sup>54</sup> This task force issued a consensus report in 2013.

But there wasn't a similar check on the governor's decision to cut taxes for the wealthy. Idaho eliminated its

top rate on the income tax in 2012.<sup>55</sup> That followed a swap that reduced reliance on the property tax and increased it on the sales tax, which over time will lead to less funding for services. Because Idaho was unable to couple a consensus on education policy with a consensus on how to pay for it, this year the Idaho Center for Fiscal Policy noted that state education funding was \$120 million below what was needed to fully implement the 2013 recommendations.<sup>56</sup>

Between 2007-08 and 2013-14, real per-pupil education spending fell by 10 percent. Funding started to recover in 2015, as a result of a growing economy. But Idaho is still next-to-last in the nation. It is 45th in pupil-teacher ratio and 41st in average teacher

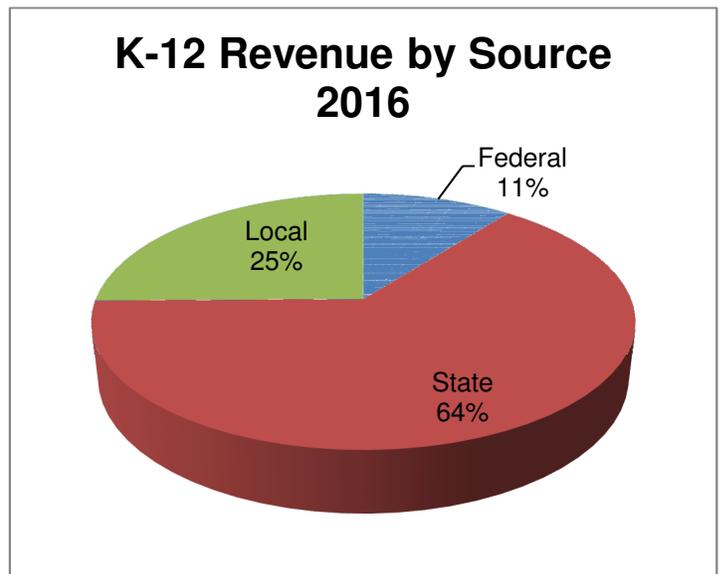
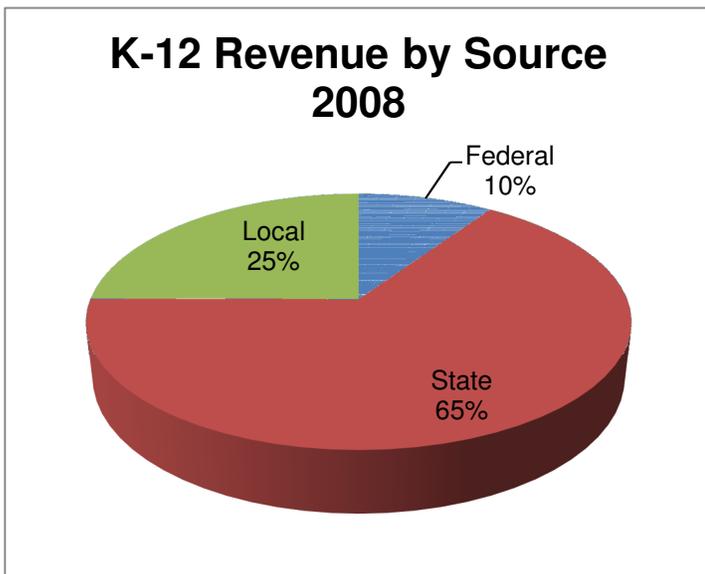
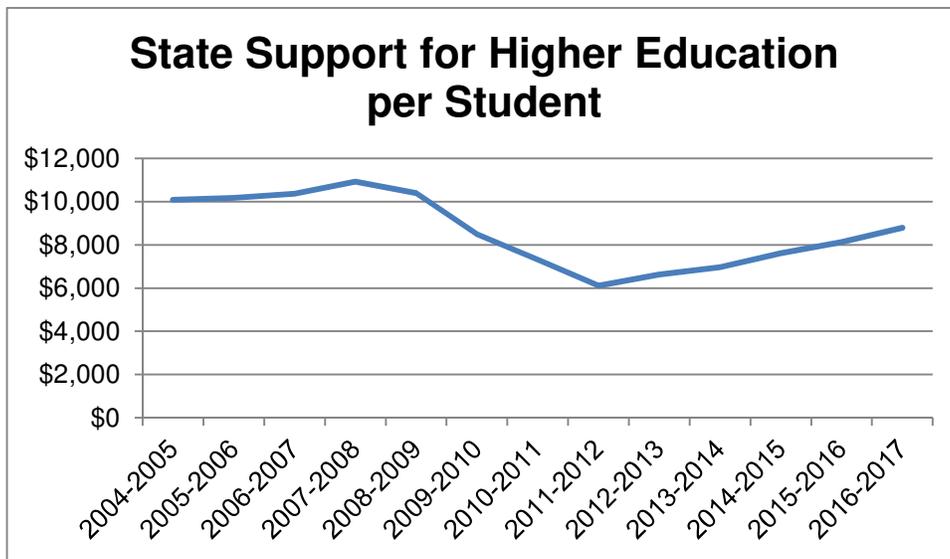
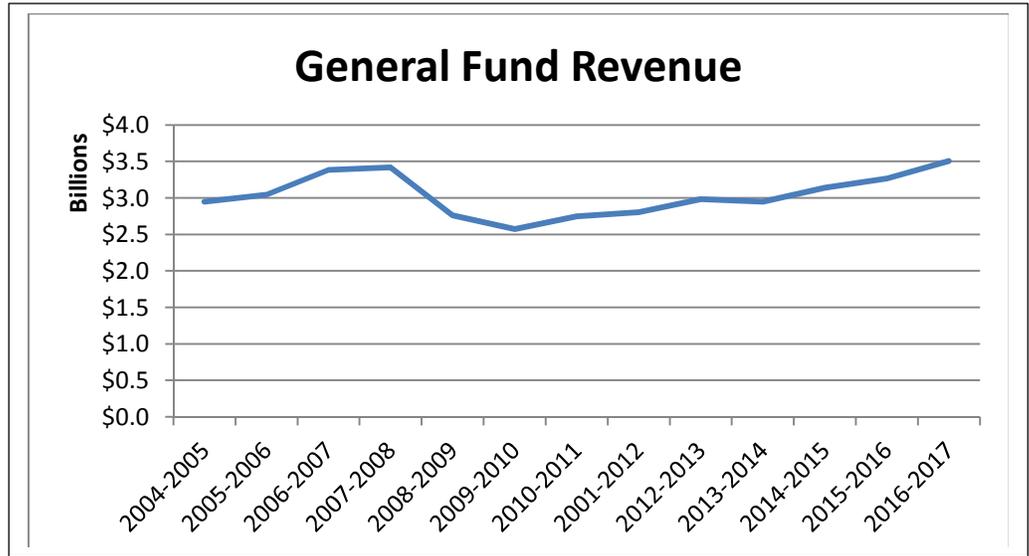
salary.

Idaho provides more funding for higher education than most states. But, in the aftermath of the recession, that funding dropped by more than 19 percent. Almost three-quarters of Idaho's college students graduate with debt, the second-highest rate in the nation.<sup>57</sup> Tuition for two-year colleges has increased by 65 percent, the fifth-highest increase in the nation.

Rather than commit to move forward, it appears that Idaho is taking another step back. The Legislature this year has passed a tax bill that will lead to an additional \$100 million in lost revenue next year.<sup>58</sup>

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$221 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$114 Million**



# STATE REPORTS

## Illinois

**K-12 Spending Per Pupil**  
\$14,544

**Higher Education Spending Per Student**  
NA

**Average Teacher Salary**  
\$65,776

**Student-Teacher Ratio**  
15.71 to 1

### State Rank

**18th** Per-Pupil Spending 2008

**14th** Per-Pupil Spending 2016

**1st** Per-Pupil Spending Growth

**21st** Support for Higher Education 2008

**NA** Support for Higher Education 2016

**37th** Growth in Cost of Higher Education (Four-Year Degree)

**11th** Average Teacher Salary

**31st** Growth in Average Teacher Salary

**36th** Student-Teacher Ratio 2008

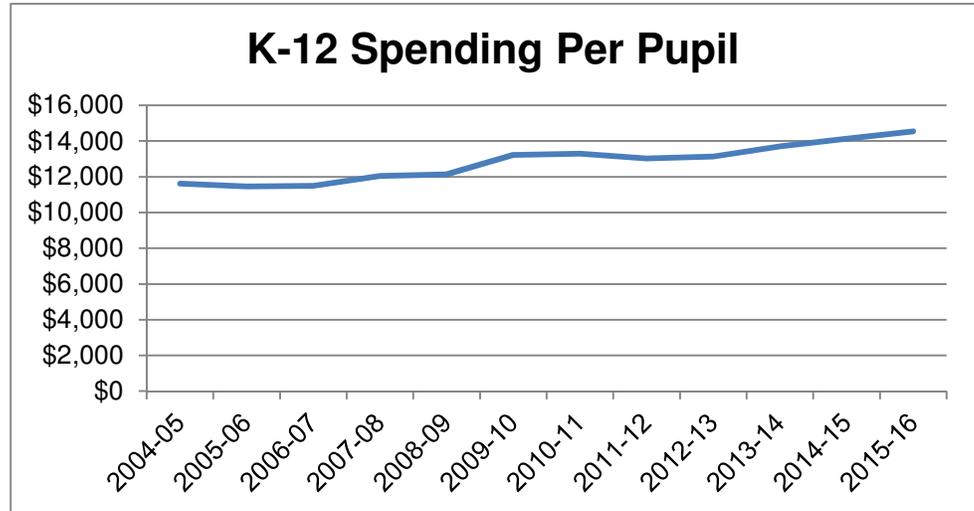
**36th** Student-Teacher Ratio 2016

**23rd** Improvement in Student-Teacher Ratio

**21st** Tax Fairness

**13th** Tax Effort 2015

**4th** Improvement in Tax Effort



Even before the Great Recession, Illinois' revenue system did not grow at the same rate as its expenditure needs; creating what is called a "structural deficit."<sup>59</sup> Even during good years, Illinois struggled to fund services, and its bad years could be devastating.

In 2011, in an effort to stem the tide of austerity, Illinois temporarily raised its income tax rate. This helped in the near term, but its temporary nature created a \$12 billion fiscal cliff for the 2016 fiscal year.<sup>60</sup> The arrival of that cliff coincided with the election of Gov. Bruce Rauner, who would not support extending the tax increase unless he was able to undermine workers' rights or privatize public services.<sup>61</sup>

Rauner's brinkmanship led the state to go without a budget from July 2015 through August 2017, when the Legislature finally overrode his

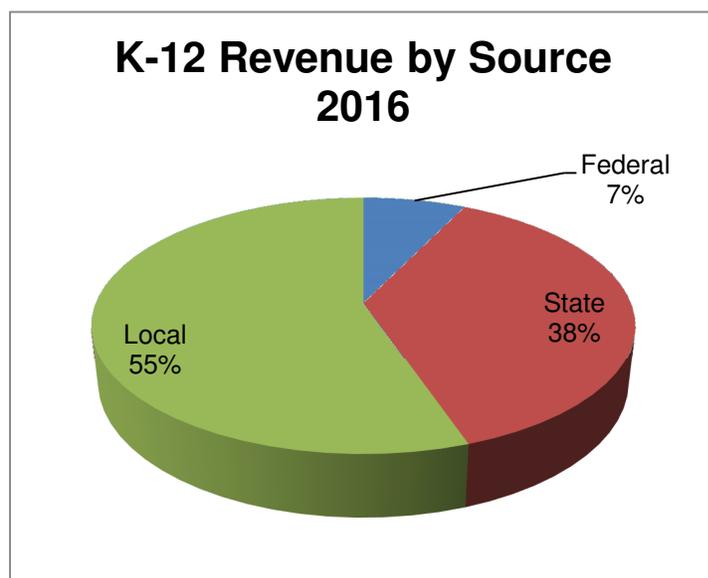
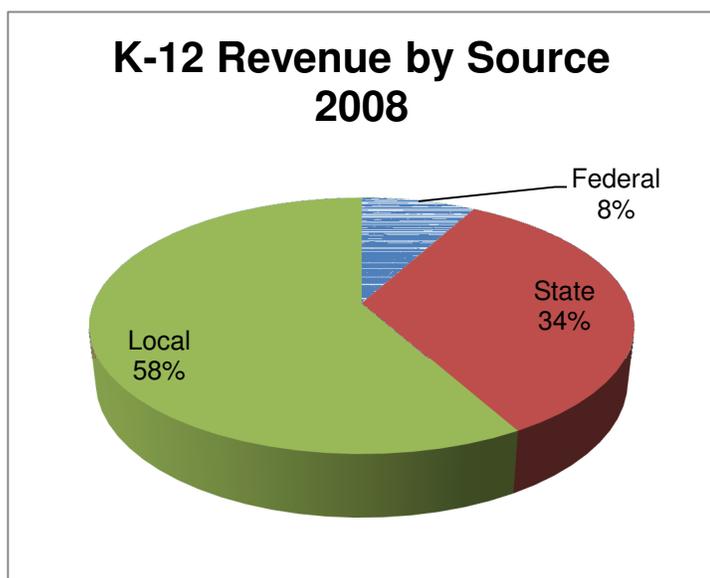
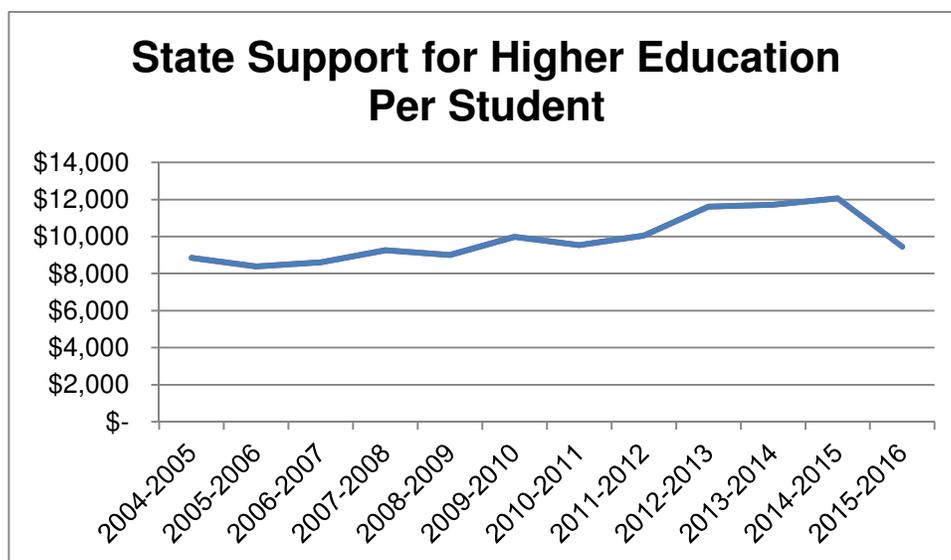
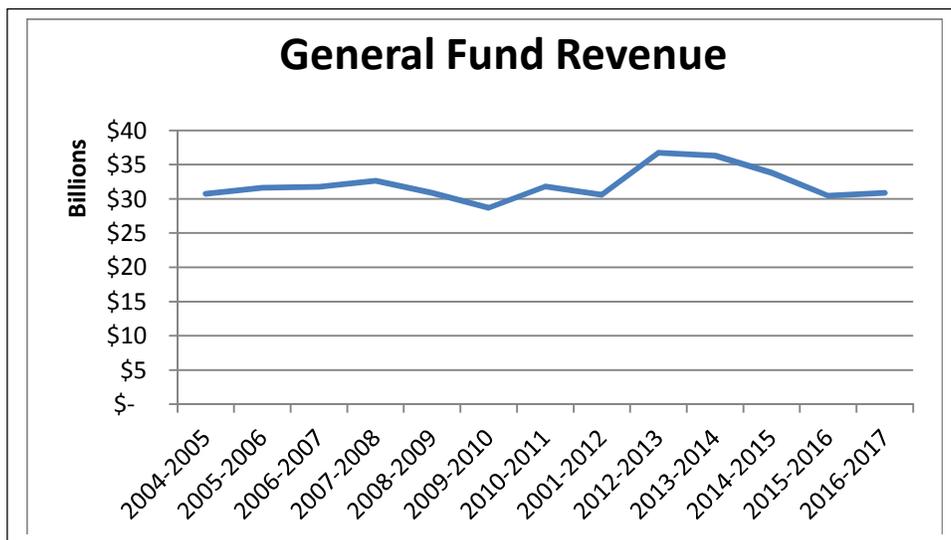
veto.<sup>62</sup> This impasse led to major cuts in services. The United Way reported that 69 percent of human services providers had not received full state payment for their work, and 46 percent had reduced the number of clients they served.<sup>63</sup> This can be seen in teachers' salaries, which were reduced nearly 7 percent between 2008 and 2018, when accounting for inflation.

The Center on Budget and Policy Priorities found that the state had one of the largest decreases in state support for higher education.<sup>64</sup> Chicago State and Northeastern Illinois University were among the schools with layoffs, program cuts and truncated academic years.<sup>65</sup> Tuition prices at four-year public institutions increased by 42 percent.

As a result of the structural deficit, Illinois schools entered the recession already receiving more than a billion dollars less than needed to provide for its

children, by its own estimate.<sup>66</sup> Raunerism made this worse. Because Illinois has one of the more unfair funding systems in the nation, the impact of austerity is felt disproportionately in Chicago and other poor communities. Chicago public schools went from 2012 to 2017 with budget deficits.<sup>67</sup> Although K-12 education has increased by 20 percent since the recession time, this increase has not affected lower-income schools, since the state does not adequately provide funding for high-poverty schools.

The 2017 budget restored the expired income tax increase, and, at the same time, the state passed a funding formula that should be fairer to districts with low-income students. However, the state still levies the fourth-highest taxes on the bottom 20 percent of the tax base. In order to rectify the issues with the structural deficit, Illinois requires an equitable tax system.



## Indiana

**K-12 Spending Per Pupil**  
\$10,109

**Higher Education Spending Per Student**  
\$7,616

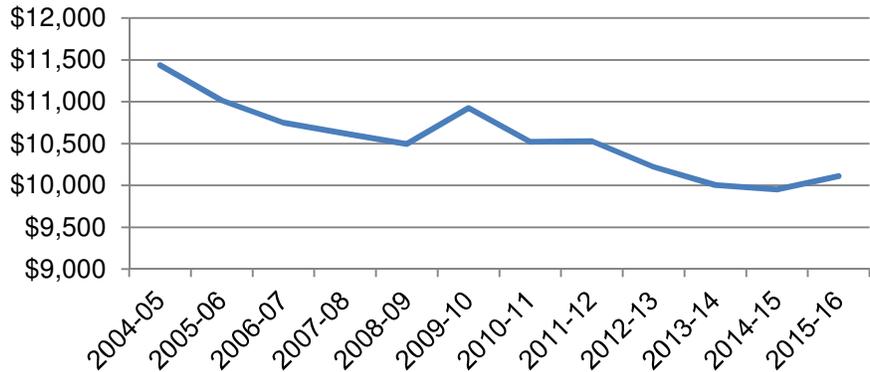
**Average Teacher Salary**  
\$54,846

**Student-Teacher Ratio**  
18.15 to 1

### State Rank

- 38th** Per-Pupil Spending 2008
- 35th** Per-Pupil Spending 2016
- 38th** Per-Pupil Spending Growth
- 36th** Support for Higher Education 2008
- 25th** Support for Higher Education 2016
- 46th** Growth in Cost of Higher Education (Four-Year Degree)
- 26th** Average Teacher Salary
- 23rd** Growth in Average Teacher Salary
- 40th** Student-Teacher Ratio 2008
- 42nd** Student-Teacher Ratio 2016
- 43rd** Improvement in Student-Teacher Ratio
- 28th** Tax Fairness
- 38th** Tax Effort 2015
- 47th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Between 2008 and 2016, the pupil-teacher ratio in Indiana schools grew from 16.8 students per teacher to 18.15, making Indiana 42nd in the nation on this measure. Only eight states had a bigger increase. The state's response to the Great Recession is at the core of this imbalance. From 2000 to 2008, the state steadily added more teachers as enrollments grew.<sup>68</sup> However, in 2010, even as enrollment continued to grow, the state lost 4,137 teachers from the previous year.<sup>69</sup>

This decrease in the teacher workforce was not a natural result of the recession but the result of a political choice. Indiana's policymakers, like those in other states with newly minted Republican majorities, chose to cut the public workforce significantly and curtail collective bargaining rights. At the same time, the average salary of Indiana teachers dropped by

4.5 percent.

Over this time period, Indiana also shifted investment from traditional public schools to charter schools and voucher programs. In 2002, the state had 11 charter schools and no voucher programs. Currently, 80 charter schools enroll some 40,000 students and receive more than \$300 million in taxpayer dollars per year, while nearly 35,000 students receive \$150 million in vouchers.<sup>70</sup>

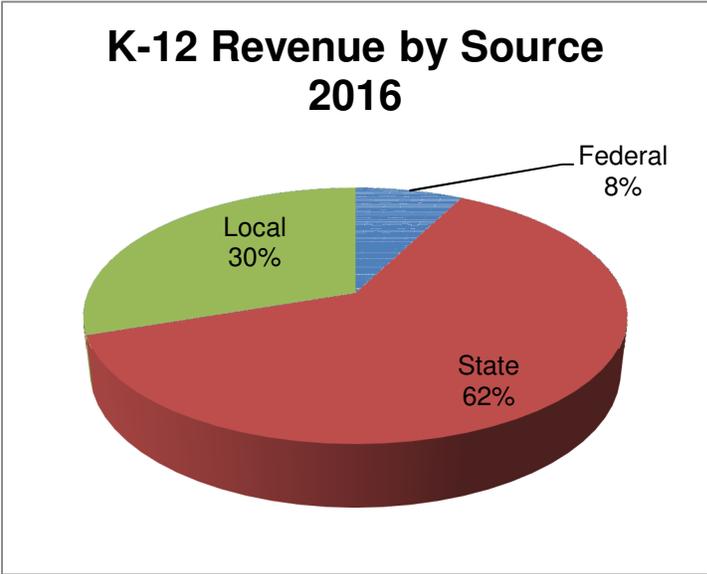
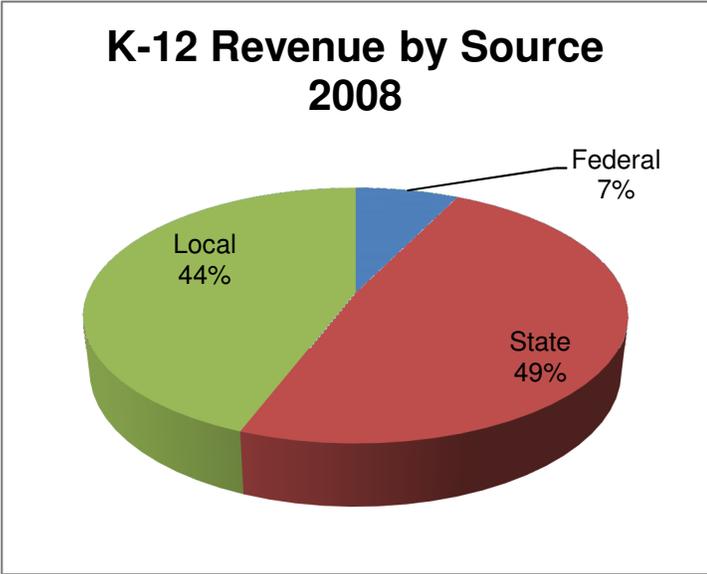
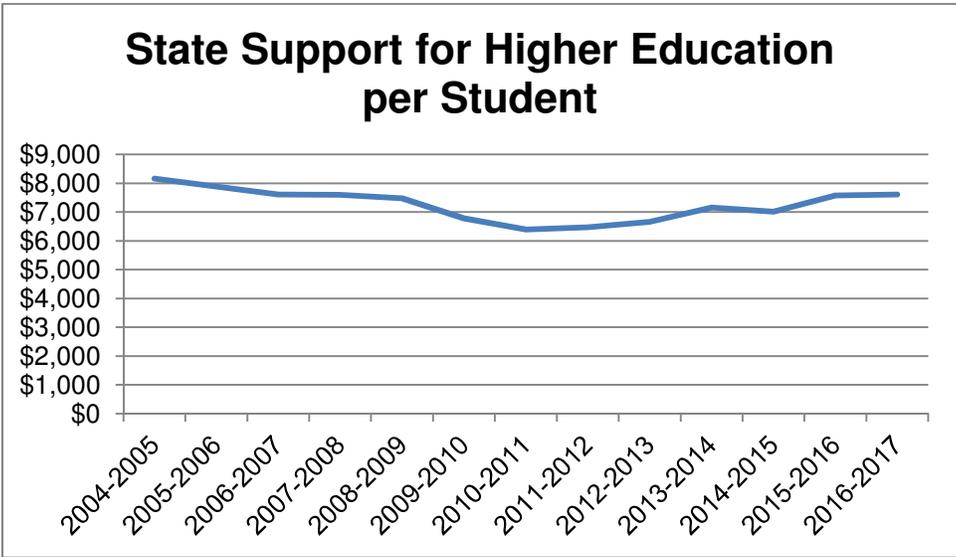
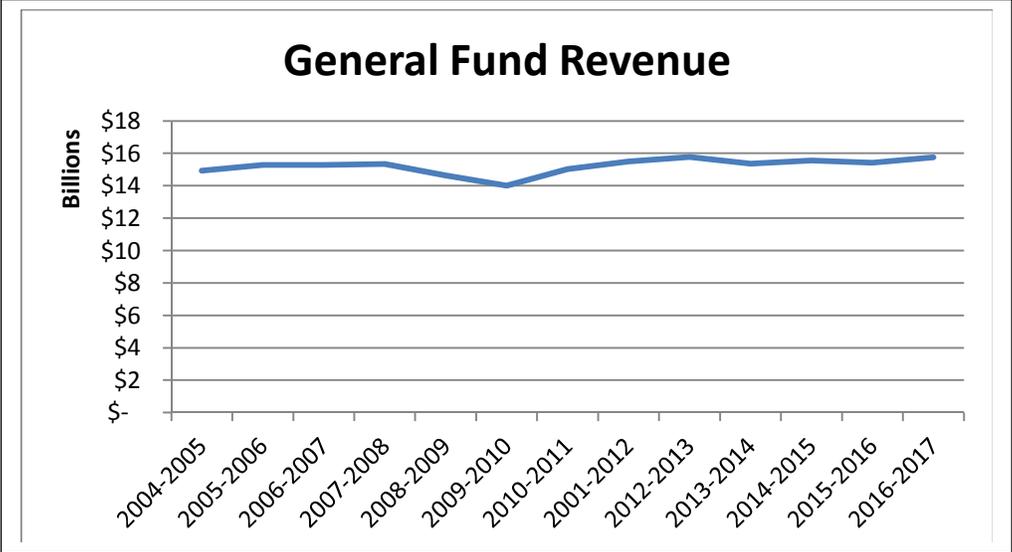
Finally, changes to the state's tax code have meant that these three school systems—traditional public schools, charter schools and voucher schools—are competing for less and less tax revenue. Per-pupil spending peaked in 2009-10 at \$10,925 but declined sharply throughout the recession, falling \$972 to \$9,953 in 2014-15.

Indiana was one of eight

states to improve funding for higher education between 2008 and 2016, however, an increase of less than one percent is not enough to cover the costs of improvements to colleges and universities throughout the state.

The state's decision to cap property taxes in 2009, combined with a \$300 million cut in the state education budget in 2010, hit school districts and students particularly hard.<sup>71</sup> Gov. Mike Pence signed legislation that eliminated the state's inheritance tax and reduced the personal and corporate income tax rates in 2013. Comparing 2008 and 2015, the state reduced its tax effort by 12 percent. Today, Indiana has among the top 10 most regressive state and local tax systems in the country, and many school districts still struggle to raise needed revenue because of the property tax caps.<sup>72</sup>

**Total Investment  
Needed To Reach  
2008 K-12  
Spending Levels:  
\$511 Million**



# STATE REPORTS

## Iowa

**K-12 Spending Per Pupil**  
\$11,436

**Higher Education Spending Per Student**  
\$6,254

**Average Teacher Salary**  
\$56,790

**Student-Teacher Ratio**  
14.24 to 1

### State Rank

**31st** Per-Pupil Spending 2008

**28th** Per-Pupil Spending 2016

**13th** Per-Pupil Spending Growth

**34th** Support for Higher Education 2008

**38th** Support for Higher Education 2016

**43rd** Growth in Cost of Higher Education (Four-Year Degree)

**22nd** Average Teacher Salary

**11th** Growth in Average Teacher Salary

**14th** Student-Teacher Ratio 2008

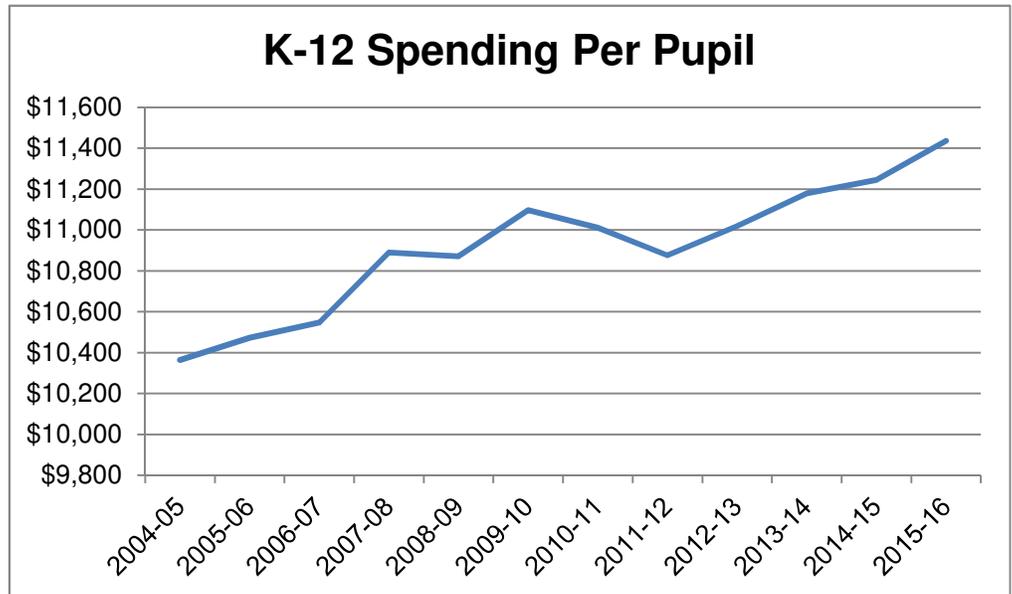
**22nd** Student-Teacher Ratio 2016

**39th** Improvement in Student-Teacher Ratio

**16th** Tax Fairness

**26th** Tax Effort 2015

**16th** Improvement in Tax Effort



Iowa has one of the stronger trends in improved K-12 expenditures since the recession, with real per-pupil spending rising by 5 percent. In K-12, Iowa is one of 13 states where average teacher pay has risen. But not all the news is as good: Iowa had the 12th-worst change to the pupil-teacher ratio in the states; it rose from 13.4 to 14.2 pupils per teacher. The share of all education paid for by the state has fallen compared with where it was before the recession, and it is below

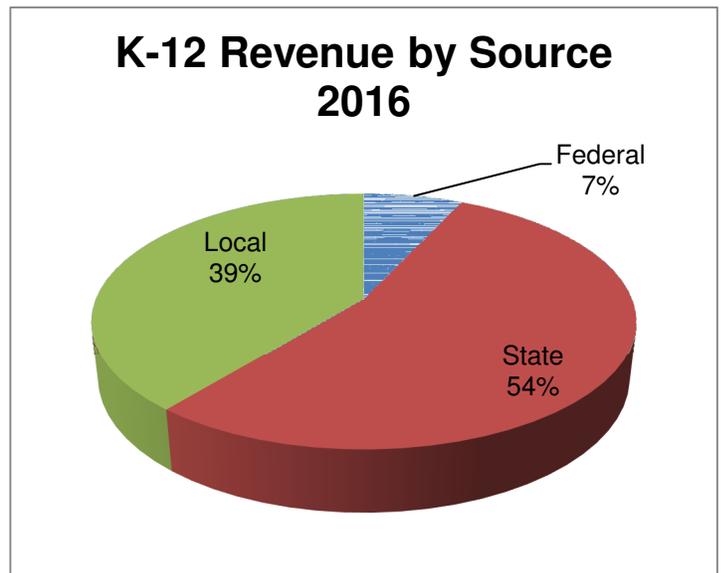
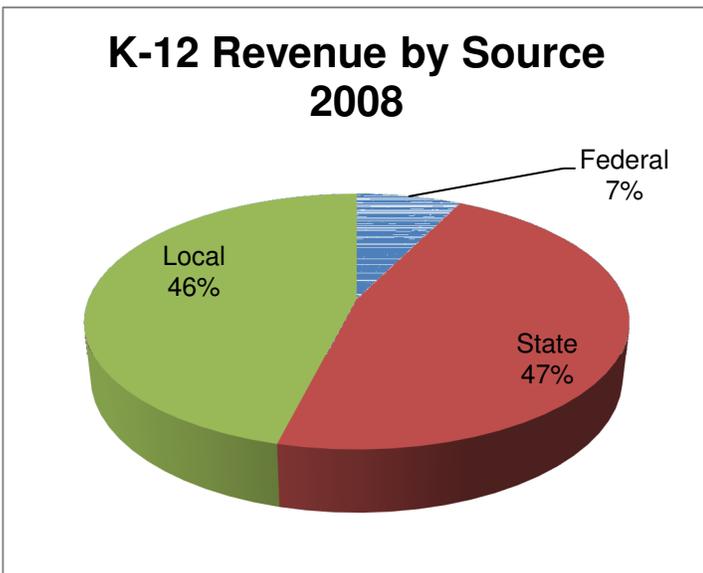
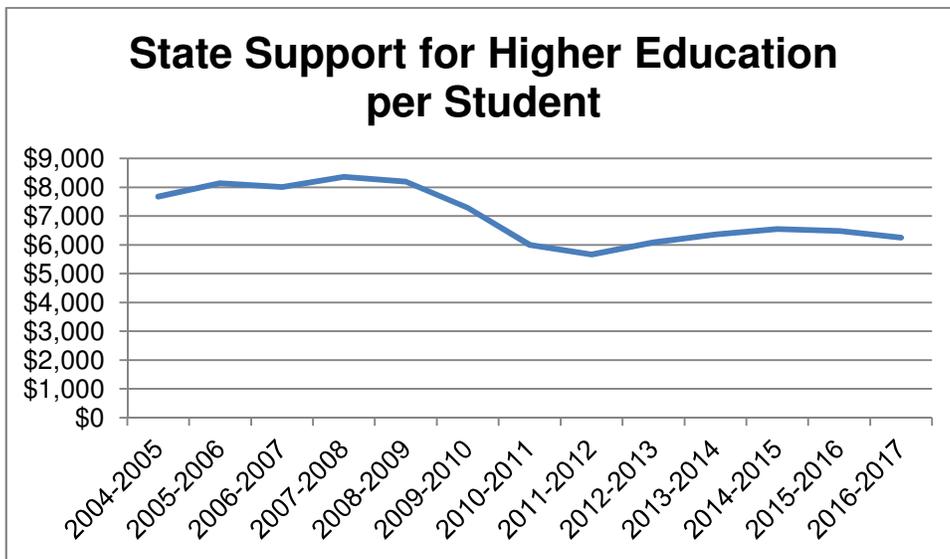
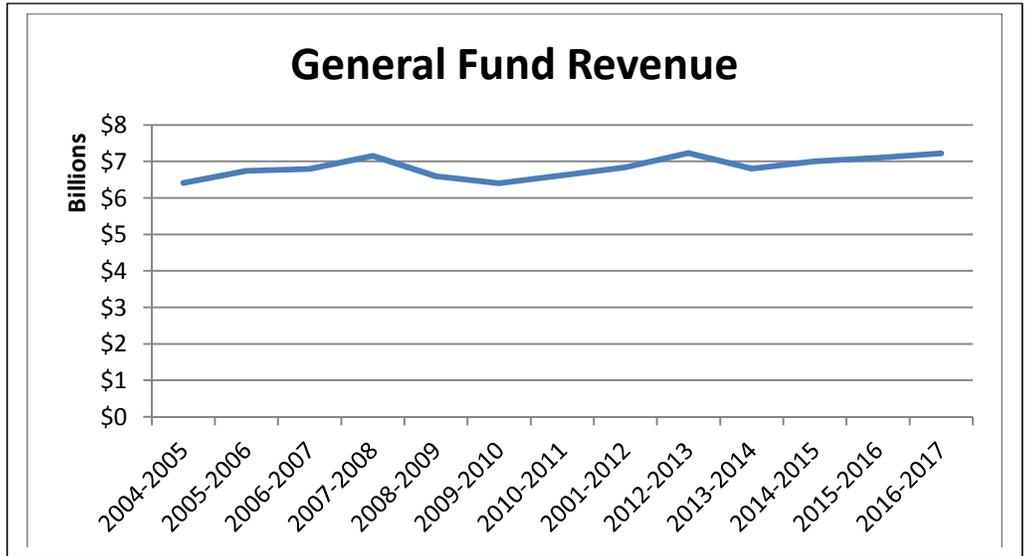
what is necessary to keep up with the real costs of public services.<sup>73</sup>

The recession did bring tough times, particularly in higher education. Real state funding for public higher education dropped by 25 percent. Increases of 20 percent and 30 percent, respectively, in real four-year and two-year public college costs also affect the affordability of higher education. There has been pressure to increase higher education funding, but not as much as in some other states. Major tax cuts

would change that.

Since the 2016 election of both a Republican Legislature and a Republican governor, there has been growing foment to substantially cut taxes. This year, the state Legislature did just that, cutting taxes by \$2.1 billion over six years.<sup>74</sup> The tax plan will give substantially greater tax cuts to those making over a million dollars a year.<sup>75</sup> This puts Iowa on the same path that Kansas was following.

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$267 Million**



## Kansas

**K-12 Spending Per Pupil**  
\$10,216

**Higher Education Spending Per Student**  
\$5,730

**Average Teacher Salary**  
\$50,403

**Student-Teacher Ratio**  
12.39 to 1

### State Rank

**27th** Per-Pupil Spending 2008

**33rd** Per-Pupil Spending 2016

**47th** Per-Pupil Spending Growth

**37th** Support for Higher Education 2008

**43rd** Support for Higher Education 2016

**27th** Growth in Cost of Higher Education (Four-Year Degree)

**38th** Average Teacher Salary

**28th** Growth in Average Teacher Salary

**11th** Student-Teacher Ratio 2008

**10th** Student-Teacher Ratio 2016

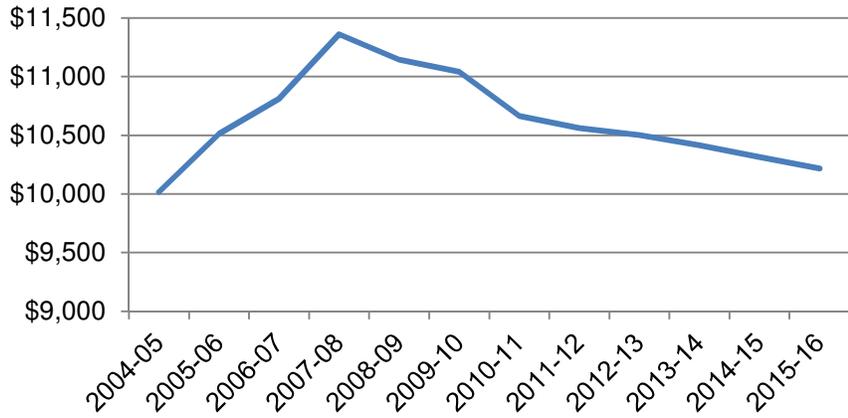
**4th** Improvement in Student-Teacher Ratio

**19th** Tax Fairness

**34th** Tax Effort 2015

**42nd** Improvement in Tax Effort

### K-12 Spending Per Pupil



In June 2012, Kansas Gov. Sam Brownback signed the biggest income tax cuts a state had ever enacted. Revenues fell by \$700 million in the first year, and between 2012 and 2016, general fund spending fell 5.5 percent, after adjusting for inflation and population growth.<sup>76</sup> Comparing 2008 and 2015, the state reduced its tax effort by 8.6 percent. These tax cuts also widened inequality because lawmakers raised the sales tax to partially pay for income tax cuts, shifting the tax burden to the poor and middle class.

Kansas had been cutting school funding since the recession, well before it enacted its historic tax cuts. In 2010, four school districts and 31 students filed a lawsuit, *Gannon v. State of Kansas*, arguing that the state's failure to provide "suitable" funding for education violated their rights under the state constitution.

In 2013, a court ruled in favor of the school districts, saying it was "completely illogical" for the state to cut taxes while using the recession as an excuse to cut spending. It ordered lawmakers to raise base state aid per pupil from \$3,838 to \$4,492. The state appealed the ruling, and the state Supreme Court ultimately ruled that funding cuts harmed the ability of educators to "maintain, develop and operate local public schools."<sup>77</sup>

Before the state began cutting school spending, it ranked 27th for per-pupil spending. In 2016, it had dropped to 33rd, and school spending was 10 percent less than it had been in 2008 in real terms. Between 2008 and 2016, only 4 states saw a larger decline in school spending. According to an analysis from the Kansas Center for Economic Growth: "In Kansas, spending on professional development had

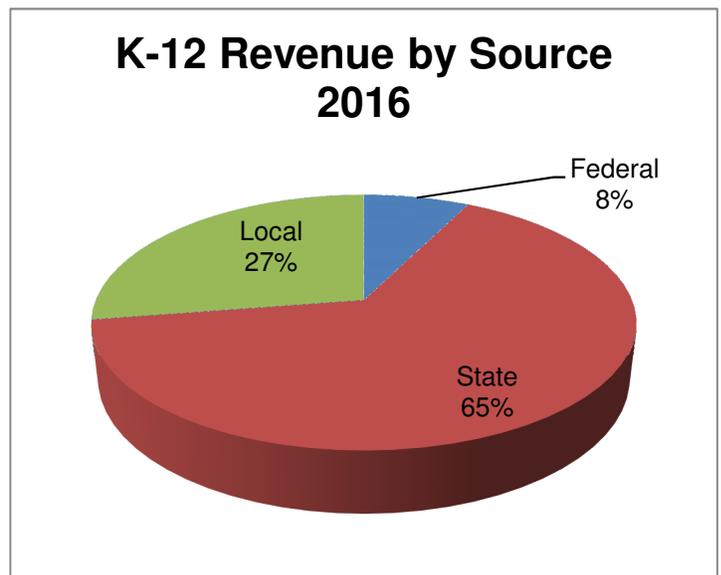
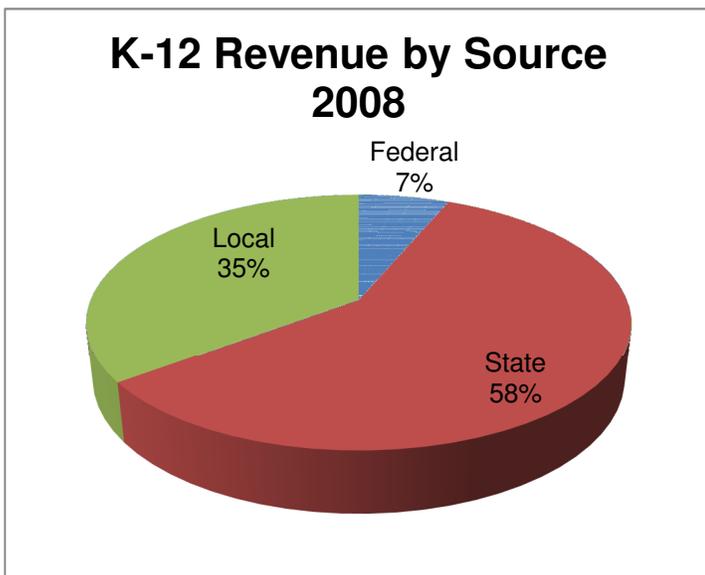
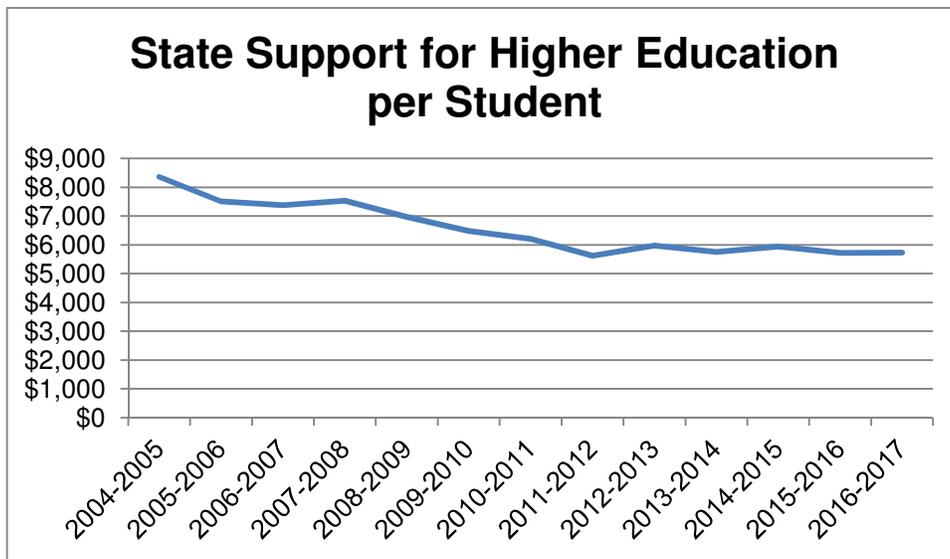
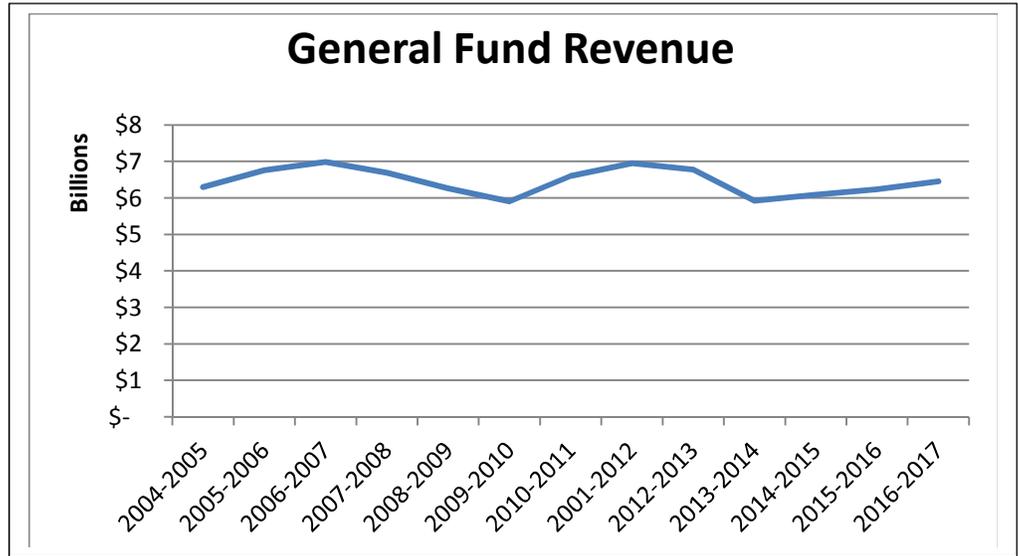
declined by more than \$41,500 between 2009 and what is expected in 2015; programs matching new teachers with mentors have been eliminated and the state had 665 fewer full-time teachers in 2014 than in 2009."<sup>78</sup>

Tax cuts did not deliver on Brownback's promise for economic growth. Since they took effect in January 2013, total employment in Kansas rose by only 2.6 percent, compared with 6.5 percent nationally.<sup>79</sup> The state's economy grew less than half as fast as the national economy, and, for 2016-17, Kansas ranked 49th among the states for economic growth.

In June 2017, the Kansas Legislature, over the veto of Brownback, reversed most of the Brownback tax cuts. By 2018, the budget had stabilized, revenues were up and the state was projecting a surplus.<sup>80</sup>

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$567 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$243 Million**



## Kentucky

**K-12 Spending Per Pupil**  
\$10,116

**Higher Education Spending Per Student**  
\$7,448

**Average Teacher Salary**  
\$52,952

**Student-Teacher Ratio**  
16.39 to 1

### State Rank

**40th** Per-Pupil Spending 2008

**34th** Per-Pupil Spending 2016

**28th** Per-Pupil Spending Growth

**15th** Support for Higher Education 2008

**26th** Support for Higher Education 2016

**23rd** Growth in Cost of Higher Education (Four-Year Degree)

**30th** Average Teacher Salary

**23rd** Growth in Average Teacher Salary

**35th** Student-Teacher Ratio 2008

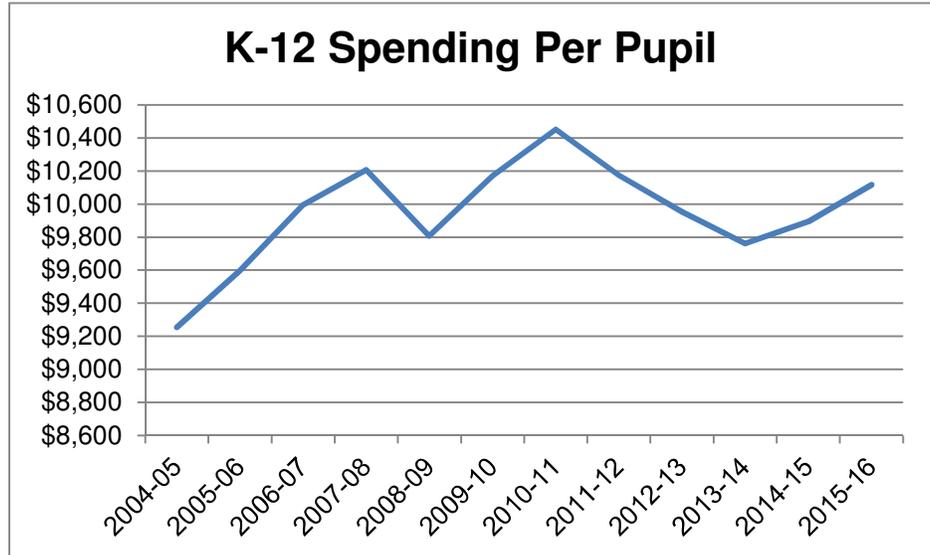
**38th** Student-Teacher Ratio 2016

**41st** Improvement in Student-Teacher Ratio

**17th** Tax Fairness

**22nd** Tax Effort 2015

**23rd** Improvement in Tax Effort



Kentucky ranks 34th for per-pupil spending, and spending in 2016 was down about 1 percent compared with 2008, after adjusting for inflation. The state saw a significant dip in per-pupil spending in 2013 and 2014, with improvements the following year. However, as a 2018 report by the Kentucky Center for Economic Policy explains, had local governments not increased their support for schools to compensate for reductions in state spending, Kentucky would be much worse off.

State funding for the state's school funding formula, SEEK (Support Education Excellence in Kentucky), has been essentially frozen since 2008, with very small increases in 2015 and 2016. When inflation and enrollment growth are factored in, SEEK funding per student is now 15.8

percent lower in 2018 than it was in 2008.<sup>81</sup> Inflation-adjusted per-pupil state funding decreased by \$485 between 2008 and 2016, while local per-pupil funding increased by \$574. While state support has waned, local SEEK funding grew from 40 percent in 2008 to 47 percent in 2016.<sup>82</sup>

State funding cuts and freezes have forced local school districts to cut staff, programs and other vital services. According to a survey of school districts conducted by the Kentucky Center for Economic Policy for its 2018 report, 54 percent of districts had fewer days in the school calendar; 35 percent of districts had reduced or eliminated art and music programs; 25 percent of districts had reduced or eliminated career and technical education; 42 percent of districts had

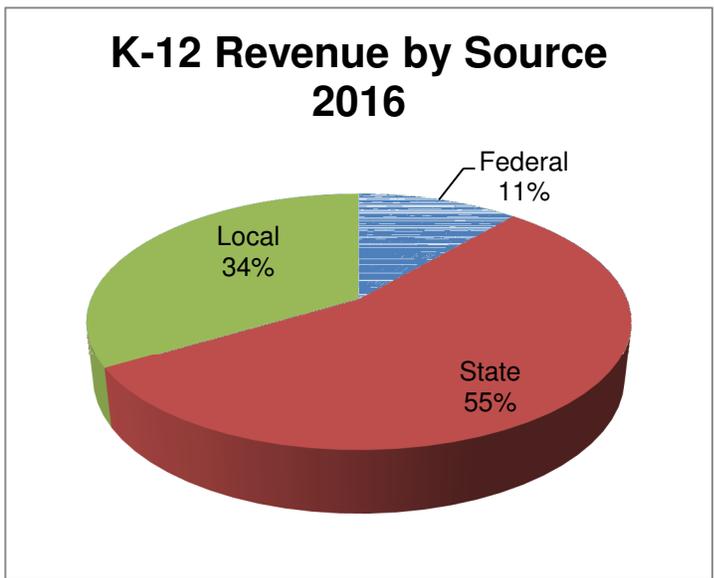
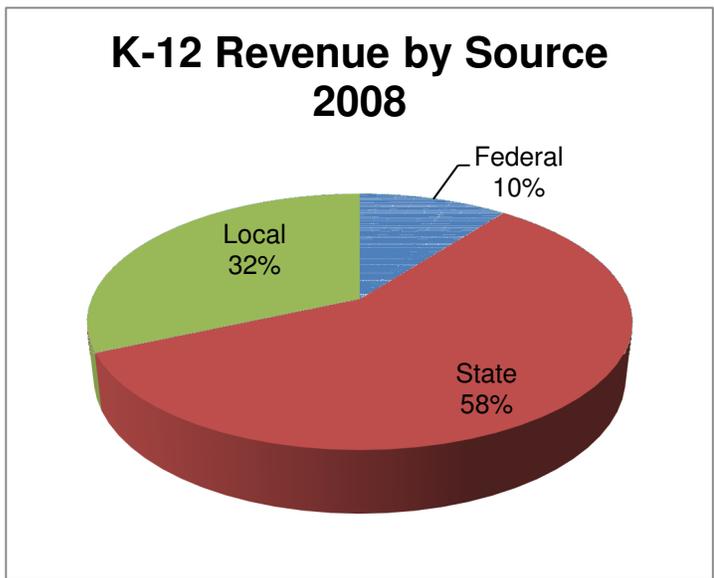
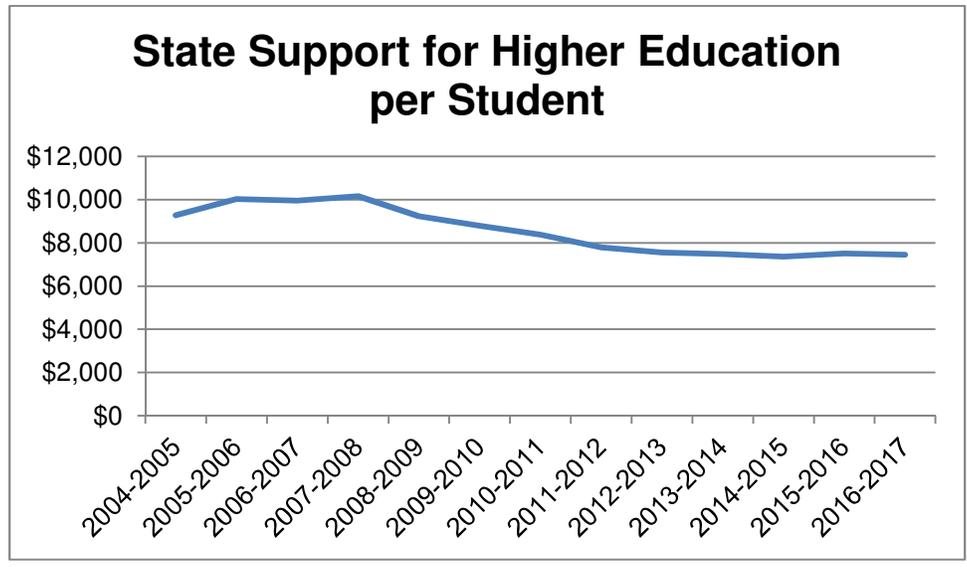
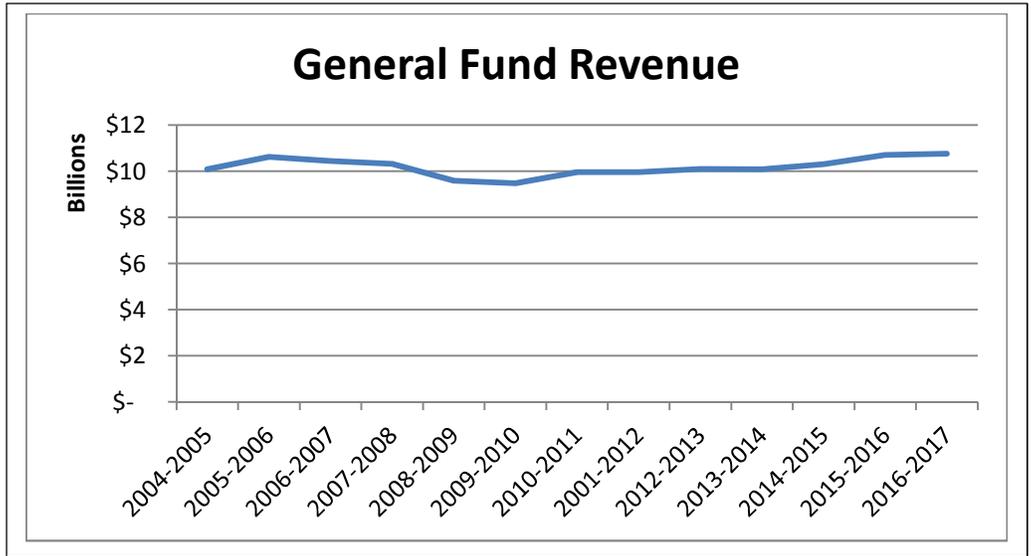
reduced student supports such as after-school, summer school and intervention/enrichment services; and 25 percent of districts were spending less on health services.<sup>83</sup>

While state support for K-12 education has declined, Kentucky is also spending almost 27 percent less on higher education in real terms, while the cost for four-year colleges has increased by 40 percent.

This year, over a gubernatorial veto, the Legislature enacted a tax plan that shifted taxes from corporations and high-income people to low- and middle-income Kentucky citizens. Among other things, the tax law cuts individual and corporate income tax rates and pays for those tax cuts with higher sales and excise taxes.<sup>84</sup>

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$63 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$400 Million**



# Louisiana

**K-12 Spending Per Pupil**  
\$11,322

**Higher Education Spending Per Student**  
\$6,788

**Average Teacher Salary**  
\$50,256

**Student-Teacher Ratio**  
12.29 to 1

## State Rank

**22nd** Per-Pupil Spending 2008

**29th** Per-Pupil Spending 2016

**33rd** Per-Pupil Spending Growth

**7th** Support for Higher Education 2008

**33rd** Support for Higher Education 2016

**1st** Growth in Cost of Higher Education (Four-Year Degree)

**39th** Average Teacher Salary

**48th** Growth in Average Teacher Salary

**20th** Student-Teacher Ratio 2008

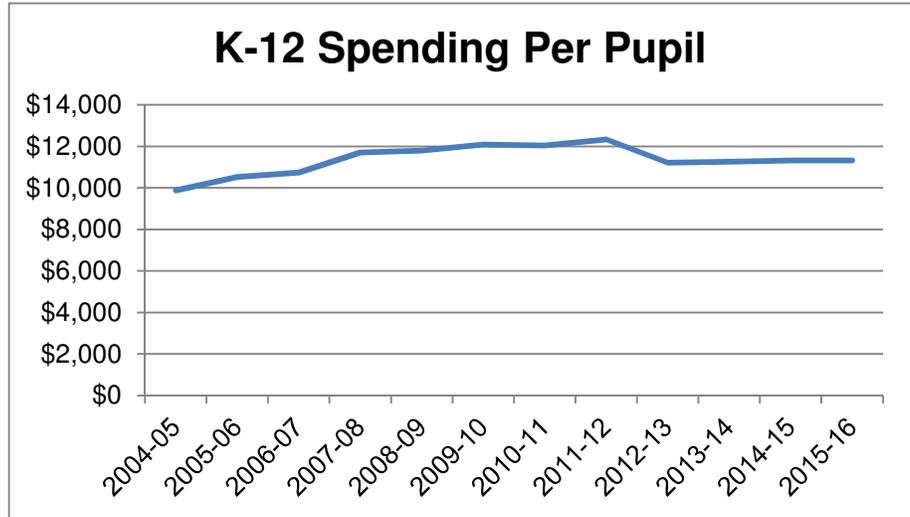
**5th** Student-Teacher Ratio 2016

**3rd** Improvement in Student-Teacher Ratio

**39th** Tax Fairness

**33rd** Tax Effort 2015

**39th** Improvement in Tax Effort



In 2016, Louisiana Gov. John Bel Edwards delivered an unprecedented televised address telling the state’s residents that Louisiana was facing a “historic fiscal crisis.” The crisis was due in part to a plummet in oil prices; Louisiana is particularly susceptible to price shocks because of its reliance on oil and gas tax revenues. While the downturn in oil prices and loss of high-paying jobs in that sector worsened the state’s budget problems, the state’s projected billion-dollar shortfall was also the result of fiscal policies pushed by former Gov. Bobby Jindal.<sup>85</sup>

When Jindal took office in 2008, the state was generating a surplus due to high oil prices and federal disaster recovery money after Hurricanes Katrina and Rita.<sup>86</sup> Jindal immediately

set about slashing taxes, and he ultimately cut taxes a total of six times. Those tax cuts included the “largest income tax cut in the state’s history.”<sup>87</sup> Between 2008 and 2015, the state reduced its tax effort by 6.7 percent.

Among the taxes cut by Jindal was a portion of the Stelly Plan, which levied income taxes on high earners and eliminated the state’s sales tax on food and utilities that fell disproportionately on poor people. The Stelly Plan’s income tax brought in an estimated \$800 million each year.

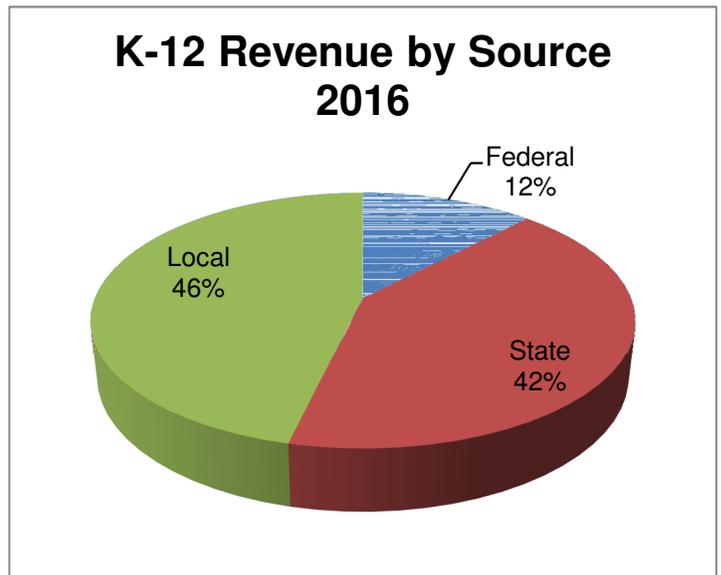
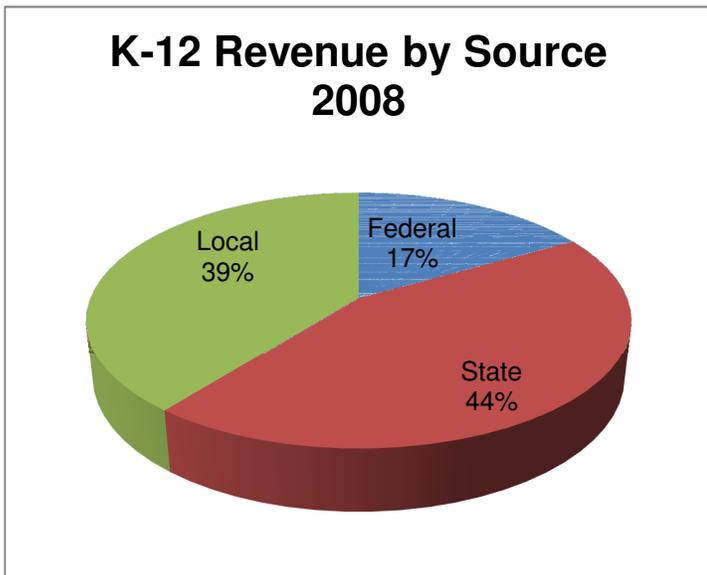
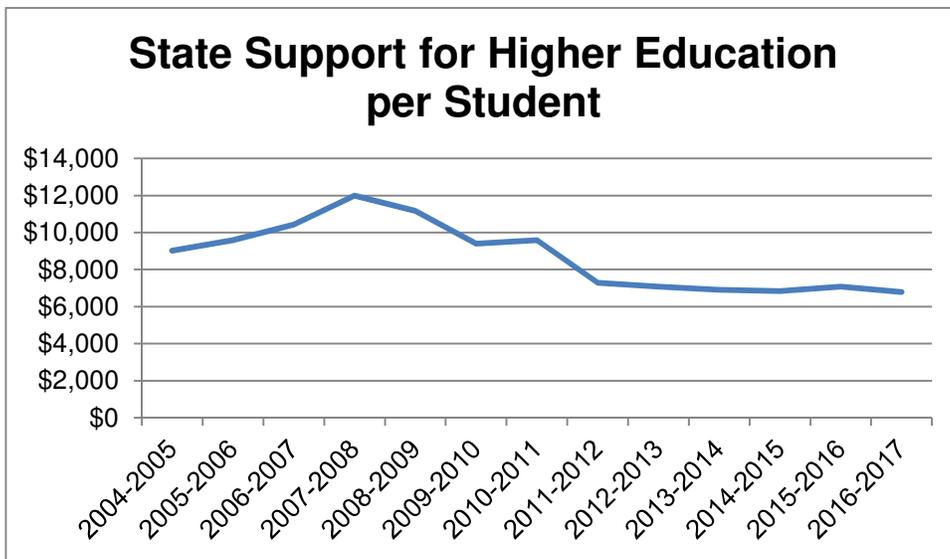
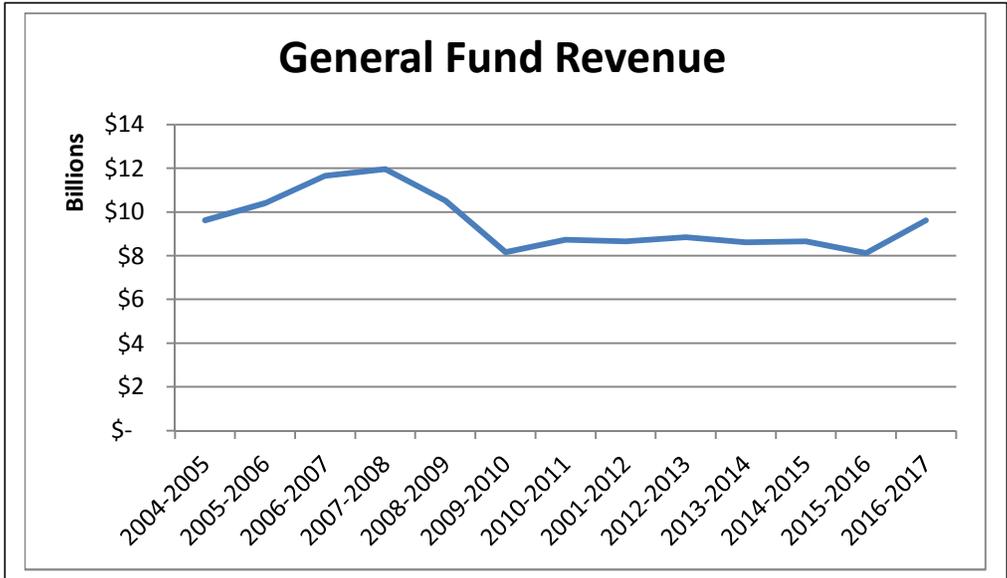
The tax cuts blew a hole in Louisiana’s budget. By 2016, the state had cut 30,000 employees and implemented furloughs for others.<sup>88</sup> The state went from ranking 22nd for per-pupil spending in 2008 to 29th in 2016. This year, teacher salaries are 10.8 percent below what

they were in 2008, after adjusting for inflation. Only three other states saw a worse decline in teacher pay. And in 2017, funding for higher education was down 43 percent from pre-recession levels.

To fill the budget hole in 2016, Edwards proposed a combination of tax increases to stabilize the state’s funding and close the budget deficit. The Legislature instead passed a temporary 1 cent sales tax increase. Facing a deficit in 2017, the Louisiana Legislature cut spending by \$82 million.<sup>89</sup> The temporary sales tax is now due to expire, which has created a fiscal cliff for the state. Edwards has proposed several different tax packages that would raise nearly enough to fill this year’s budget shortfall through sales taxes and personal and corporate income taxes.<sup>90</sup>

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$248 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$834 Million**



## Maine

**K-12 Spending Per Pupil**  
\$13,619

**Higher Education Spending Per Student**  
\$8,770

**Average Teacher Salary**  
\$51,663

**Student-Teacher Ratio**  
12.22 to 1

### State Rank

**15th** Per-Pupil Spending 2008

**17th** Per-Pupil Spending 2016

**24th** Per-Pupil Spending Growth

**30th** Support for Higher Education 2008

**16th** Support for Higher Education 2016

**47th** Growth in Cost of Higher Education (Four-Year Degree)

**33rd** Average Teacher Salary

**16th** Growth in Average Teacher Salary

**3rd** Student-Teacher Ratio 2008

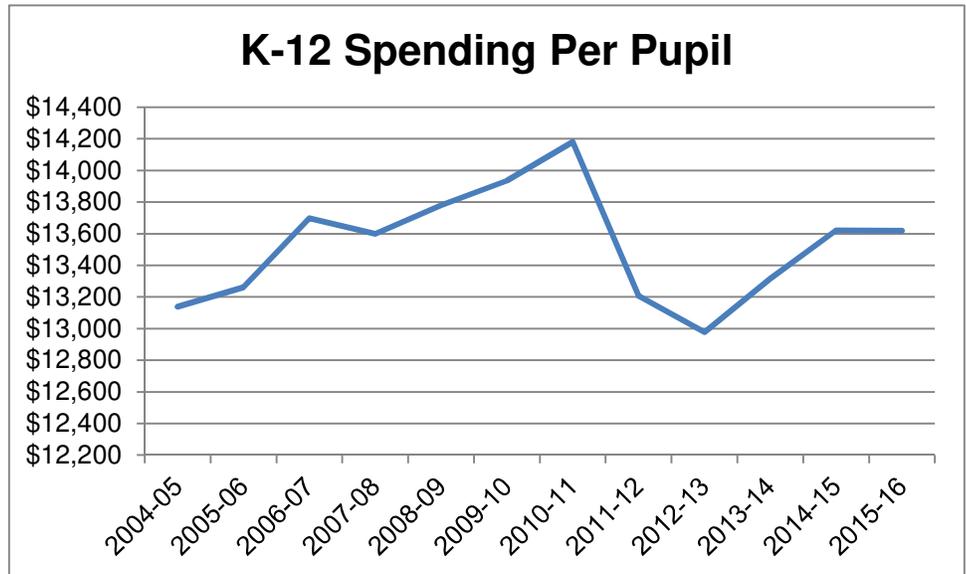
**3rd** Student-Teacher Ratio 2016

**30th** Improvement in Student-Teacher Ratio

**6th** Tax Fairness

**3rd** Tax Effort 2015

**22nd** Improvement in Tax Effort



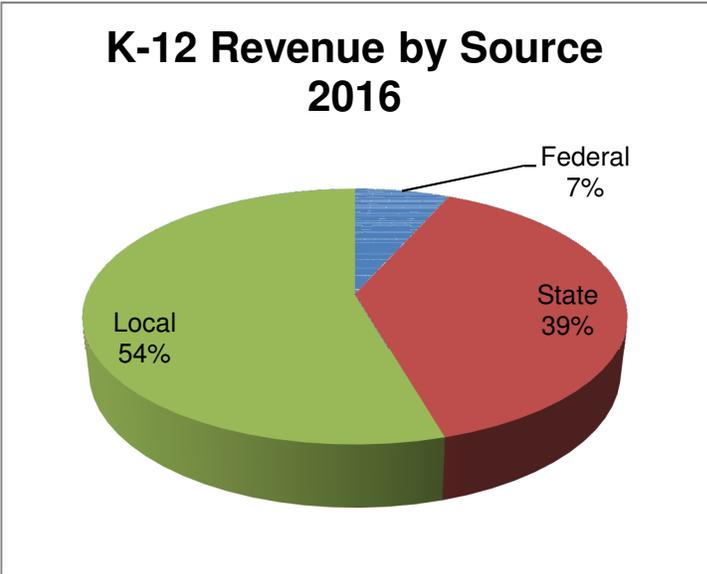
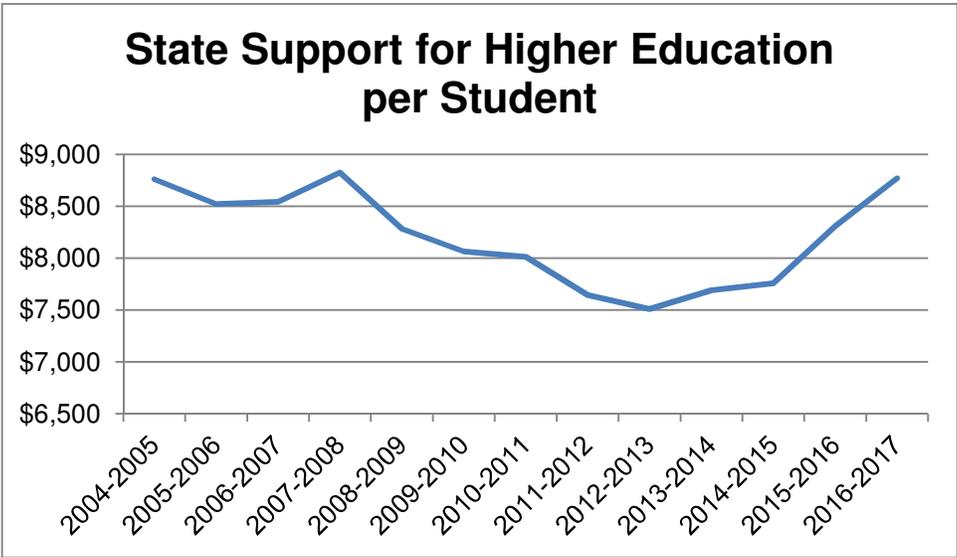
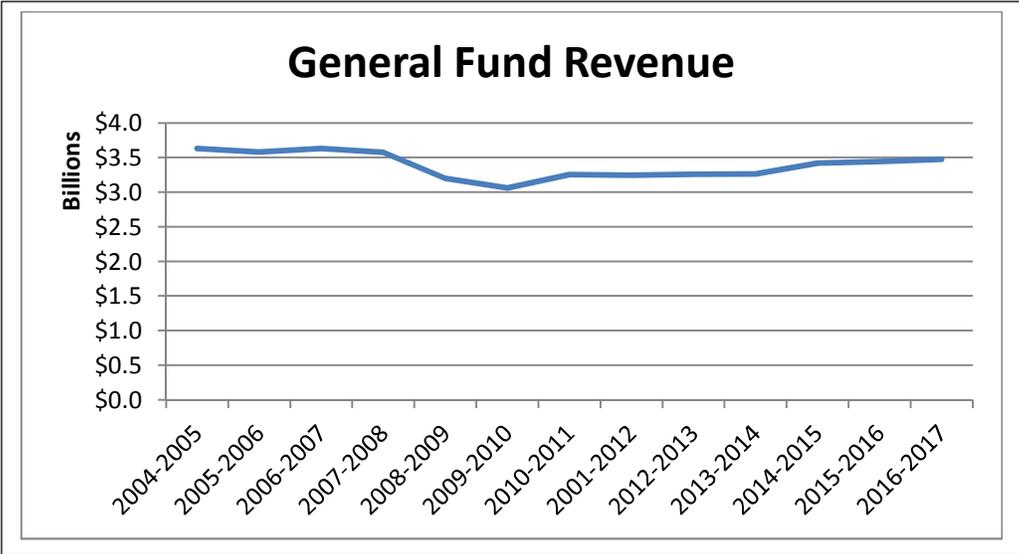
In each of his three budgets, Gov. Paul LePage has advocated for tax cuts, but Maine's record is more mixed than that. In 2011, the Legislature did cut income taxes by \$106 million a year and made additional cuts to the estate tax in 2012.<sup>91</sup> But in 2013, the Legislature passed a temporary sales tax increase to stave off budget cuts.<sup>92</sup> In 2016, voters approved an income tax surcharge on income over \$200,000. The increase would raise \$150 million a year for schools.<sup>93</sup>

This was not the end of the story. In 2017, the Legislature repealed the 2016 tax increase.<sup>94</sup> This was a precursor to efforts by the governor to undo a subsequent referendum to expand Medicaid.<sup>95</sup> The net result is a public education system that has not received funding sufficient to cover the cost of services. Maine's funding system is built on a promise that the state would pay 55 percent of costs, but in 2016, a full eight years after the recession, the state is still paying well below its

share.<sup>96</sup>

Maine's per-pupil funding for K-12 schools is essentially unchanged since the recession, and it went from being ranked 15th in 2008 to 17th by 2016. Average teacher pay declined by 1.3 percent, adjusting for inflation. And the state made real cuts in higher education as well. Although two-year schools saw a 2 percent decrease in prices, four-year college students experienced a 16 percent increase in costs, after adjusting for inflation.

Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$2 Million



# Maryland

**K-12 Spending Per Pupil**  
\$14,571

**Higher Education Spending Per Student**  
\$8,372

**Average Teacher Salary**  
\$69,761

**Student-Teacher Ratio**  
14.80 to 1

## State Rank

**10th** Per-Pupil Spending 2008

**13th** Per-Pupil Spending 2016

**37th** Per-Pupil Spending Growth

**33rd** Support for Higher Education 2008

**19th** Support for Higher Education 2016

**48th** Growth in Cost of Higher Education (Four-Year Degree)

**7th** Average Teacher Salary

**26th** Growth in Average Teacher Salary

**25th** Student-Teacher Ratio 2008

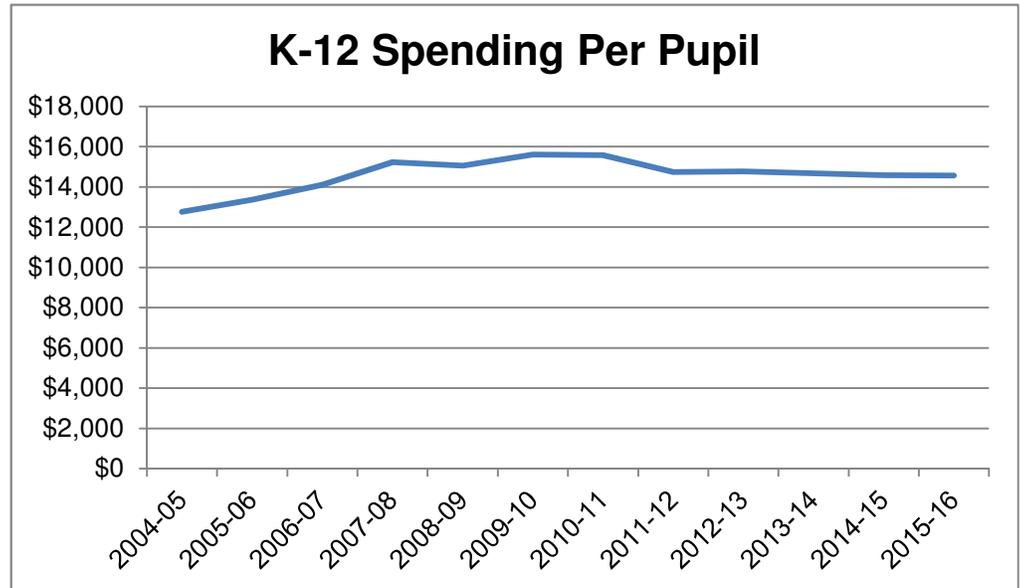
**23rd** Student-Teacher Ratio 2016

**34th** Improvement in Student-Teacher Ratio

**7th** Tax Fairness

**18th** Tax Effort 2015

**11th** Improvement in Tax Effort



Maryland's elected officials have placed more emphasis on funding public services since the recession than their counterparts in some other states. That's in part because of tax increases championed by Gov. Martin O'Malley in 2007 and again in 2012. But a key part of that effort was a temporary new top income tax rate, added in 2008, that charged an additional half percent on incomes over \$1 million.

That measure expired in 2010, and the state is still feeling the effect.<sup>97</sup> Real per-pupil spending peaked in 2009-10 at \$15,616. In

2015-16, it was just \$14,571. The real average teacher salary is down 5 percent between 2009 and 2018. The pupil-teacher ratio was higher in 2016 than before the recession. State support for public higher education was also down slightly on a real per-pupil basis. At the same time, tuition has risen at a rate greater than inflation.

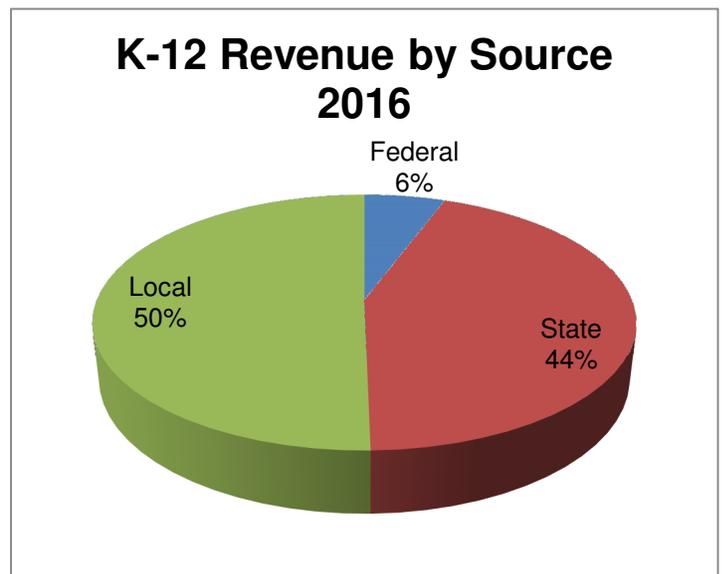
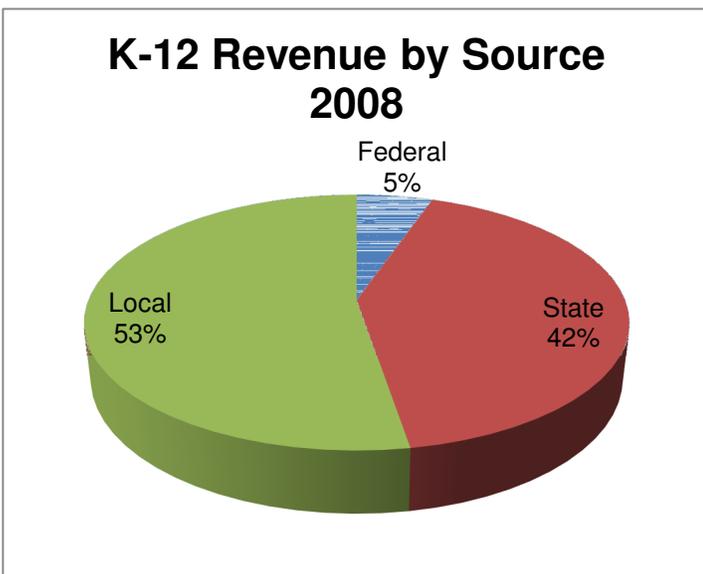
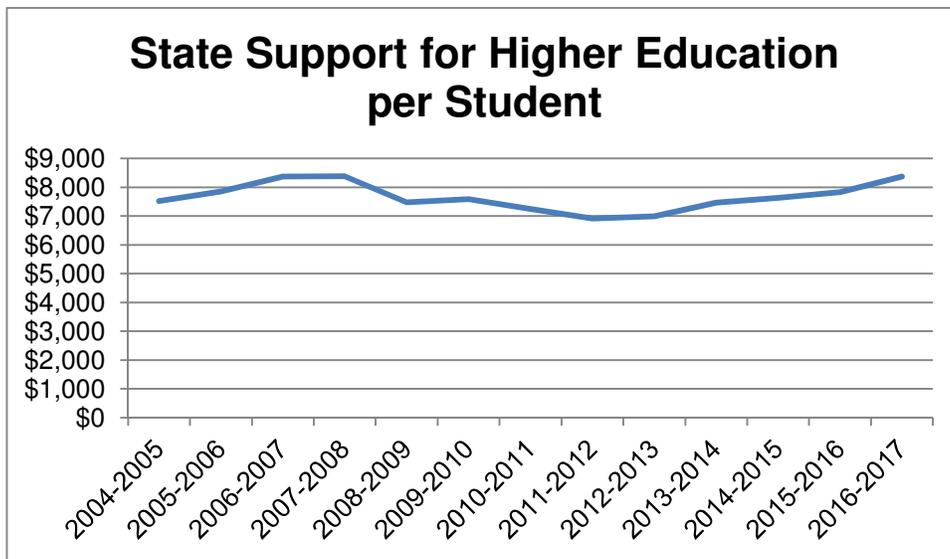
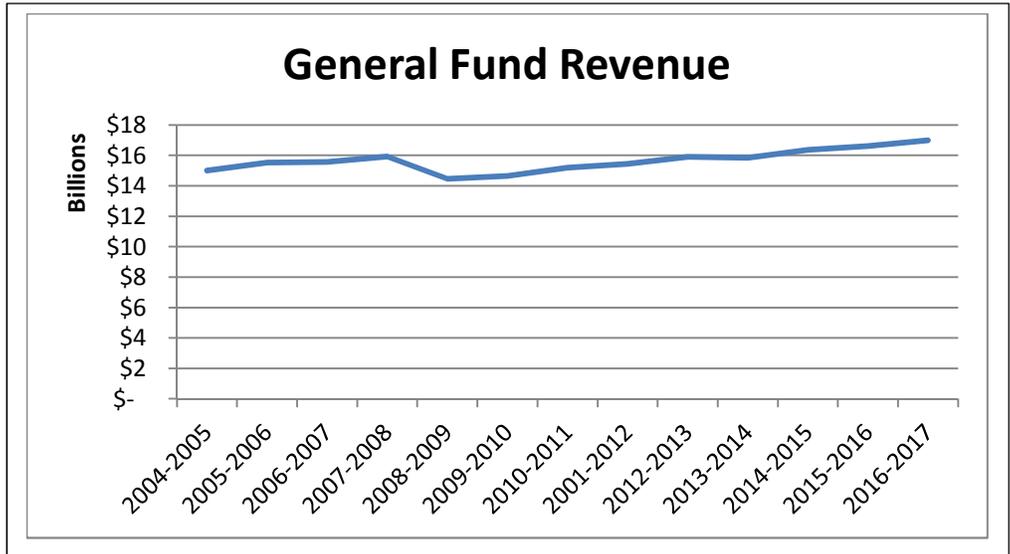
Maryland has a reputation for having some of the best schools in the nation. But now 20 of the state's 24 school districts do not have the minimum level of funding needed to provide an effective education, and

districts serving high-poverty student bodies are more likely to be underfunded.<sup>98</sup> The state estimates that it would need more, a total of \$2.6 billion, to actually meet current student needs.<sup>99</sup>

A commission, chaired by former University of Maryland President William Kirwan, has called for major improvement in investment, including in universal prekindergarten and in the education of at-risk students.<sup>100</sup> Restoring the millionaire's tax is one of the steps that can help the state achieve this goal.<sup>101</sup>

**Total Investment  
Needed To Reach  
2008 K-12  
Spending Levels:  
\$586 Million**

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$2 Million**



# Massachusetts

**K-12 Spending Per Pupil**  
\$15,994

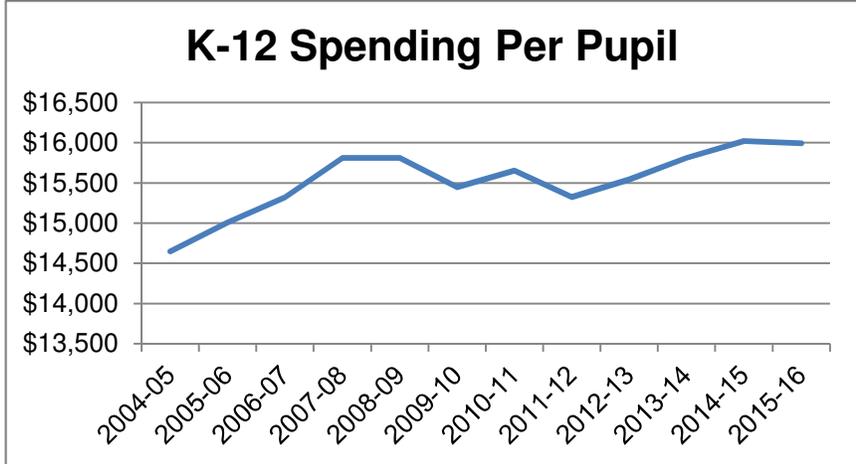
**Higher Education Spending Per Student**  
\$9,212

**Average Teacher Salary**  
\$79,710

**Student-Teacher Ratio**  
13.39 to 1

## State Rank

- 9th** Per-Pupil Spending 2008
- 8th** Per-Pupil Spending 2016
- 21st** Per-Pupil Spending Growth
- 14th** Support for Higher Education 2008
- 11th** Support for Higher Education 2016
- 26th** Growth in Cost of Higher Education (Four-Year Degree)
- 3rd** Average Teacher Salary
- 10th** Growth in Average Teacher Salary
- 16th** Student-Teacher Ratio 2008
- 13th** Student-Teacher Ratio 2016
- 12th** Improvement in Student-Teacher Ratio
- 27th** Tax Fairness
- 23rd** Tax Effort 2015
- 25th** Improvement in Tax Effort



While Massachusetts ranks eighth for per-pupil funding, and third for teacher salaries, because the state has not updated its education funding formula to reflect districts' increasing health insurance and special education costs, the amount of state aid to cover those costs has been too small. As a result, a state commission found that schools are systematically underfunded.<sup>102</sup> Many school districts are struggling to fund core services as they have been forced to shift dollars away from core education programs to cover these costs.<sup>103</sup>

Even though state lawmakers took action on personal and corporate income and sales taxes between 2009 and 2016 that had a net positive impact on revenue, the state's tax effort has not kept up with its economic capacity. Proposition 2½, enacted in 1980, constrains municipal annual property tax growth to 2½ percent over the previous

year's levy limit, and local governments are unable to levy sales or income taxes.

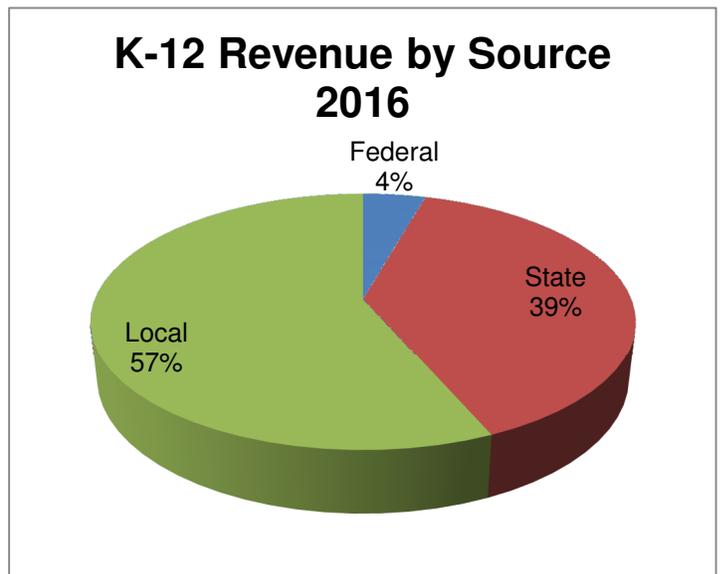
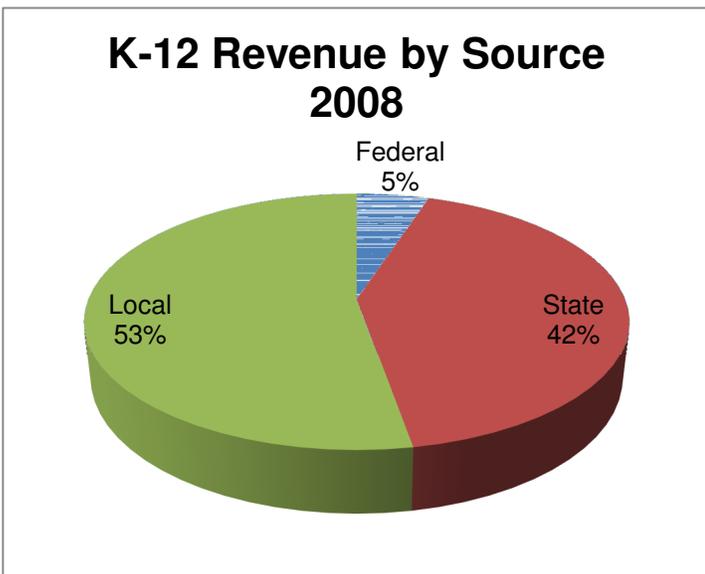
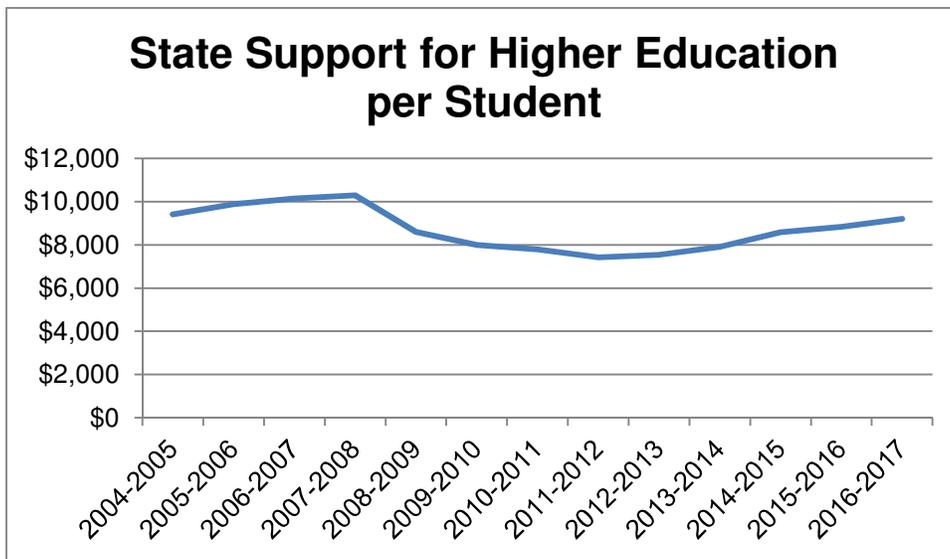
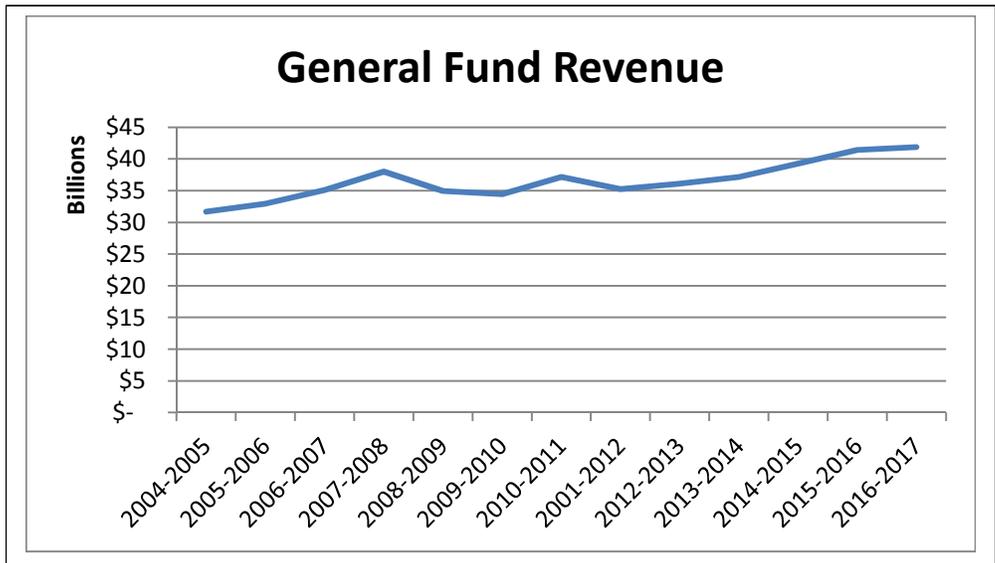
The state is also failing to capture the gains from its robust economic growth. The state ranks fifth for median income, and the number of Massachusetts residents reporting at least \$1 million in income in 2015 has more than doubled.<sup>104</sup> Advocates for K-12 and higher education succeeded in qualifying an initiative on the 2018 ballot that would impose a surtax of 4 percent on income that exceeds \$1 million; however, the state Supreme Court struck down the so-called millionaires tax ballot initiative in June.<sup>105</sup> State Sen. Jason Lewis has said that he will file a proposed legislative amendment to the state constitution next year.<sup>106</sup>

Massachusetts state legislators are also considering legislation that would revise the funding formula to better account for

the growth in employee health benefit costs and would provide for additional funding for districts with higher numbers of students needing special education.<sup>107</sup> This could increase state support for education by \$2 billion once the formula is fully implemented, according to the Massachusetts Budget and Policy Center.<sup>108</sup>

Massachusetts ranks 11th for support of higher education; however 2017 real spending is down 10.6 percent compared with 2008. The Massachusetts Budget and Policy Center has found that steep reductions in state support for higher education have contributed to very high tuition and fees increases in the nation from 2001 to 2016.<sup>109</sup> The state ranks 8th for tuition costs for four-year institutions, and large cuts in state scholarship funding have doubled the share of costs borne by students, from about 30 percent to around 60 percent.<sup>110</sup>

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$180 Million**



# Michigan

**K-12 Spending Per Pupil**  
\$11,968

**Higher Education Spending Per Student**  
\$5,033

**Average Teacher Salary**  
\$62,702

**Student-Teacher Ratio**  
18.25 to 1

## State Rank

**21st** Per-Pupil Spending 2008

**21st** Per-Pupil Spending 2016

**22nd** Per-Pupil Spending Growth

**47th** Support for Higher Education 2008

**45th** Support for Higher Education 2016

**35th** Growth in Cost of Higher Education (Four-Year Degree)

**13th** Average Teacher Salary

**46th** Growth in Average Teacher Salary

**44th** Student-Teacher Ratio 2008

**43rd** Student-Teacher Ratio 2016

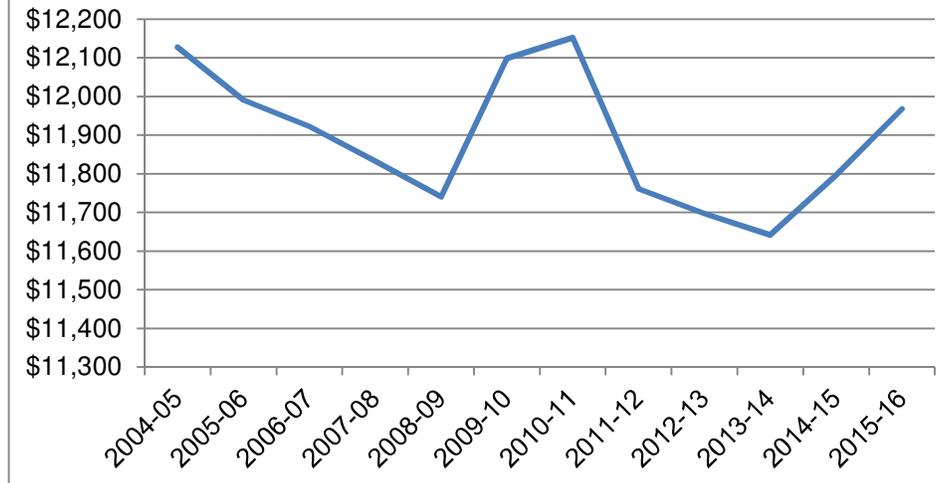
**35th** Improvement in Student-Teacher Ratio

**31st** Tax Fairness

**27th** Tax Effort 2015

**49th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Even before the recession, Michigan was struggling to pay for public services. For example, between 1990 and 2009 there was a 25 percent reduction in state employees. De-industrialization led to rising poverty, which in turn led to lower revenues and rising demands for services.<sup>111</sup> In the aftermath of the recession, rather than try to move the state forward by improving investment in public services, the state leadership decided to bet on tax cuts and more disinvestment.

As a result, between 2008 and 2015, the state reduced its tax effort by 15 percent. That's the third-largest reduction in tax effort in any state. At the same time, the state shifted the responsibility for paying

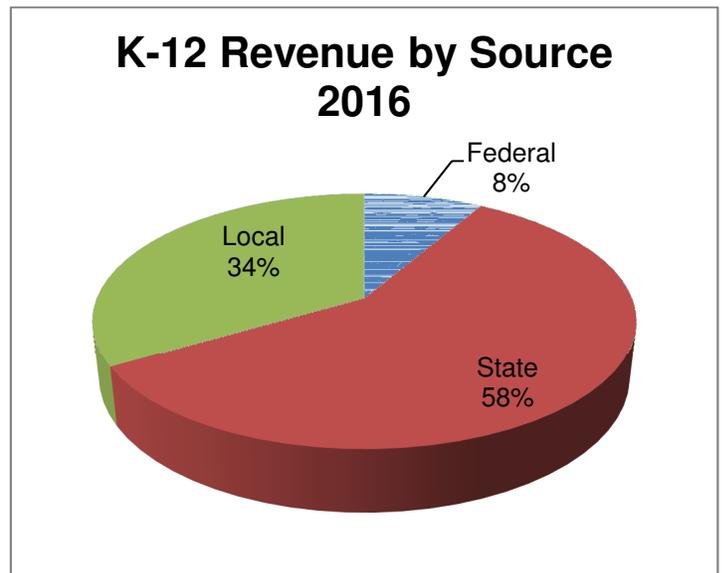
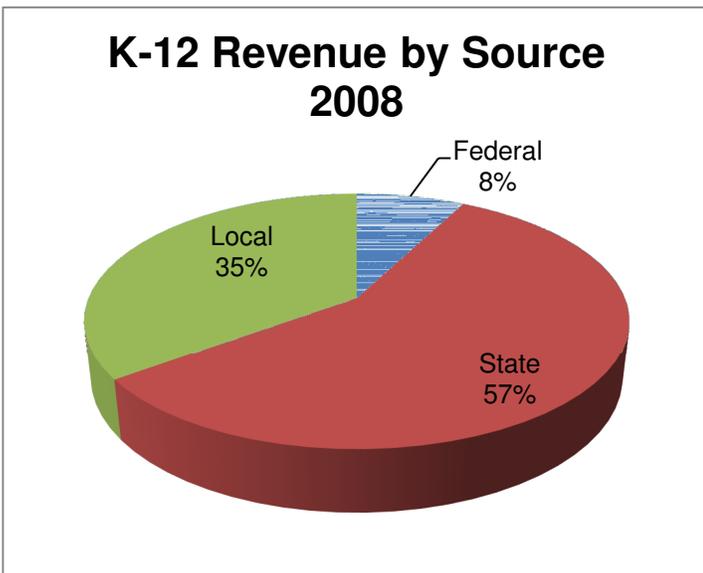
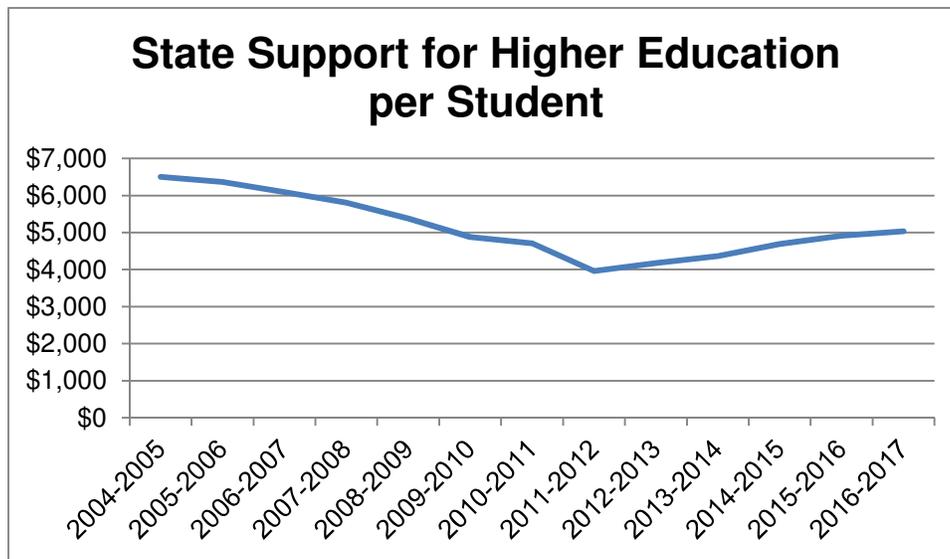
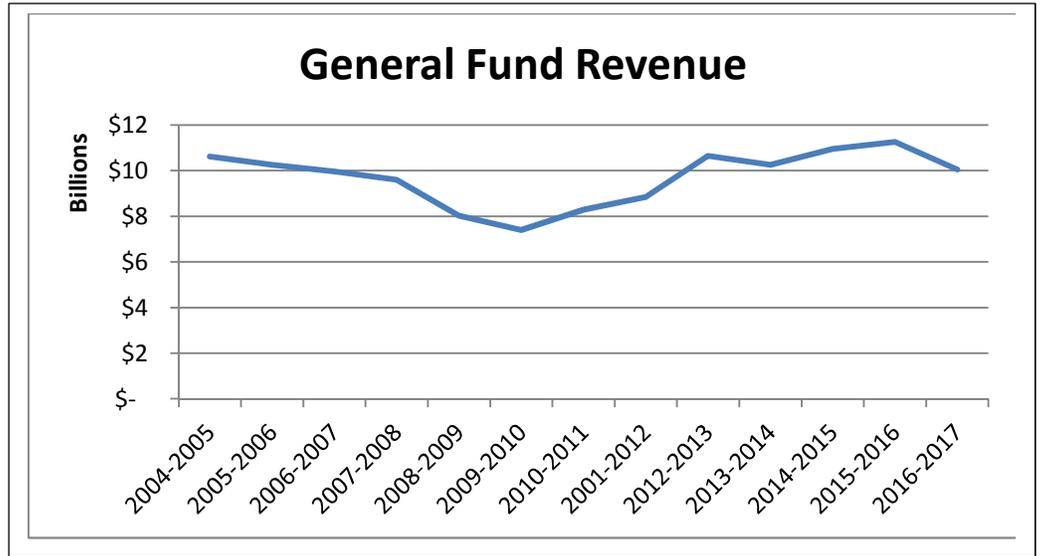
taxes away from the rich and toward lower- and middle-income families. The biggest step in this direction was taken in 2011, when the state cut business taxes by \$1.6 billion and rolled back tax credits and deductions, worth \$1.4 billion, that helped working people.<sup>112</sup> In doing so, the state shifted from a tax base that more directly grows with the economy, to one that does not, increasing the impact in subsequent years.

The main body of this report reviews research on how "charterization" can undermine the fiscal stability of school districts. Michigan is a prime example of this. Moody's has documented the impact of charter school expansion on Detroit.<sup>113</sup> David Arsen and a team at

Michigan State University have documented how district fund balances decline as a result of the financial stress imposed by enrollment loss to charters, leaving them in a precarious situation.<sup>114</sup> While state financial support has been declining, charter expansion has added to fiscal stress.

The results of this policy can be seen not only in Detroit but across the state. The pupil-teacher ratio went from 17.6 students per teacher to 18.25. Real average teacher pay fell by 10 percent. There was a 13 percent reduction in state support for higher education. Meanwhile, the real cost of tuition at a public colleges within the state increased by 37 percent and 30 percent for two- and four-year schools, respectively.

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$294 Million**



# Minnesota

**K-12 Spending Per Pupil**  
\$12,700

**Higher Education Spending Per Student**  
\$7,914

**Average Teacher Salary**  
\$57,782

**Student-Teacher Ratio**  
15.44 to 1

## State Rank

**20th** Per-Pupil Spending 2008

**18th** Per-Pupil Spending 2016

**11th** Per-Pupil Spending Growth

**26th** Support for Higher Education 2008

**20th** Support for Higher Education 2016

**41st** Growth in Cost of Higher Education (Four-Year Degree)

**21st** Average Teacher Salary

**25th** Growth in Average Teacher Salary

**37th** Student-Teacher Ratio 2008

**31st** Student-Teacher Ratio 2016

**8th** Improvement in Student-Teacher Ratio

**4th** Tax Fairness

**8th** Tax Effort 2015

**9th** Improvement in Tax Effort

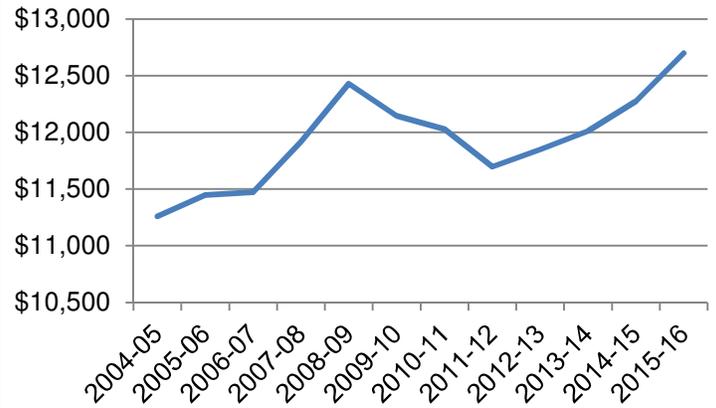
While Minnesota's neighbor state Wisconsin pursued tax cuts and austerity following the recession, Minnesota took a more progressive approach. As the Economic Policy Institute recently wrote:

*Governor Walker and the Wisconsin state legislature have pursued a highly conservative agenda centered on cutting taxes, shrinking government, and weakening unions. In contrast, Minnesota under Governor Dayton has enacted a slate of progressive priorities: raising the minimum wage, strengthening safety net programs and labor standards, and boosting public investments in infrastructure and education, financed through higher taxes (largely on the wealthy).<sup>115</sup>*

Between 2009 and 2016, Minnesota state lawmakers took action on personal and corporate income taxes and sales taxes that had a net positive impact on revenue. In 2013, they increased the top tax rate from 7.85 percent to 9.85 percent for those earning more than \$150,000. When Gov. Mark Dayton took office, the state had a \$6.2 billion budget deficit, but tax increases raised \$2.1 billion. Comparing 2008 and 2015, the state increased its tax effort by 6 percent.

This approach has brought greater prosperity for Minnesota, compared with Wisconsin. Job growth has been stronger, and wages and

## K-12 Spending Per Pupil



median household income grew faster. Minnesota also made greater progress than Wisconsin in reducing child poverty and poverty overall.<sup>116</sup> From 2010 to 2017, Minnesota also had stronger overall economic growth.

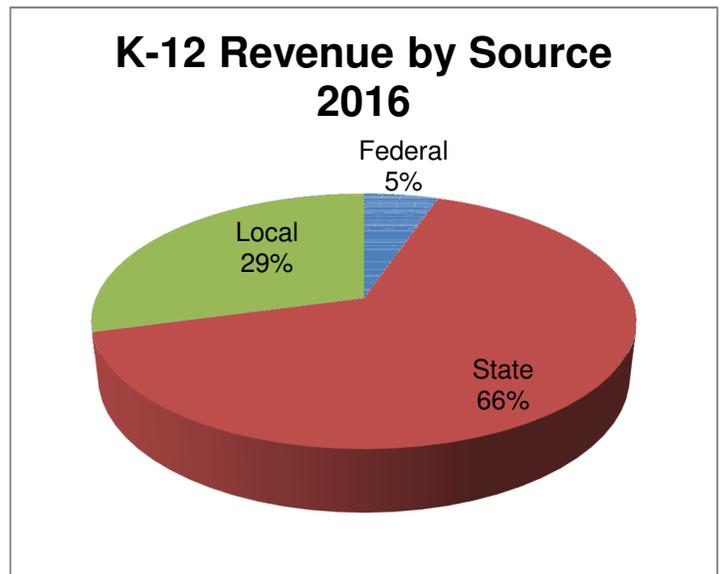
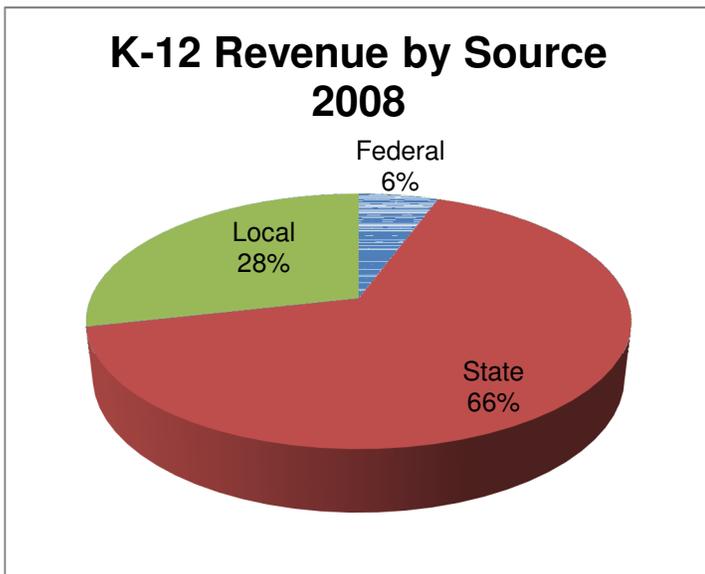
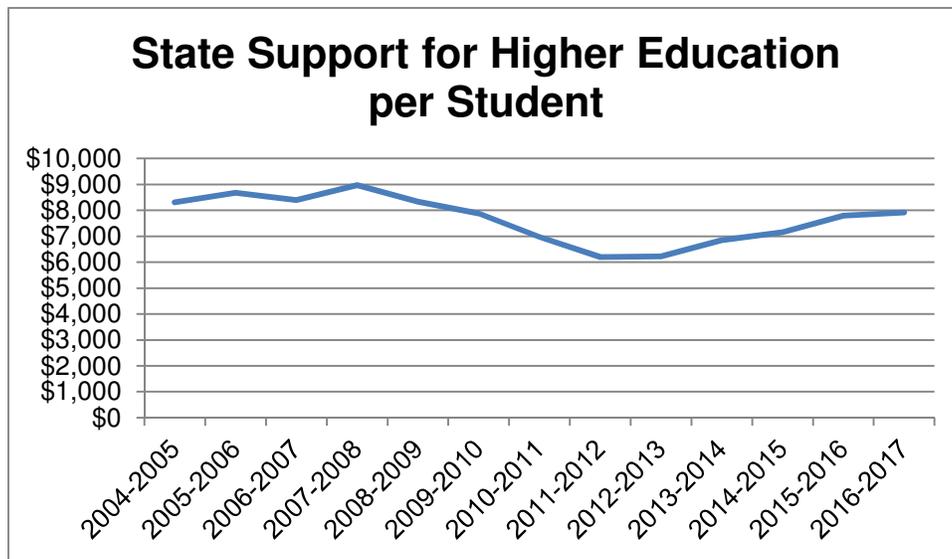
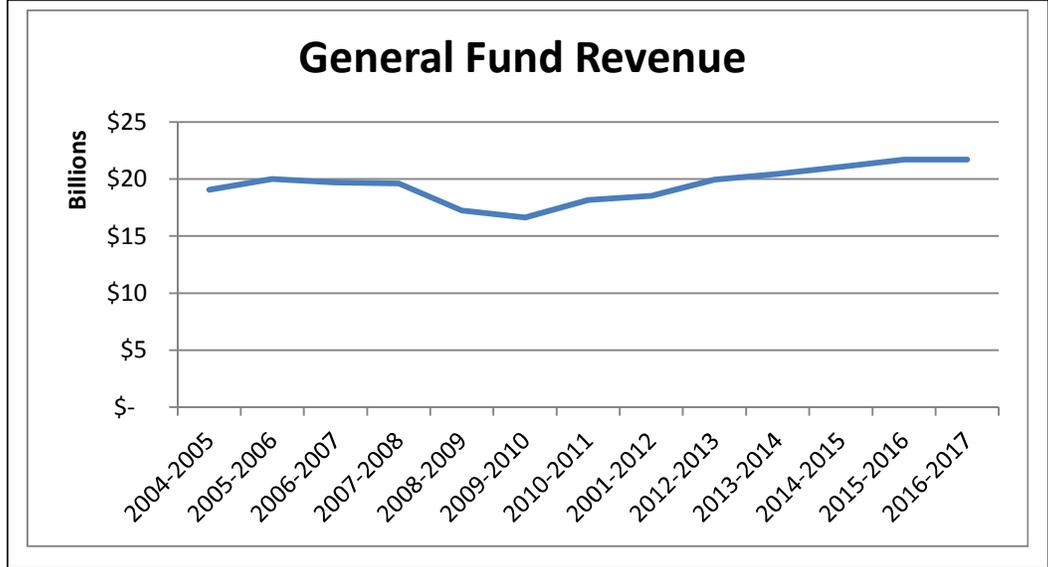
Minnesota made important improvements in education. In 2016, Minnesota ranked 18th among the states for per-pupil funding, and spending was up 6.6 percent over 2008 levels, when Minnesota ranked 20th. During 2017, legislators approved another \$483 million in new funding for public schools. Since 2008, Minnesota has also made a slight improvement in the ratio of students to teachers, moving from 37th to 31st among the states.

Despite increases in recent years, real per-pupil state aid to Minnesota school districts is still well below 2003 levels. In 2003, lawmakers cut school property taxes in half

and made massive reductions in general education levies, making it a landmark year for school funding. And, while increases in real per-pupil state aid since 2013 are a positive development for school districts, a significant amount of that new revenue is not available to pay for general school operations.<sup>117</sup> Moreover, recent education funding bills do not do enough to address a \$600 million (and counting) special education spending gap.<sup>118</sup>

Minnesota has also reduced its investment in its higher education system. Its spending on higher education was down almost 12 percent in 2017, compared with 2008. Declining state support for public colleges and universities has meant higher tuition and fees for students, and costs for four-year colleges are up by 23 percent over 2008 levels.

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$202 Million**



# Mississippi

**K-12 Spending Per Pupil**  
\$8,926

**Higher Education Spending Per Student**  
\$7,857

**Average Teacher Salary**  
\$43,107

**Student-Teacher Ratio**  
15.14 to 1

## State Rank

- 46th** Per-Pupil Spending 2008
- 47th** Per-Pupil Spending 2016
- 34th** Per-Pupil Spending Growth
- 13th** Support for Higher Education 2008
- 21st** Support for Higher Education 2016
- 19th** Growth in Cost of Higher Education (Four-Year Degree)
- 51st** Average Teacher Salary
- 41st** Growth in Average Teacher Salary
- 28th** Student-Teacher Ratio 2008
- 27th** Student-Teacher Ratio 2016
- 31st** Improvement in Student-Teacher Ratio
- 29th** Tax Fairness
- 7th** Tax Effort 2015
- 3rd** Improvement in Tax Effort

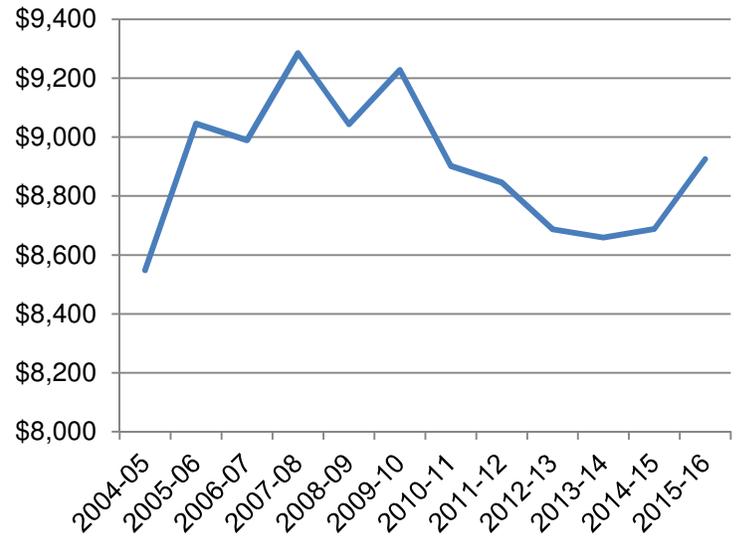
Mississippi is heavily reliant upon federal funds for education, due largely to the high poverty within the state and the overall low level of state and local investment. The state is ranked 51st in terms of median income, and 47th in terms of economic growth since 2007.

Mississippi is ranked 47th for per-pupil spending, and 2016 spending is 4 percent below 2008 levels, when the state ranked 46th. The state has also chosen to disinvest in teacher salaries; it continues to pay teachers low wages and is currently ranked 51st overall. The ratio of students per teacher increased from 14.7 students per teacher to 15.1, between 2008 and 2016.

Facing large budget gaps following the recession, Mississippi increased its cigarette tax from 18 cents per pack to 68 cents, which was projected to raise more than \$100 million for fiscal 2010.<sup>119</sup> While state tax actions increased the state's tax effort by 9.9 percent by 2015, the state continues to have one of the most unfair tax systems in the country.<sup>120</sup>

In 2017, Mississippi cut the franchise tax and chose to remove the 3 percent

### K-12 Spending Per Pupil



individual income and corporate income tax brackets.<sup>121</sup> However, as State Economist Darrin Webb said, “I don’t think [the tax cut] will generate enough activity to fill the hole it will leave in revenue. It’s not going to create a boon for the economy.” This further reduction in state funds will limit the amount of money available to fund education. As a result, many local government entities have chosen to increase property taxes and fees to provide for necessary government services.<sup>122</sup>

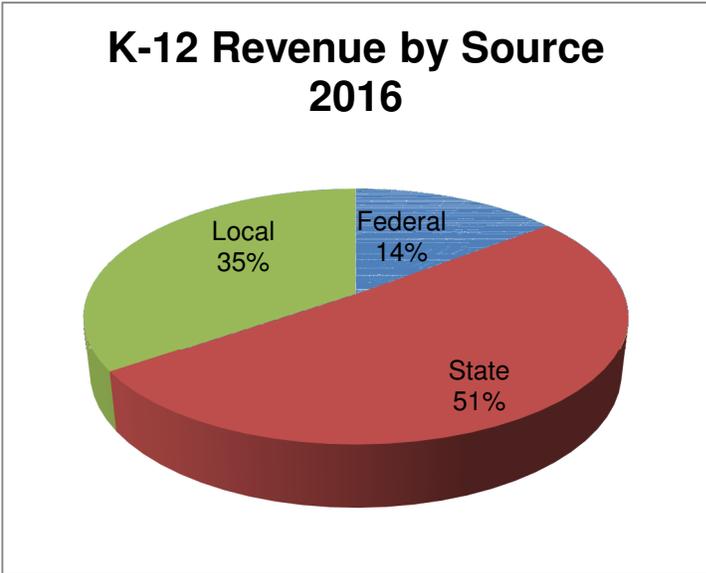
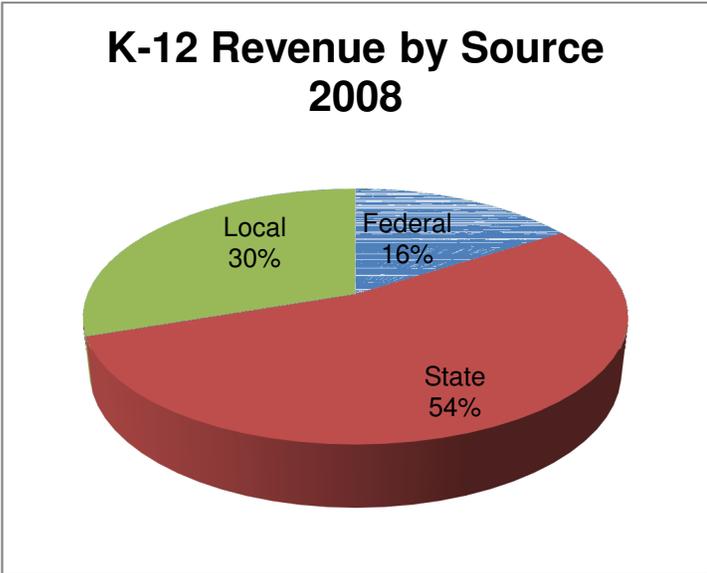
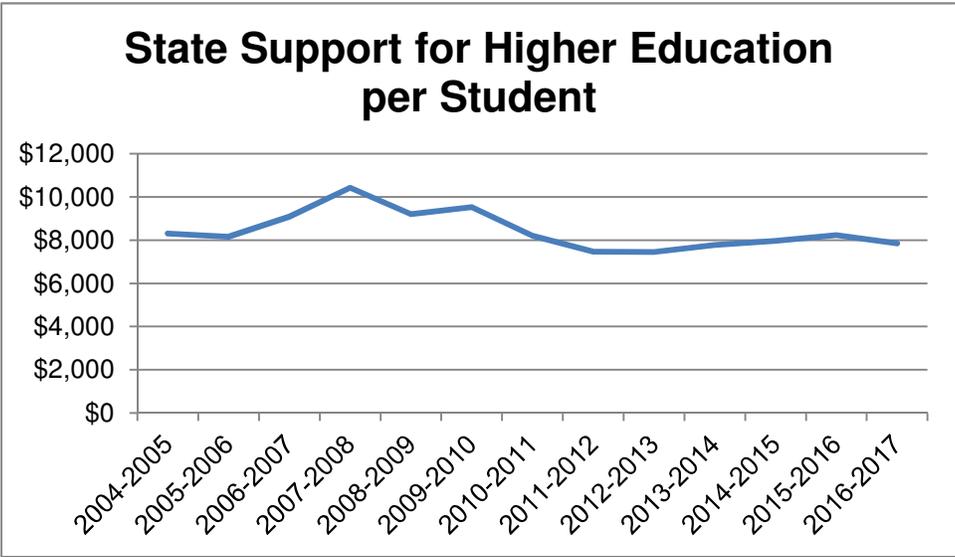
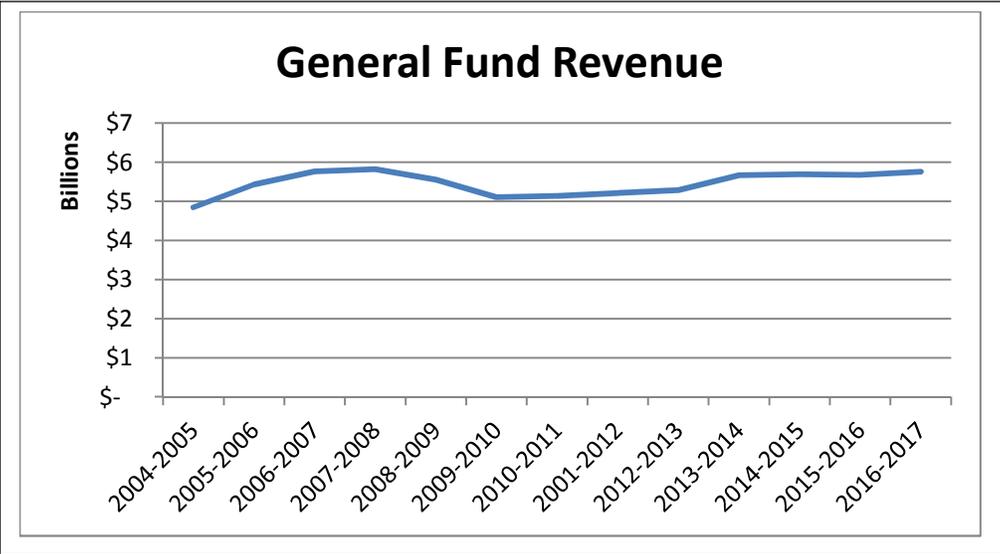
Republican officials, like Lt. Gov. Tate Reeves, have been critical of tax increases proposed by Democrats.<sup>123</sup> Instead, they are attempting to keep recent tax cuts in place while also advocating for new tax cuts. Repeated

budget cuts have put Mississippi’s Education Department in a precarious position, and many positions have been left temporarily empty. Instead of correcting this and reinvesting in schools, Gov. Phil Bryant and Lt. Gov. Reeves have supported increased spending on school vouchers, which will further destabilize the public education system.<sup>124</sup>

Mississippi has also decreased state support of public higher education within the state by 24.6 percent since the onset of the recession. To make matters worse, prices for two- and four-year colleges have increased by 55 percent and 43 percent, respectively. As such, colleges are struggling to maintain programs and courses, and much of the payment burden is left to students.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$175 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$335 Million**



## Missouri

**K-12 Spending Per Pupil**  
**\$10,578**

**Higher Education Spending Per Student**  
**\$5,129**

**Average Teacher Salary**  
**\$49,208**

**Student-Teacher Ratio**  
**13.59 to 1**

### State Rank

**32nd** Per-Pupil Spending 2008

**31st** Per-Pupil Spending 2016

**30th** Per-Pupil Spending Growth

**40th** Support for Higher Education 2008

**44th** Support for Higher Education 2016

**50th** Growth in Cost of Higher Education (Four-Year Degree)

**42nd** Average Teacher Salary

**20th** Growth in Average Teacher Salary

**14th** Student-Teacher Ratio 2008

**15th** Student-Teacher Ratio 2016

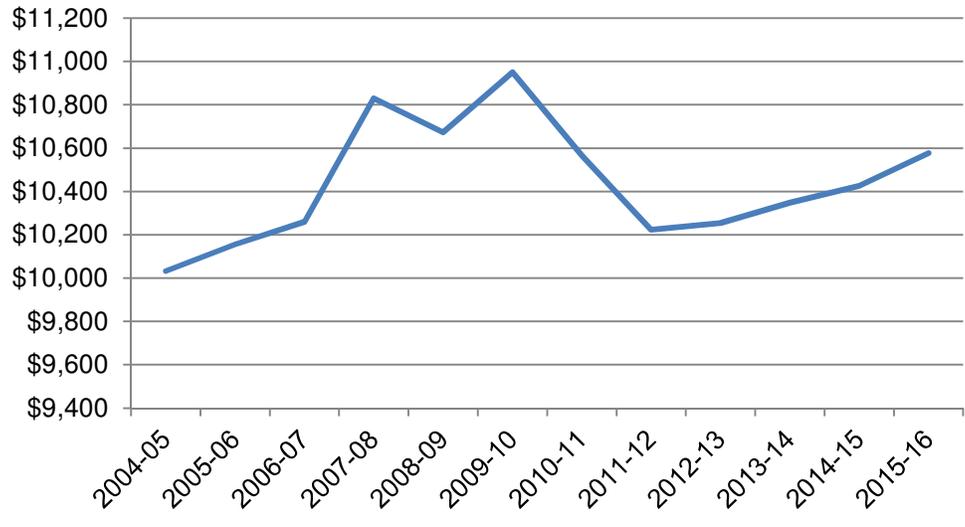
**24th** Improvement in Student-Teacher Ratio

**20th** Tax Fairness

**44th** Tax Effort 2015

**35th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Missouri has a growing economy and shrinking unemployment, but state revenues have not kept pace with that recovery.<sup>125</sup> That's the result of a series of tax cuts, especially a 2014 change that reduced the income tax and created an incentive for companies to reconfigure the legal definitions of their businesses in order to game the tax system.<sup>126</sup> All told, tax cuts enacted before and during the recession cost the state more than \$1 billion a year in revenues.<sup>127</sup> Those 2014 tax cuts created a reduction in the top personal income tax rate that would phase in from 2017 to 2021.

According to the state auditor, Missouri cannot absorb these tax cuts without further cuts to public services and increased stress on Missouri families.<sup>128</sup>

Per-pupil K-12 spending in Missouri peaked in 2009-10 and hadn't yet recovered by 2015-16. Real funding is still 2.3 percent below 2007-08 levels. The pupil-teacher ratio has risen from 13.4 students per teacher to 13.59. Missouri is 42nd in average teacher pay, with the average salary being 4 percent lower than it was before the recession.

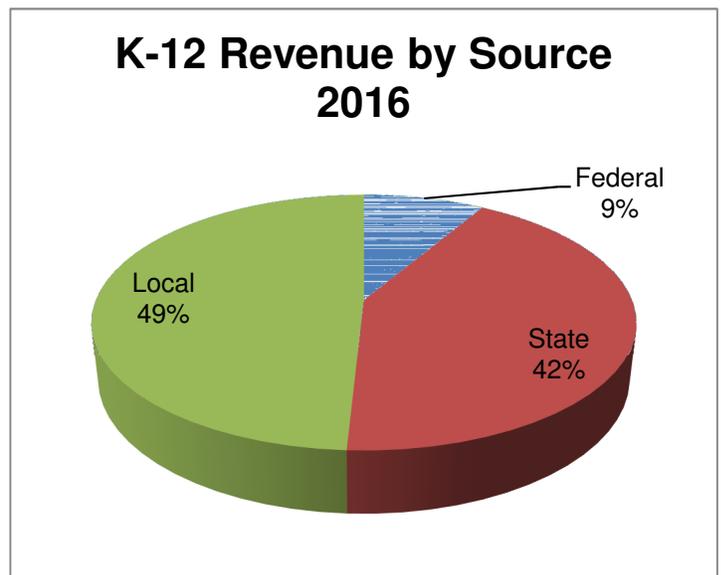
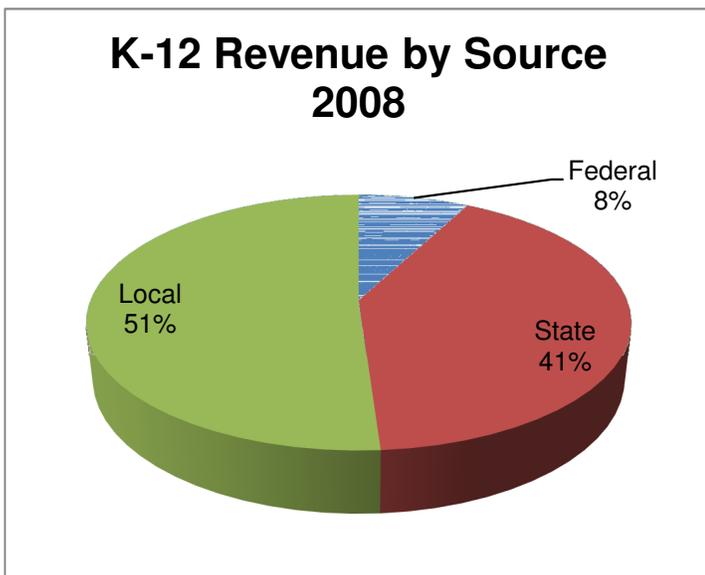
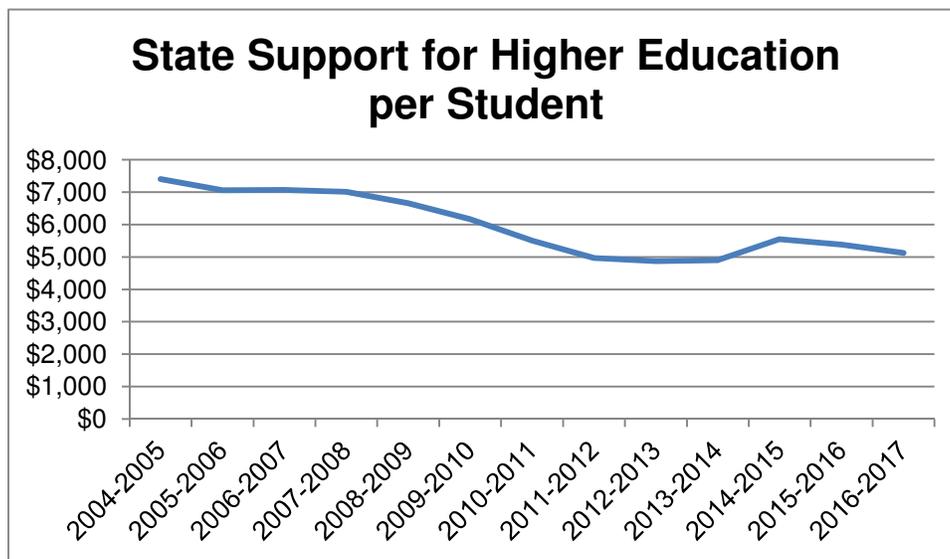
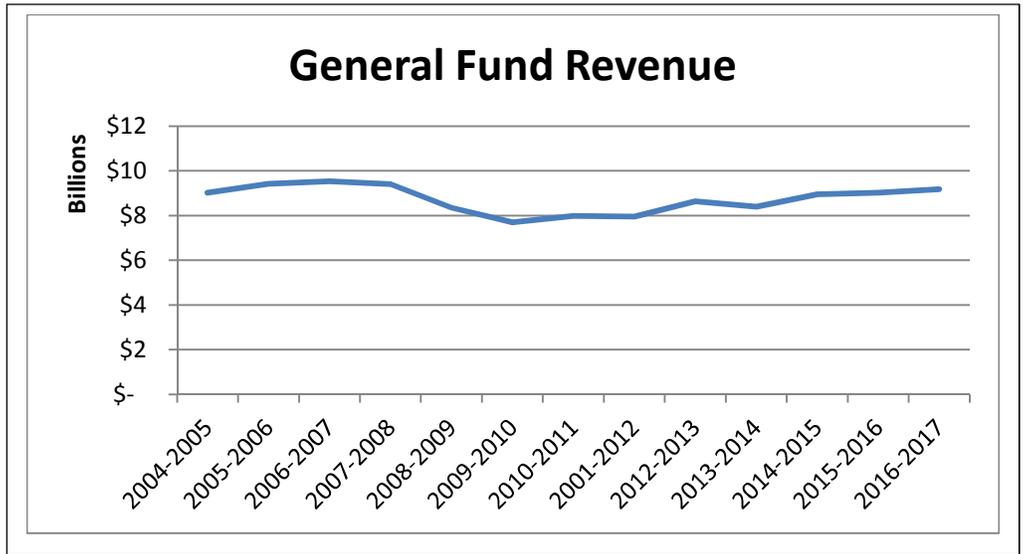
Missouri has also imposed some of the largest cuts in

higher education. There's been a 27 percent reduction in state support between 2008 and 2017. That's the 10th-largest drop among the states. Last year, Gov. Eric Greitens took another \$24 million from higher education, and he has proposed a larger cut for next year.<sup>129</sup> Tuition for two- and four-year schools rose by 17 percent and 10 percent, respectively.

It doesn't need to be this way. Missouri reduced its tax effort by 4.4 percent. If it had maintained its tax effort as the economy grew, the state would be in much better fiscal shape.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$225 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$368 Million**



## Montana

**K-12 Spending Per Pupil**  
\$11,640

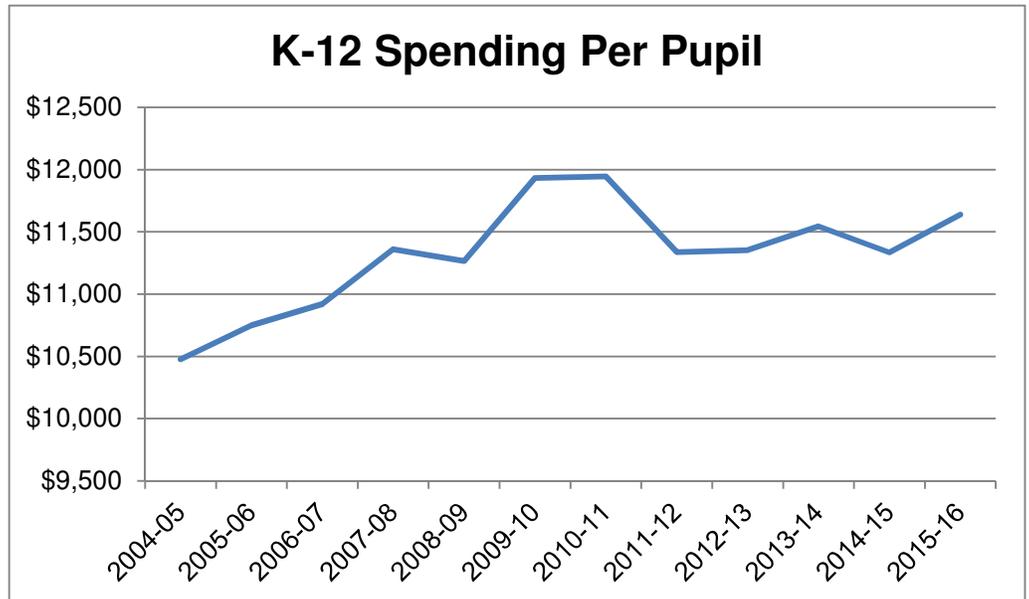
**Higher Education Spending Per Student**  
\$6,742

**Average Teacher Salary**  
\$52,776

**Student-Teacher Ratio**  
13.96 to 1

### State Rank

- 28th** Per-Pupil Spending 2008
- 26th** Per-Pupil Spending 2016
- 18th** Per-Pupil Spending Growth
- 45th** Support for Higher Education 2008
- 34th** Support for Higher Education 2016
- 49th** Growth in Cost of Higher Education (Four-Year Degree)
- 31st** Average Teacher Salary
- 9th** Growth in Average Teacher Salary
- 16th** Student-Teacher Ratio 2008
- 18th** Student-Teacher Ratio 2016
- 29th** Improvement in Student-Teacher Ratio
- 32nd** Tax Fairness
- 19th** Tax Effort 2015
- 24th** Improvement in Tax Effort

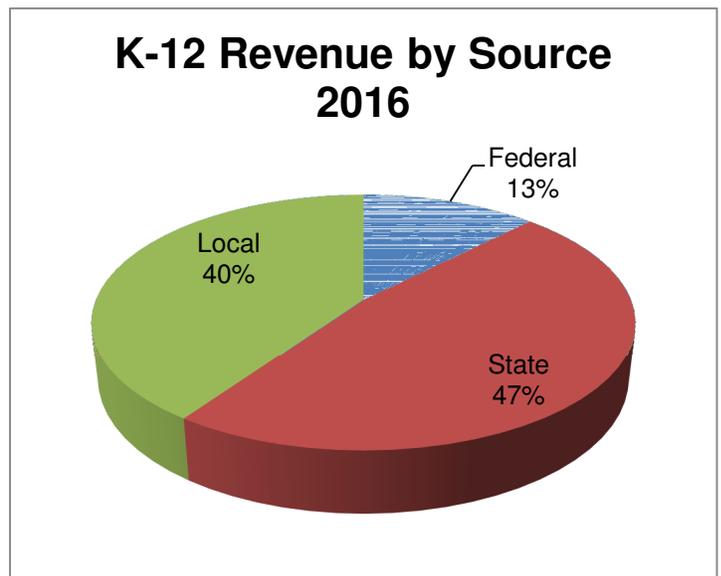
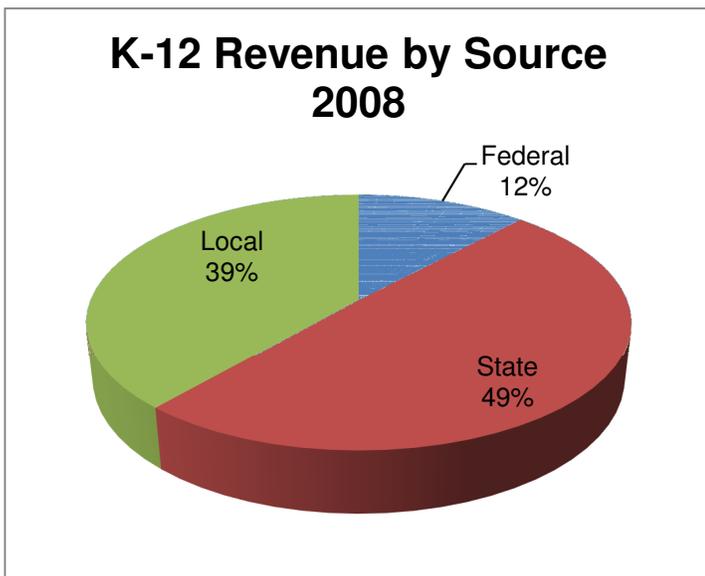
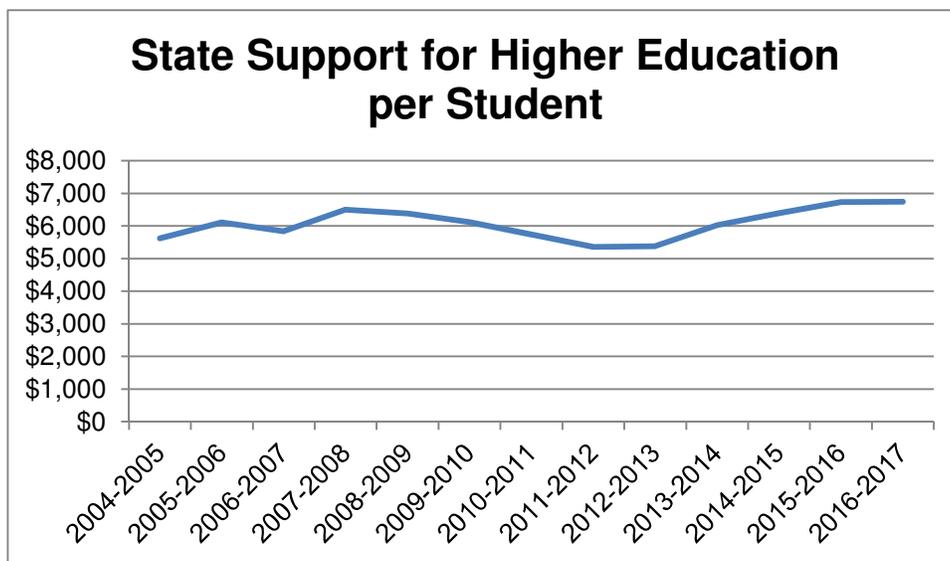
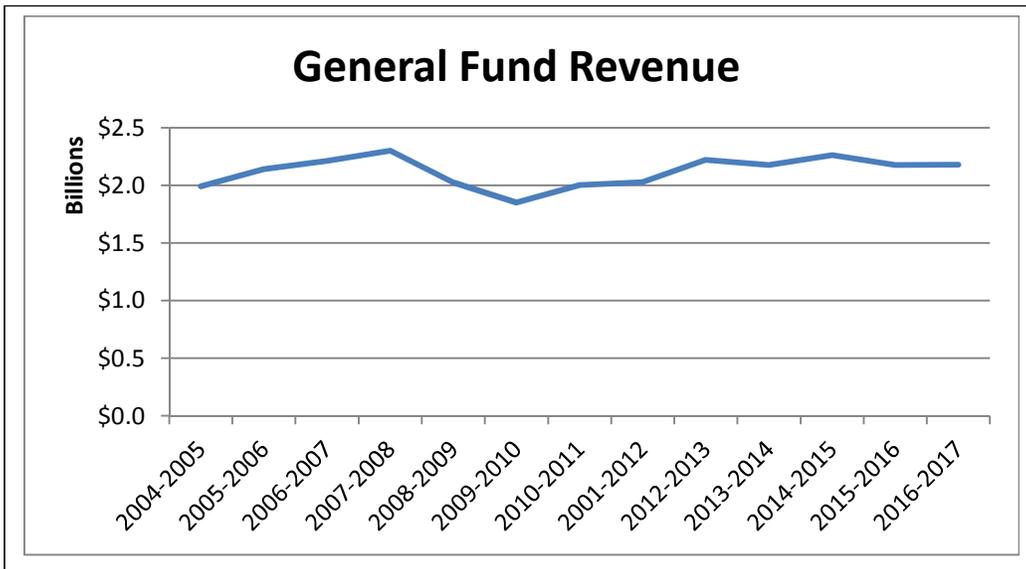


Montana's strong economic growth since the recession, and its strong fiscal management by two Democratic governors, have allowed the state to provide historic levels of growth to public school and university system funding over the past decade, resulting in significant gains in terms of the state's teacher salaries, per-pupil spending and support for higher education, relative to other states.

Following an expected revenue downturn in 2016 and 2017, on the heels of the worst wildland fire season on record, Gov. Steve Bullock has called for a balanced approach to funding public services, including calls for increased taxes on the wealthy and other targeted tax measures. However, the Republican majority in the Legislature has opposed new revenues and prioritized cuts—despite continued growth in the state's economy.

The net result of this stalemate has been drastic cuts to almost all areas of public services in the current biennium, leading to numerous layoffs and a reduced state employee workforce.

With sustained high median income growth, the state can afford to increase tax effort and fund education and public services in the 2019 biennium, while improving public employee wages and benefits.



# Nebraska

**K-12 Spending Per Pupil**  
\$12,615

**Higher Education Spending Per Student**  
\$9,911

**Average Teacher Salary**  
\$53,473

**Student-Teacher Ratio**  
13.56 to 1

## State Rank

**29th** Per-Pupil Spending 2008

**19th** Per-Pupil Spending 2016

**7th** Per-Pupil Spending Growth

**17th** Support for Higher Education 2008

**8th** Support for Higher Education 2016

**38th** Growth in Cost of Higher Education (Four-Year Degree)

**28th** Average Teacher Salary

**7th** Growth in Average Teacher Salary

**12th** Student-Teacher Ratio 2008

**14th** Student-Teacher Ratio 2016

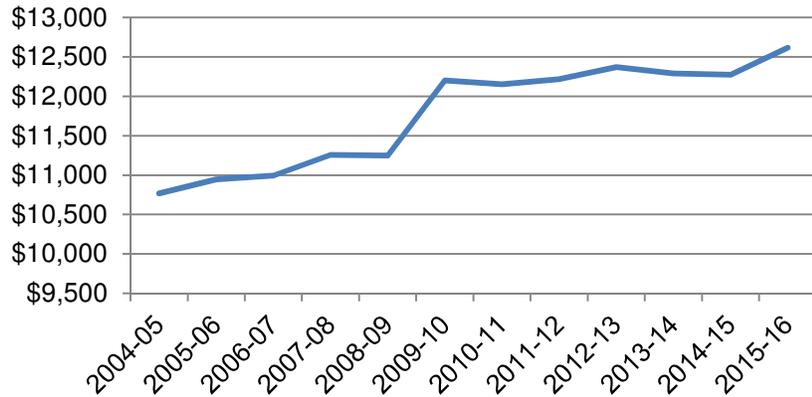
**27th** Improvement in Student-Teacher Ratio

**15th** Tax Fairness

**25th** Tax Effort 2015

**28th** Improvement in Tax Effort

## K-12 Spending Per Pupil



Between 2009 and 2016, state lawmakers took action on personal and corporate income and sales taxes, which had a net negative impact on revenue. Comparing 2008 and 2015, the state reduced its tax effort by 2.2 percent. At the same time, thanks to a growing economy, Nebraska has been able to increase its per-pupil spending beyond its pre-recession peak.

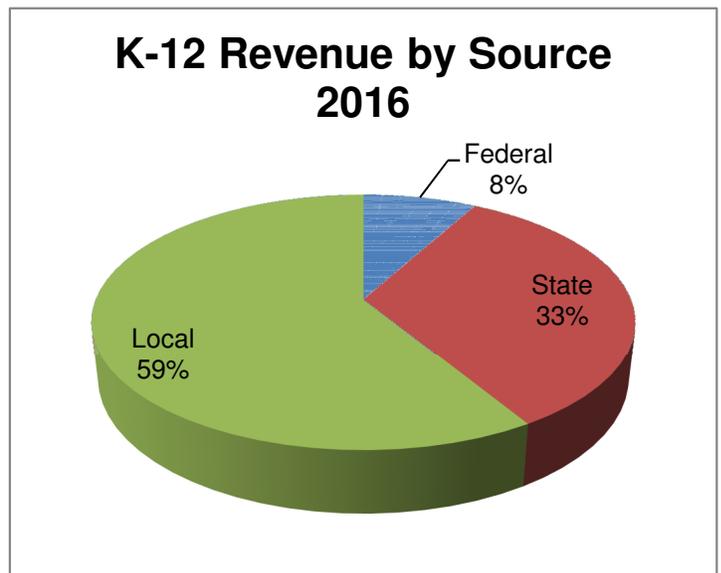
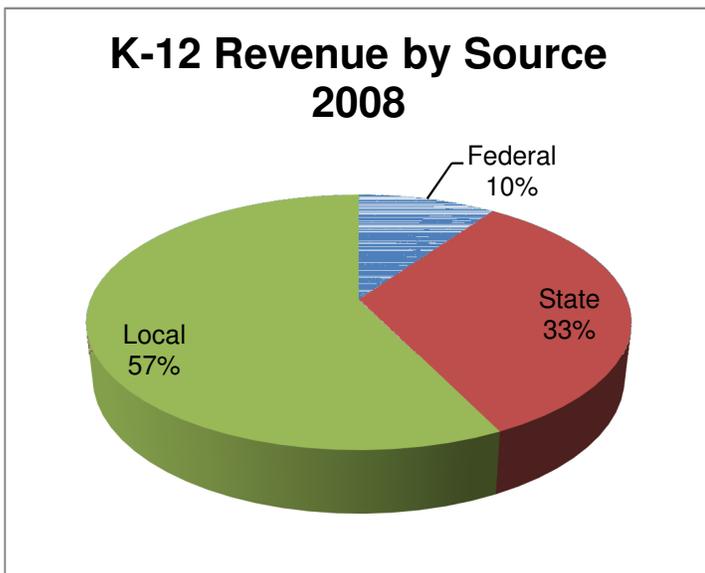
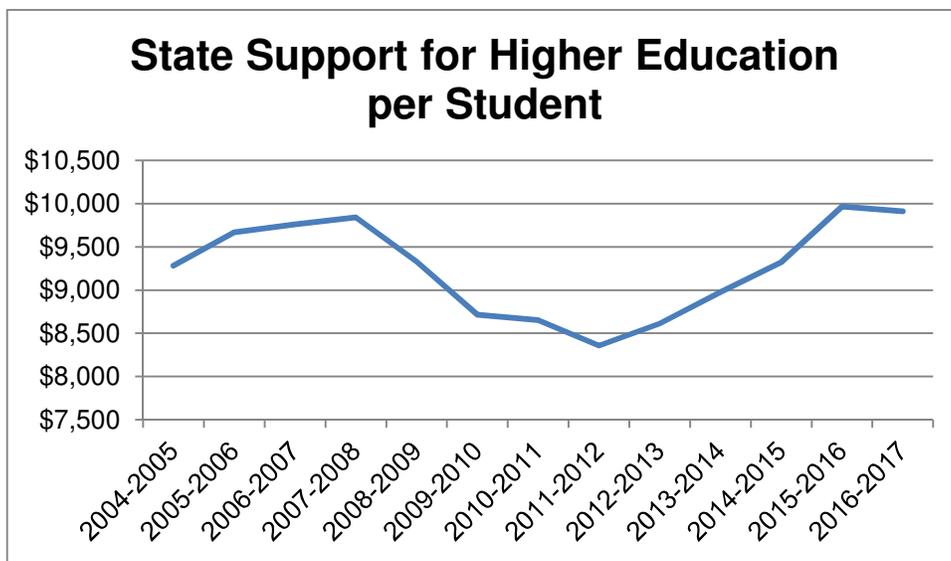
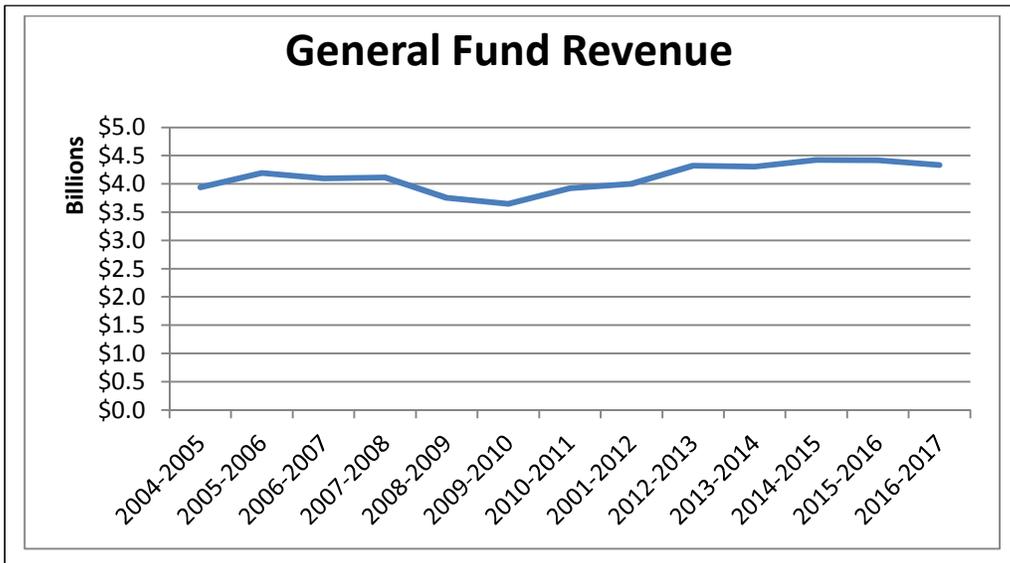
There are some clouds on the horizon however. Nebraska education is largely funded through property taxes. The state's heavy reliance on property taxes to fund education places a heavy burden on homeowners, which has generated calls for property tax relief. At the same time, Gov. Pete Ricketts has pledged to reduce taxes on Nebraskans. Pressure to cut taxes at both the state and local levels is likely to slow the growth in per-pupil

spending. Since Ricketts has pledged to reduce taxes within Nebraska, maintaining the education budget will be difficult without further changes to more evenly distribute the burden away from property tax.

Renee Fry, executive director of OpenSky Policy Institute, likens this situation to the one experienced in Kansas, where tax cuts during the recession led to poor economic growth and low education expenditures and were eventually repealed by the state Legislature.<sup>130</sup> These tax cuts set the Kansas economy back and would similarly harm the Nebraska economy if enacted. The Nebraska Legislature didn't enact a property tax rollback this year, because it could not achieve consensus on whether to replace the revenue with another funding source. This will continue to be an issue.<sup>131</sup>

Nebraska ranks 12th in economic growth relative to other states, an indication that it has the ability to fully fund education initiatives. However, Nebraska is one of the states where districts with high-poverty populations are allocated fewer resources than are districts with lower poverty.<sup>132</sup> Increasing equity requires a decreased dependence on property taxes and a more balanced taxation system. The state would be better served by reforming the way it supports its schools than by blindly slashing taxes.

Although Nebraska is currently ranked eighth for its support for higher education, Ricketts' budget proposal includes a 2 percent across-the-board reduction in state support. Tuition costs have already risen by more than 23 percent since the recession, so these cuts would be concerning.



## Nevada

**K-12 Spending Per Pupil**  
\$9,190

**Higher Education Spending Per Student**  
\$8,404

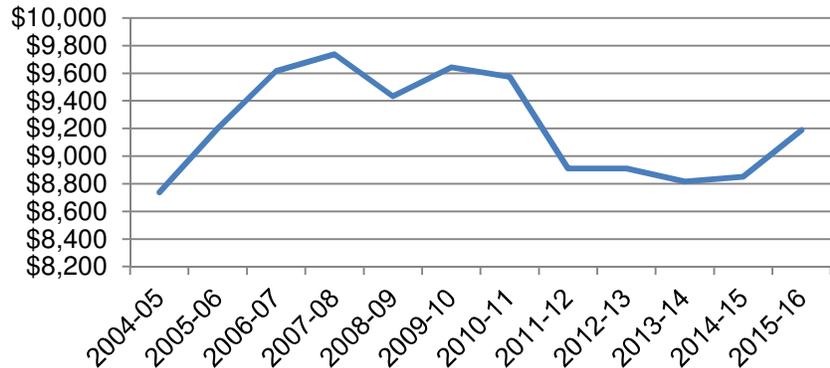
**Average Teacher Salary**  
\$57,812

**Student-Teacher Ratio**  
20.59 to 1

### State Rank

- 44th** Per-Pupil Spending 2008
- 43rd** Per-Pupil Spending 2016
- 40th** Per-Pupil Spending Growth
- 9th** Support for Higher Education 2008
- 18th** Support for Higher Education 2016
- 10th** Growth in Cost of Higher Education (Four-Year Degree)
- 20th** Average Teacher Salary
- 14th** Growth in Average Teacher Salary
- 46th** Student-Teacher Ratio 2008
- 48th** Student-Teacher Ratio 2016
- 47th** Improvement in Student-Teacher Ratio
- 50th** Tax Fairness
- 32nd** Tax Effort 2015
- 21st** Improvement in Tax Effort

### K-12 Spending Per Pupil



Nevada was particularly hard-hit by the recession. Going into 2012, Nevada was facing the largest budget shortfall in the nation at 45.6 percent, the highest unemployment rate at 14.5 percent, and the highest number of housing foreclosures. To address the budget gap, the 2009 Legislature reduced funding for teachers' salaries by 4 percent in each year of the biennium and suspended merit and longevity pay increases, though it approved a partial restoration of merit increases for teachers obtaining additional education. For the second year of the biennium, school districts were authorized to increase class sizes in grades 1 through 3.<sup>133</sup>

Nevada's governor at the time, Jim Gibbons, had run for office on a "no new taxes" pledge, so when 2009-2011 revenue forecasts projected a significant shortfall, he proposed deeper spending

cuts than those that were ultimately enacted by the Legislature. Gibbons resisted tax increases, saying they would "kill economic growth and job creation."<sup>134</sup> The Legislature enacted tax increases over the veto of the governor. This provided enough temporary tax revenues to stop more-severe cuts.

Nevada was hit so hard by the recession because of its narrow tax base; almost all of the state's revenue was coming from gaming and sales taxes. The state had no business income tax, and still has no income tax. The state's education system was woefully underfunded going into the recession, so by 2016, the state had dropped from 46th to 48th for its student-teacher ratio. Per-pupil spending was down 5.6 percent. Higher education funding has also been reduced by 27 percent.

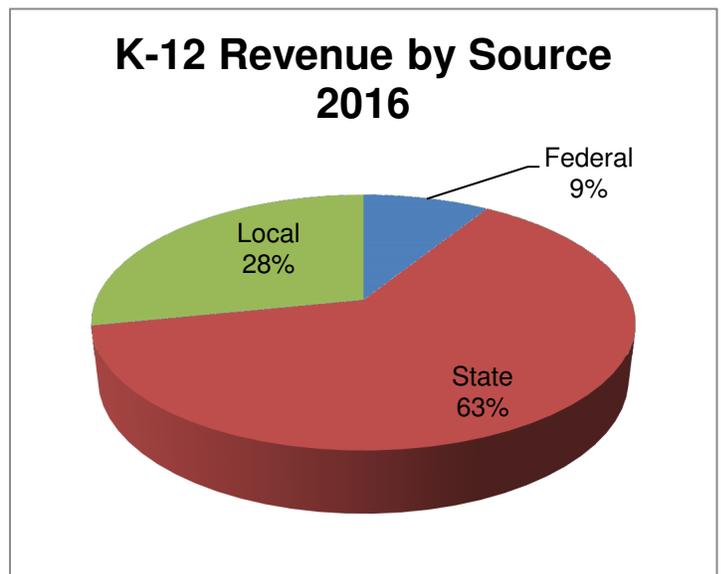
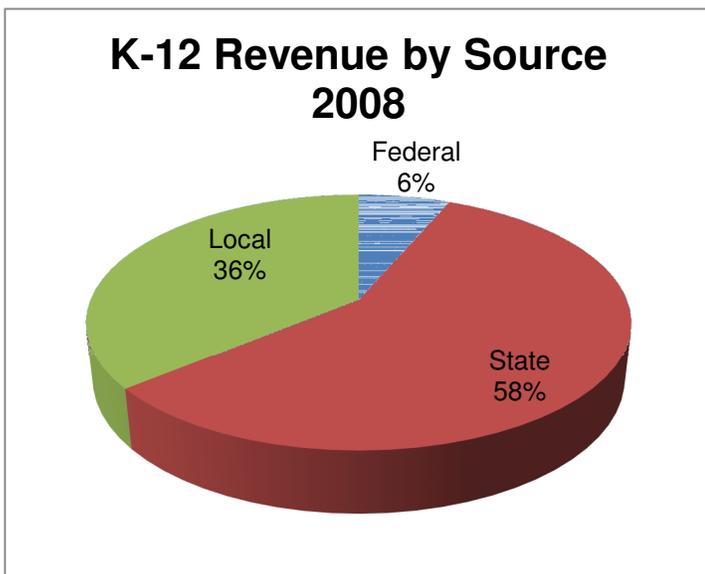
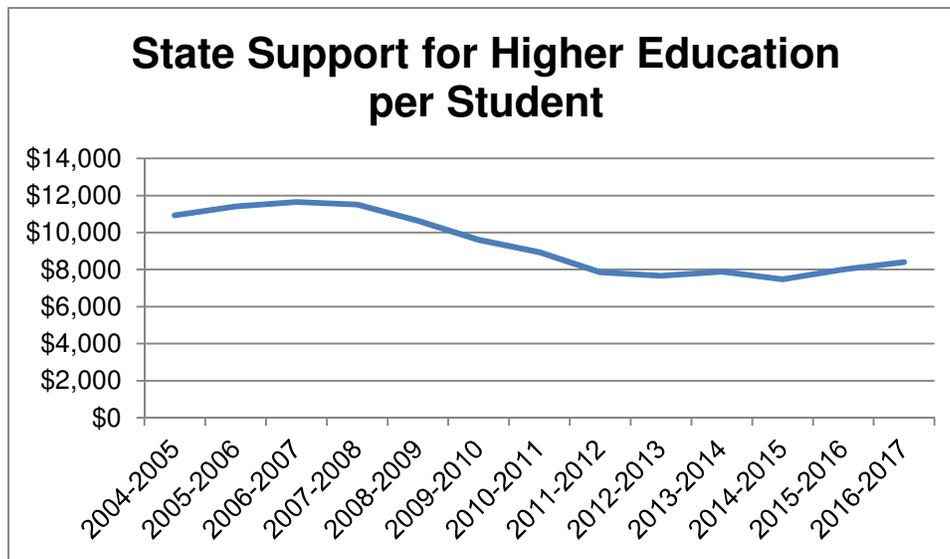
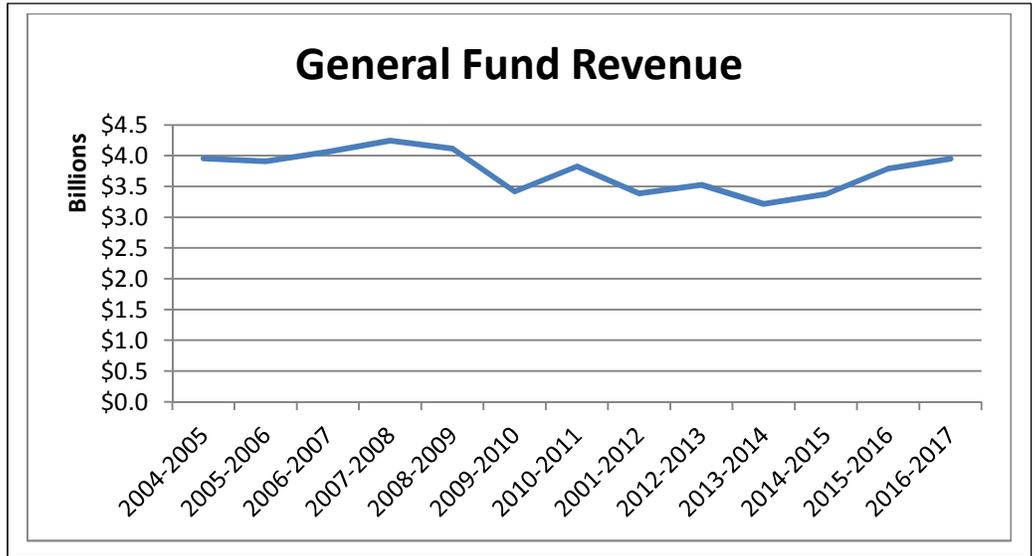
To address its underfunded

education system, Democratic legislators tried and failed to pass a new business tax in 2011 and 2013. Voters rejected a gross receipts tax that was on the 2014 ballot. Finally, in 2015, Nevada legislators approved the state's largest-ever tax hike, which included a new commerce tax on the gross receipts of businesses with at least \$4 million in revenue. The entire package was projected to bring in \$1.4 billion for K-12 education.<sup>135</sup>

Nevada still has a lot to do to address an underfunded education system. This year, education advocates have launched a statewide campaign, the Fund Our Future Nevada campaign. They are demanding that state leaders increase funding for education using new revenue sources, like the marijuana tax and the room tax.<sup>136</sup>

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$241 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$214 Million**



# New Hampshire

**K-12 Spending Per Pupil**  
\$15,734

**Higher Education Spending Per Student**  
\$3,338

**Average Teacher Salary**  
\$57,833

**Student-Teacher Ratio**  
12.35 to 1

## State Rank

**14th** Per-Pupil Spending 2008

**11th** Per-Pupil Spending 2016

**4th** Per-Pupil Spending Growth

**49th** Support for Higher Education 2008

**49th** Support for Higher Education 2016

**21st** Growth in Cost of Higher Education (Four-Year Degree)

**19th** Average Teacher Salary

**15th** Growth in Average Teacher Salary

**8th** Student-Teacher Ratio 2008

**7th** Student-Teacher Ratio 2016

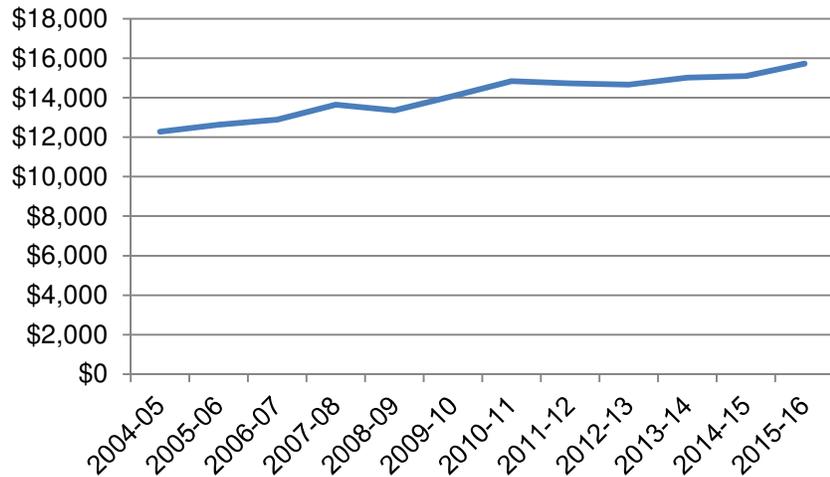
**5th** Improvement in Student-Teacher Ratio

**44th** Tax Fairness

**42nd** Tax Effort 2015

**13th** Improvement in Tax Effort

## K-12 Spending Per Pupil



New Hampshire schools have seen a 15 percent increase in real per-pupil spending since the recession. While the real average teacher salary is slightly lower than it was before the recession, there are more teachers per student. That the state held its own is a testament to local school districts, which increased their share of K-12 funding from 56 percent in 2008 to 61 percent in 2016.

According to the New Hampshire Fiscal Policy Institute, the state has reduced its aid to localities and school districts by almost \$270 million in the past 15 years.<sup>137</sup> Instead of addressing this, the Legislature has cut both of the state’s business taxes. These cuts came despite

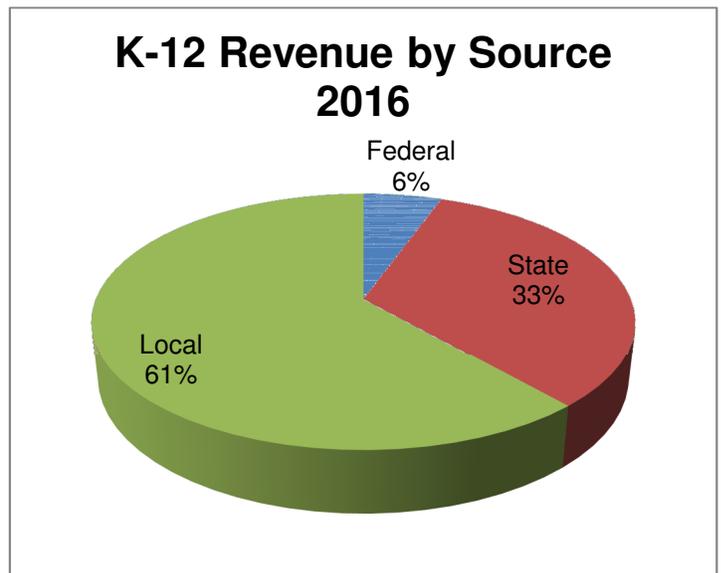
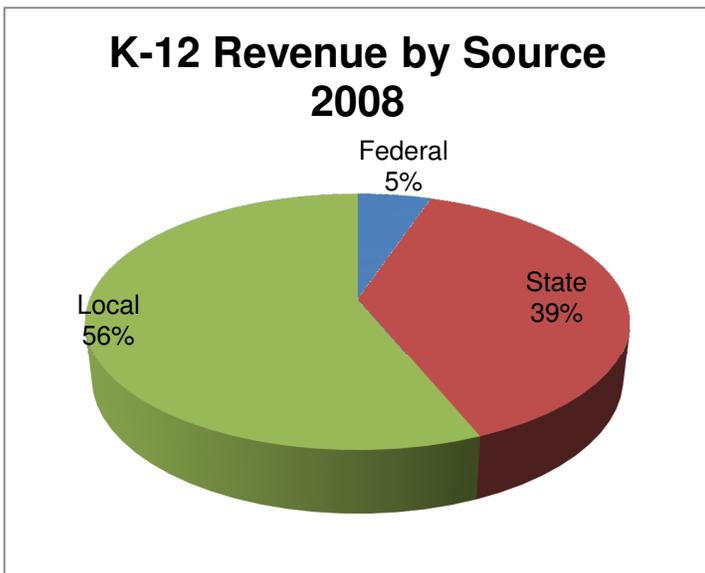
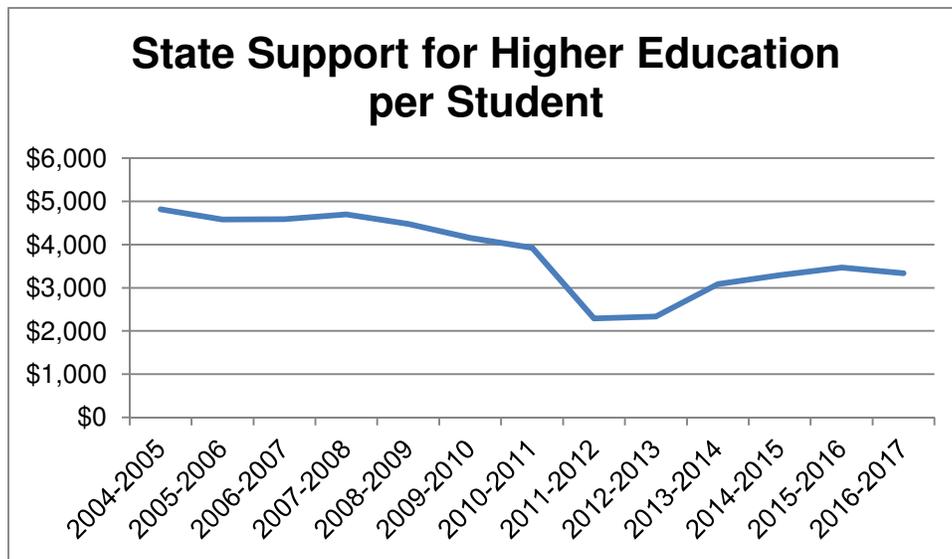
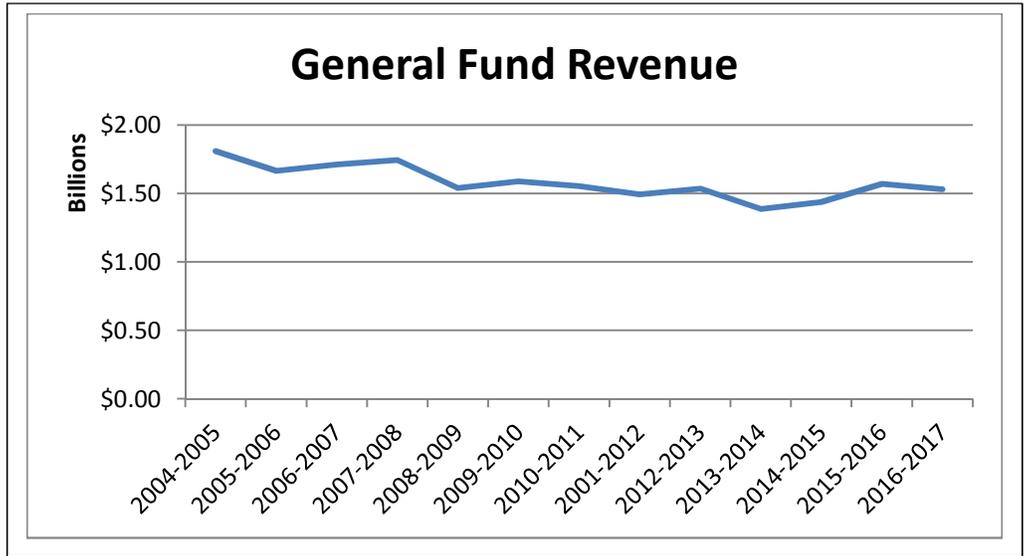
findings by the state’s Commission to Study Business Taxes that such tax cuts were unnecessary.<sup>138</sup> The business profits tax is set to be reduced to 7.7 percent in 2019 and to 7.5 percent in 2021. The business enterprise tax is set to be reduced from 0.72 percent to 0.6 percent in 2019 and to 0.5 percent in 2021. Further reductions in both tax rates would then be triggered if the amount of revenue the state takes in meets a statutorily set threshold.<sup>139</sup> These two taxes raise roughly a quarter of the state’s revenue, or approximately \$560 million.

Although increased reliance on property taxes may have helped prevent K-12 education cuts, it tends to come with increased inequity. A report by the

New Hampshire Center for Public Policy Studies found that there “is still more than a two-fold variation between those communities that spend the most on educating students and those that spend the least. Variation in rates for local property taxes is even greater.”<sup>140</sup>

In addition to an inequitable K-12 funding system, the state’s lack of investment has led to systematic underfunding of higher education. The state ranks 49th for support for higher education and has the highest tuition costs in the nation. A sustainable tax system must yield a stream of revenue that grows at the same pace as the services it is intended to fund; over the long run, both should grow along with the economy.

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$52 Million**



## New Jersey

**K-12 Spending Per Pupil**  
\$18,875

**Higher Education Spending Per Student**  
\$7,444

**Average Teacher Salary**  
\$69,917

**Student-Teacher Ratio**  
12.25 to 1

### State Rank

**2nd** Per-Pupil Spending 2008

**4th** Per-Pupil Spending 2016

**32nd** Per-Pupil Spending Growth

**20th** Support for Higher Education 2008

**27th** Support for Higher Education 2016

**45th** Growth in Cost of Higher Education (Four-Year Degree)

**6th** Average Teacher Salary

**22nd** Growth in Average Teacher Salary

**4th** Student-Teacher Ratio 2008

**4th** Student-Teacher Ratio 2016

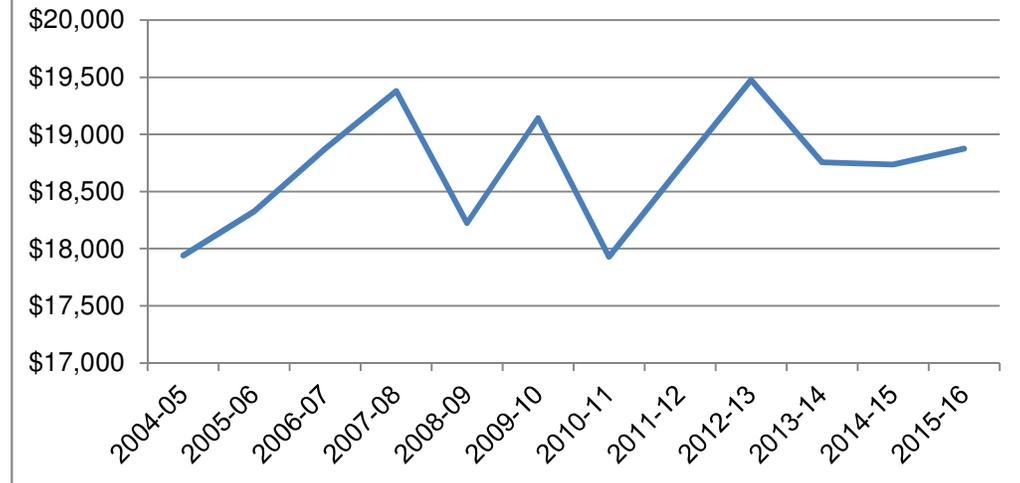
**14th** Improvement in Student-Teacher Ratio

**3rd** Tax Fairness

**11th** Tax Effort 2015

**32nd** Improvement in Tax Effort

### K-12 Spending Per Pupil



In a series of rulings culminating in 1998 with *Abbott v. Burke*, the New Jersey courts required the state to improve its investment in the education of poor children.<sup>141</sup> *Abbott* led to improvements in both funding and equity and was hailed as a landmark decision. But, in the aftermath of the Great Recession, New Jersey's commitment to these goals has faltered.

This year, New Jersey has 192 school districts, serving 682,000 students, that are not receiving the funding they should.<sup>142</sup> Per-pupil spending in 2016 was well below its pre-recession peak. Average teacher pay is 4.4

percent below where it was prior to the recession, after adjusting for inflation.

Real per-pupil support for higher education has also fallen by 22.5 percent since the recession. As a direct result of this disinvestment, students have received a greater tuition burden, and real costs have increased by 22 percent and 18 percent for two- and four-year schools, respectively. The number of students with debt has risen as well.<sup>143</sup>

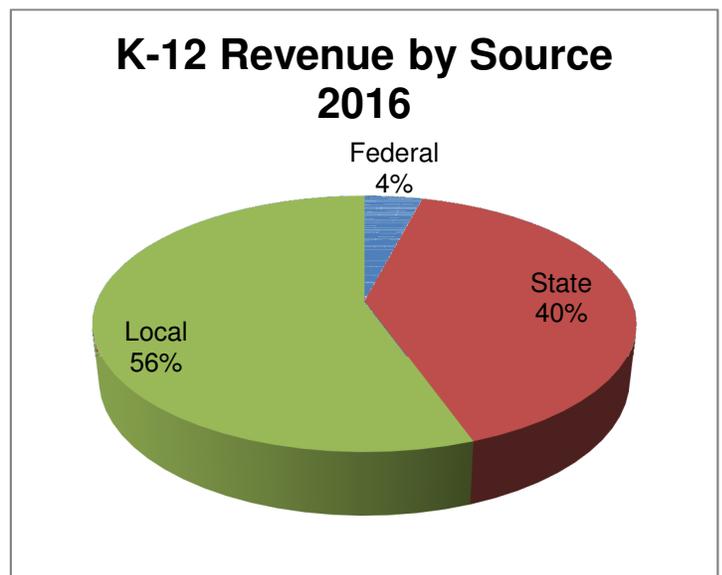
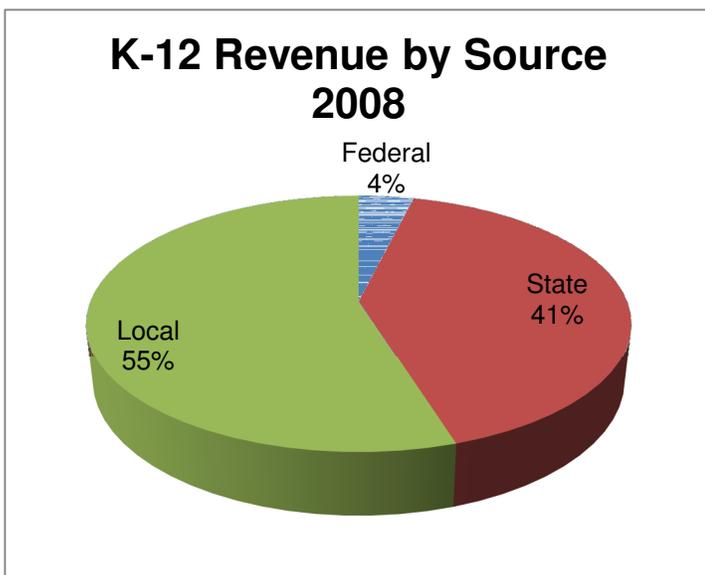
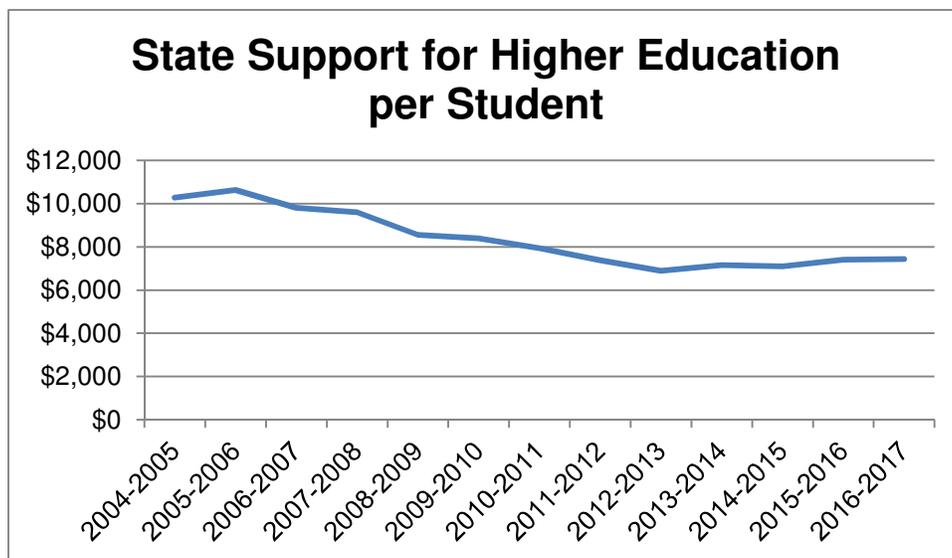
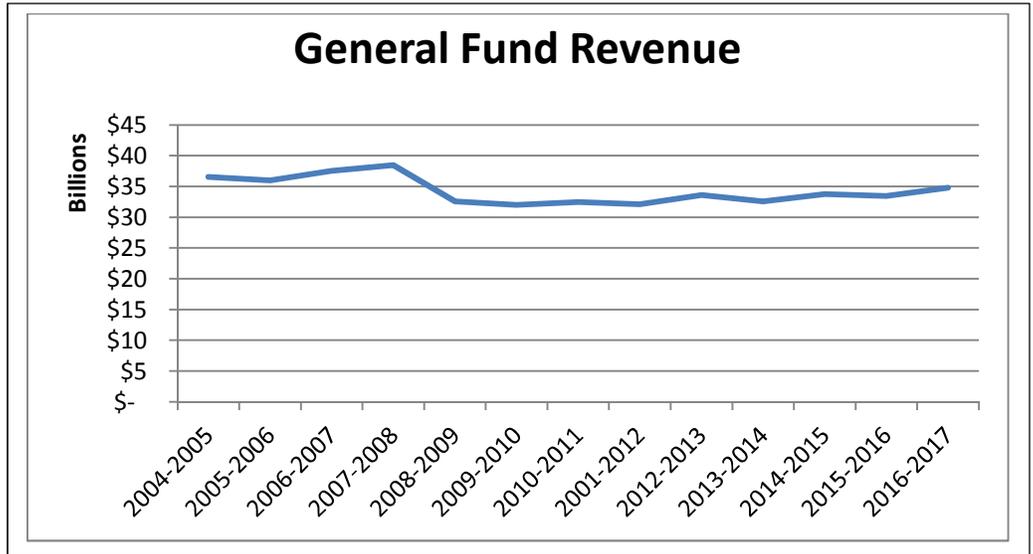
During his term, Gov. Chris Christie played a key role in this disinvestment. In 2010 he vetoed an extension of a temporary tax bracket for those making more than \$1 million.<sup>144</sup> His

administration gave corporations more than \$7 billion in tax breaks as specific incentives, far more than previous administrations.<sup>145</sup> As a result, tax revenues as a share of the state's resources fell by 3.5 percent.

The task before current Gov. Phil Murphy and the Legislature is to chart a different course. Murphy's first budget proposal includes \$286 million in new money for schools. At this writing, the governor and the Legislature are working toward a compromise on a set of revenue measures that would raise money while making the tax code fairer to New Jersey families.<sup>146</sup>

**Total Investment  
Needed To Reach  
2008 K-12  
Spending Levels:  
\$689 Million**

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$574 Million**



## New Mexico

**K-12 Spending Per Pupil**  
\$9,942

**Higher Education Spending Per Student**  
\$9,683

**Average Teacher Salary**  
\$47,839

**Student-Teacher Ratio**  
15.45 to 1

### State Rank

**37th** Per-Pupil Spending 2008

**38th** Per-Pupil Spending 2016

**43rd** Per-Pupil Spending Growth

**5th** Support for Higher Education 2008

**9th** Support for Higher Education 2016

**25th** Growth in Cost of Higher Education (Four-Year Degree)

**45th** Average Teacher Salary

**44th** Growth in Average Teacher Salary

**30th** Student-Teacher Ratio 2008

**32nd** Student-Teacher Ratio 2016

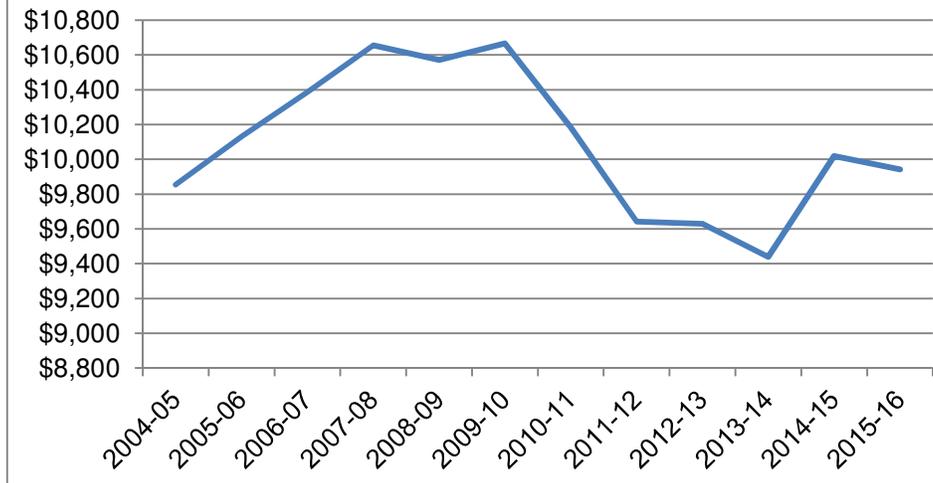
**36th** Improvement in Student-Teacher Ratio

**35th** Tax Fairness

**12th** Tax Effort 2015

**5th** Improvement in Tax Effort

### K-12 Spending Per Pupil



New Mexico ranked 37th for support of K-12 education in 2008, when the American Institutes for Research found that the state needed to increase funding by 14.5 percent in order to achieve an adequate and equitably financed system of public education.<sup>147</sup> AIR was commissioned to conduct a study of the state's school funding formula by the Funding Formula Study Task Force, appointed by the New Mexico State Legislature and the governor.

By 2016, the state had dropped to 38th, and real spending was 6.7 percent below 2008 levels. In 2018, average teacher pay is 9.7 percent lower when

compared with 2009. The ratio of students to teachers also rose between 2008 and 2016. Had state legislators not allowed the temporary enhancement (from the state's permanent fund) of education funding to expire, its K-12 education system would be in a better position.

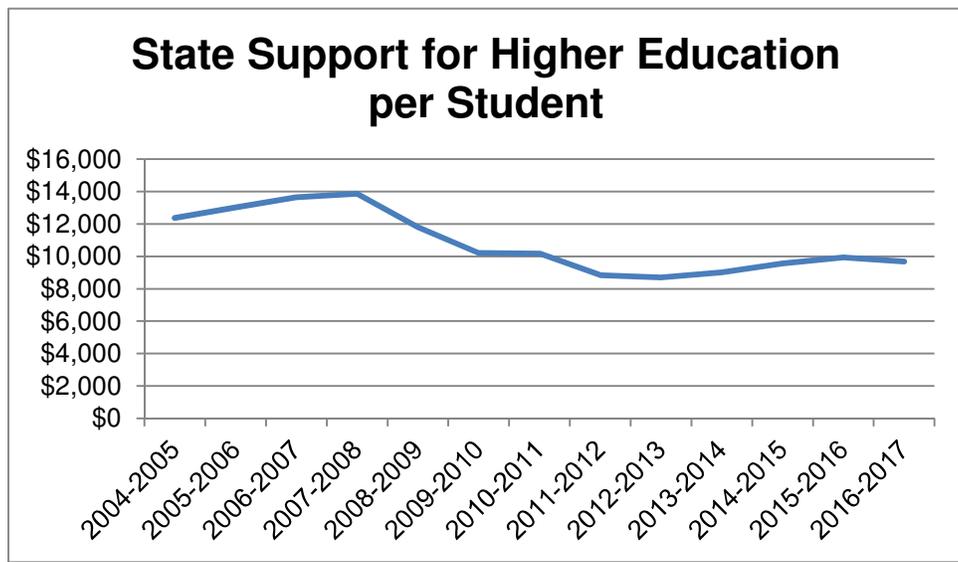
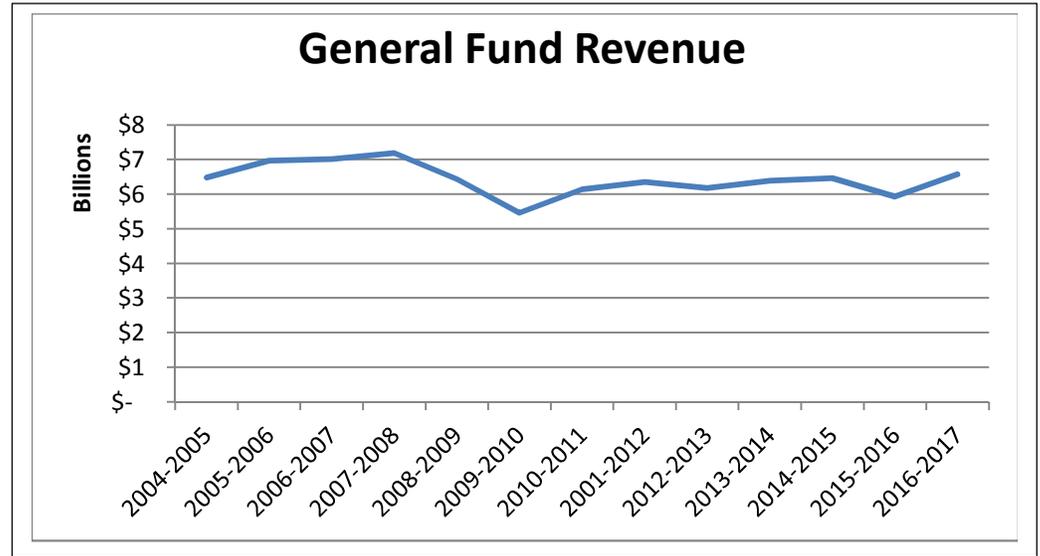
New Mexico's higher education system has also felt the pinch of state cuts since the Great Recession. State support for higher education has declined by 30 percent, while enrollment continues to climb. Tuition costs are also up by 39 percent for four-year colleges and 31 percent for two-year colleges, compared with 2008.

Between 2009 and 2016,

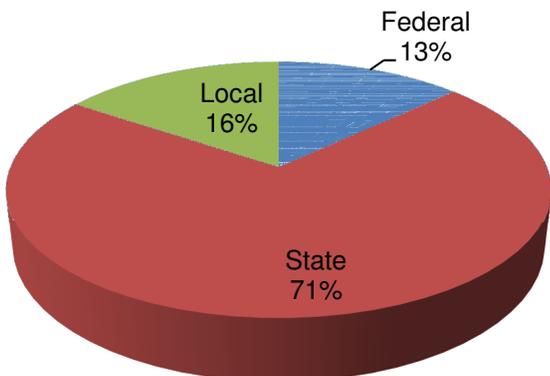
state lawmakers took action on personal and corporate income taxes and sales taxes that had a net positive impact on revenue. Comparing 2008 and 2015, New Mexico increased its tax effort by 9.6 percent, the fifth-highest in the nation. However, the state's overreliance on severance taxes creates revenue volatility that hampers the state's ability to provide consistent support for public services. Things are further complicated by the fact that the state imposes different rates for severance taxes for natural gas and oil. The different treatment of natural gas and oil makes little economic sense and does not follow good tax policy principles.

**Total Investment  
Needed To Reach  
2008 K-12  
Spending Levels:  
\$228 Million**

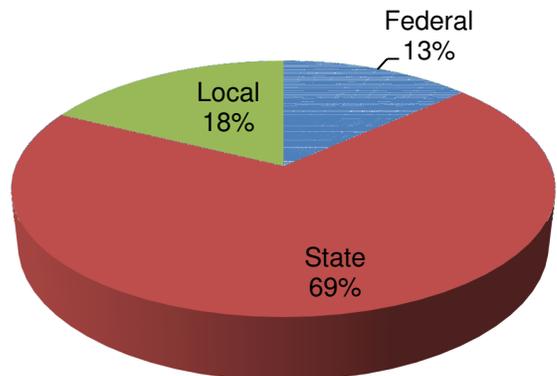
**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$372 Million**



**K-12 Revenue by Source  
2008**



**K-12 Revenue by Source  
2016**



# STATE REPORTS

## New York

**K-12 Spending Per Pupil**  
\$22,941

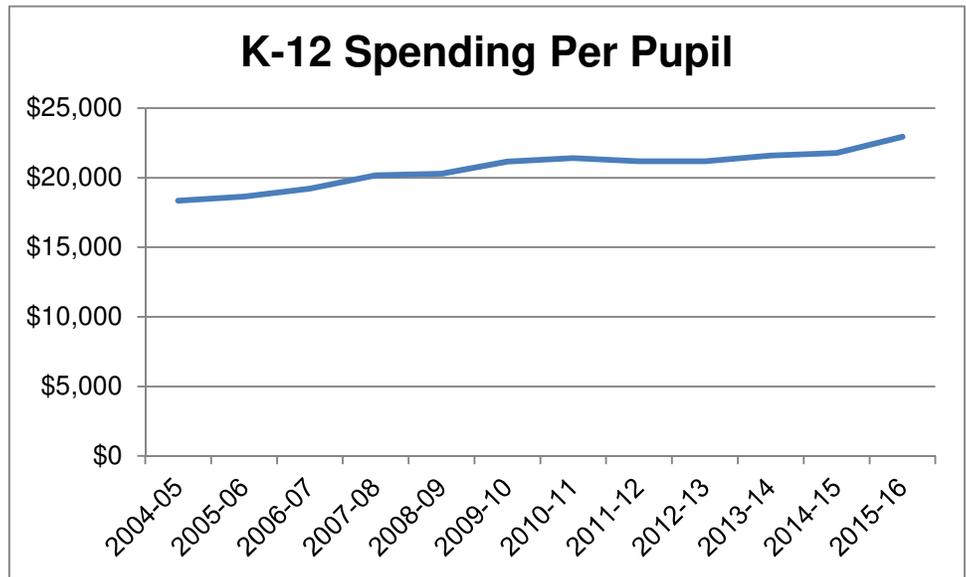
**Higher Education Spending Per Student**  
\$10,050

**Average Teacher Salary**  
\$83,585

**Student-Teacher Ratio**  
13.16 to 1

### State Rank

- 1st** Per-Pupil Spending 2008
- 1st** Per-Pupil Spending 2016
- 6th** Per-Pupil Spending Growth
- 16th** Support for Higher Education 2008
- 7th** Support for Higher Education 2016
- 31st** Growth in Cost of Higher Education (Four-Year Degree)
- 1st** Average Teacher Salary
- 6th** Growth in Average Teacher Salary
- 9th** Student-Teacher Ratio 2008
- 11th** Student-Teacher Ratio 2016
- 19th** Improvement in Student-Teacher Ratio
- 2nd** Tax Fairness
- 2nd** Tax Effort 2015
- 34th** Improvement in Tax Effort



In 2007, New York’s lawmakers, in response to school finance litigation that had been initiated by the Campaign for Fiscal Equity, committed to funding schools based on a formula that would substantially increase investment in the education of at-risk youth. Even though per-pupil spending in New York increased between 2008 and 2016, the increase has not been enough to meet the requirements of this commitment. In 2011, the Legislature also passed Gov. Andrew Cuomo’s proposed property tax cap. This has limited the ability of some school districts to raise their own revenue.<sup>148</sup>

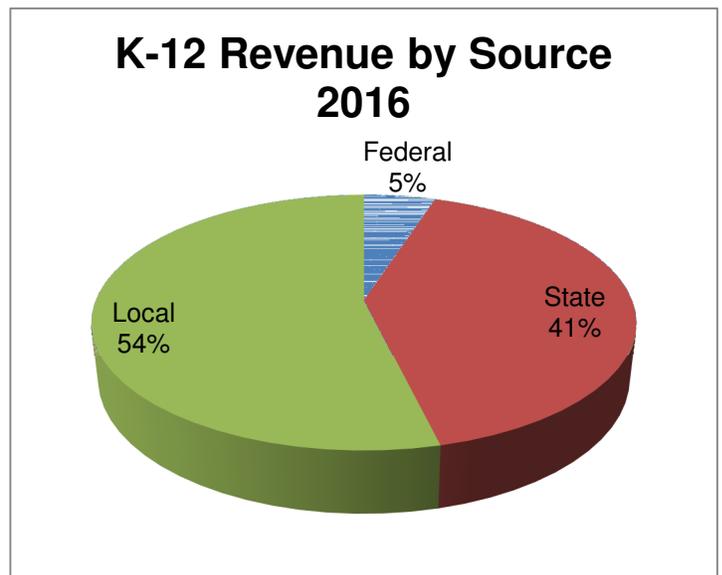
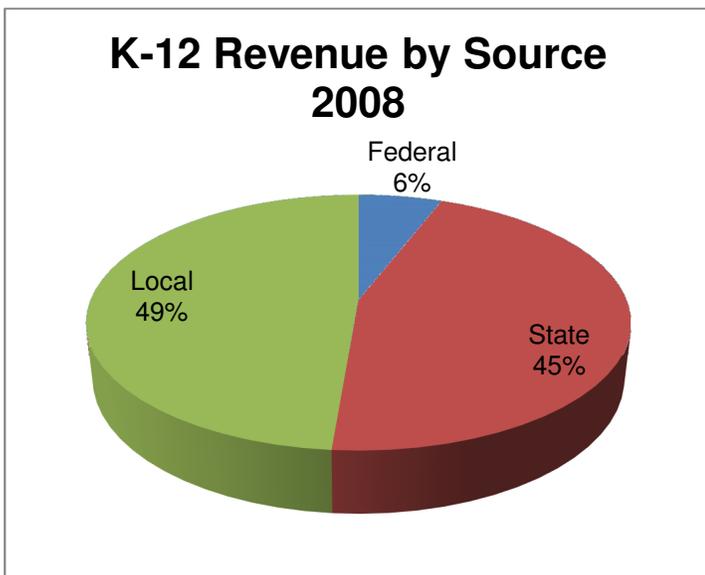
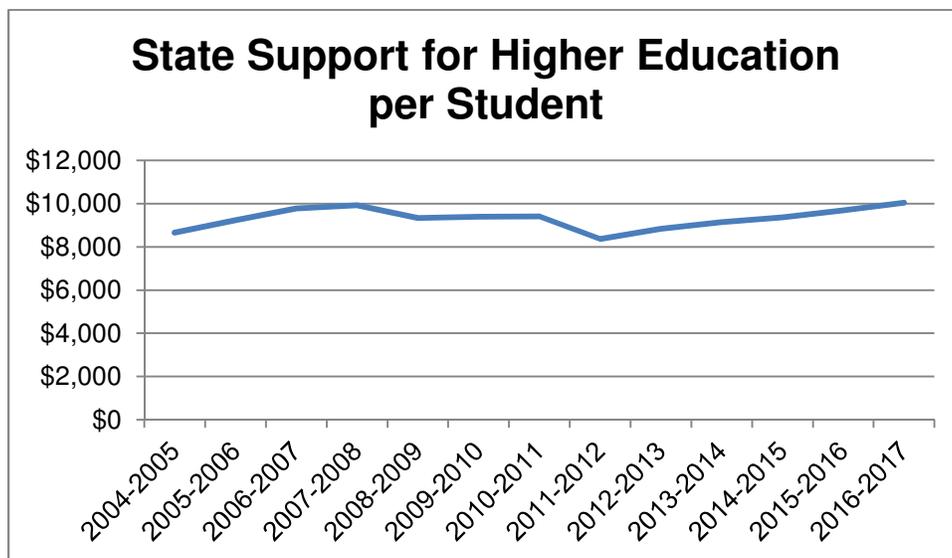
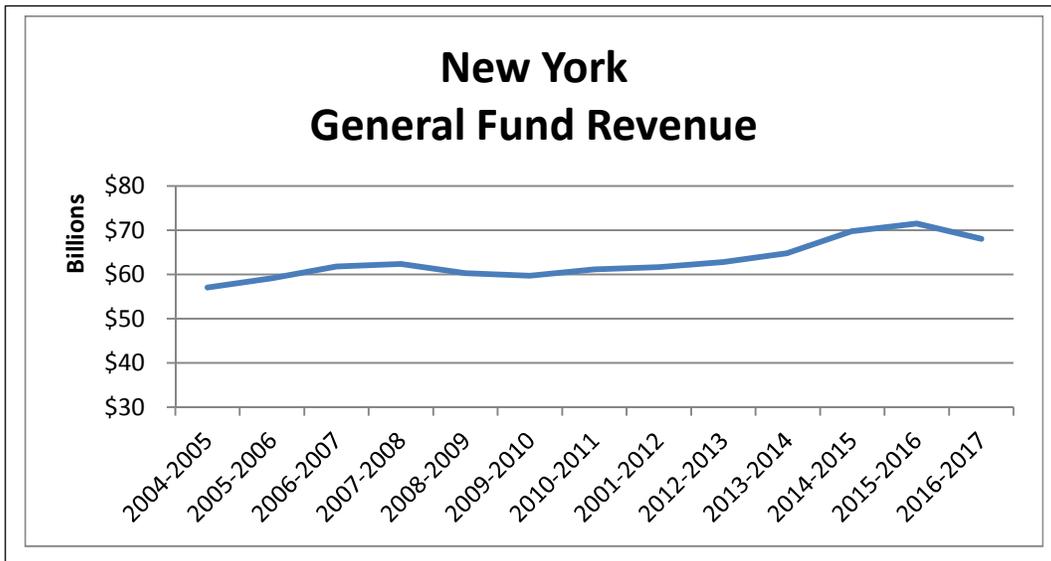
New York has taken important steps to fund schools. That includes passage and subsequent

extension of a temporary tax increase on those making more than \$1 million per year. And the state has become a leader in funding community schools. Average teacher pay has increased, and New York is the leader in per-pupil expenditures. But the state is still approximately \$4 billion short of the investments needed to fulfill the promise of CFE.<sup>149</sup> This is important context for understanding the extent to which all states are underfunding education—New York ranks first for its support for schools simply because austerity and tax cutting has been worse in other states.

And, while New York’s investment in higher education has kept pace with the consumer price index, that hasn’t been enough to

maintain service levels, let alone address previously unmet needs. Impacts are seen throughout the system. For example, the City University of New York has had a more than 8 percent increase in the number of part-time faculty between 2012 and 2016.<sup>150</sup> Students have also carried a much heavier burden, with average costs for two-year schools increasing by 28 percent and four-year schools increasing tuition by 33 percent more than inflation.

Clearly, there is room for New York to do more. Comparing 2008 and 2015, the state reduced its tax effort by 4.1 percent.



# North Carolina

**K-12 Spending Per Pupil**  
\$9,018

**Higher Education Spending Per Student**  
\$9,571

**Average Teacher Salary**  
\$50,861

**Student-Teacher Ratio**  
15.55 to 1

## State Rank

**45th** Per-Pupil Spending 2008

**46th** Per-Pupil Spending 2016

**35th** Per-Pupil Spending Growth

**8th** Support for Higher Education 2008

**10th** Support for Higher Education 2016

**15th** Growth in Cost of Higher Education (Four-Year Degree)

**37th** Average Teacher Salary

**42nd** Growth in Average Teacher Salary

**20th** Student-Teacher Ratio 2008

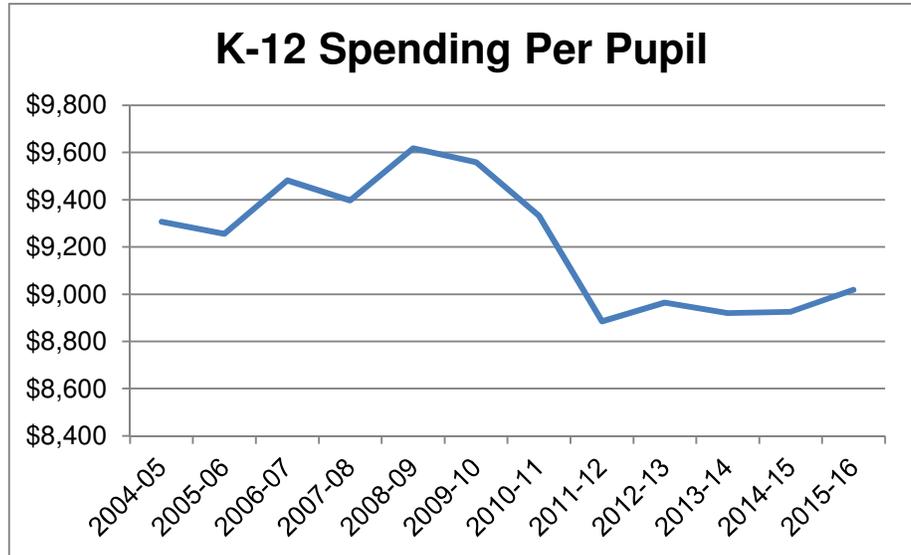
**34th** Student-Teacher Ratio 2016

**46th** Improvement in Student-Teacher Ratio

**24th** Tax Fairness

**36th** Tax Effort 2015

**41st** Improvement in Tax Effort



Between 2008 and 2015, the state reduced its tax effort by 7.5 percent. North Carolina lawmakers have cut the corporate income tax rate by 56 percent since 2013. And, the state’s progressive rate on personal income tax has been reduced to a flat rate of 5.5 percent. This is only beginning, as both corporate and personal income tax rates are scheduled to be cut again in January 2019.<sup>151</sup> These tax cuts will cost North Carolina \$3.5 billion a year, or 15 percent of the state’s general fund budget, once they are fully implemented in 2019. The state is projecting a structural shortfall of \$1.2 billion in 2020, after 2019 tax cuts are implemented. These shortfalls will increase to \$1.4 billion by 2022.<sup>152</sup>

The tax cuts will make it even harder for North Carolina to invest in public

education, worsening the state’s already deteriorating situation. In 2016, North Carolina ranked 46th for per-pupil spending. Real per-pupil spending has declined by 4 percent. Between 2008 and 2016, the state’s rank for student-teacher ratio declined from 20th to 34th in the country. Over that period, its student-teacher ratio increased by more than 11 percent. Teacher pay is 9 percent below 2008 levels in real terms.

Support for public schools has declined, while the state has shifted a significant amount of revenue to charter schools and private school vouchers. Over the last five years, lawmakers have increased funding for charters and vouchers by 146 percent.<sup>153</sup>

North Carolina’s higher education system has not

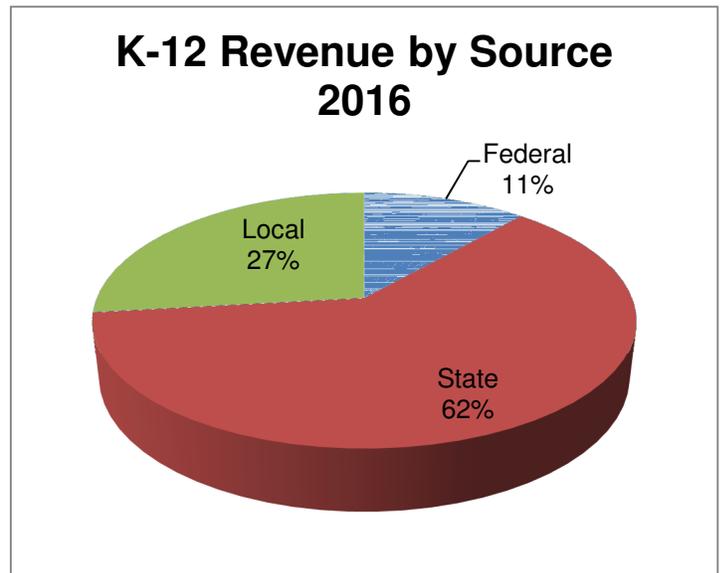
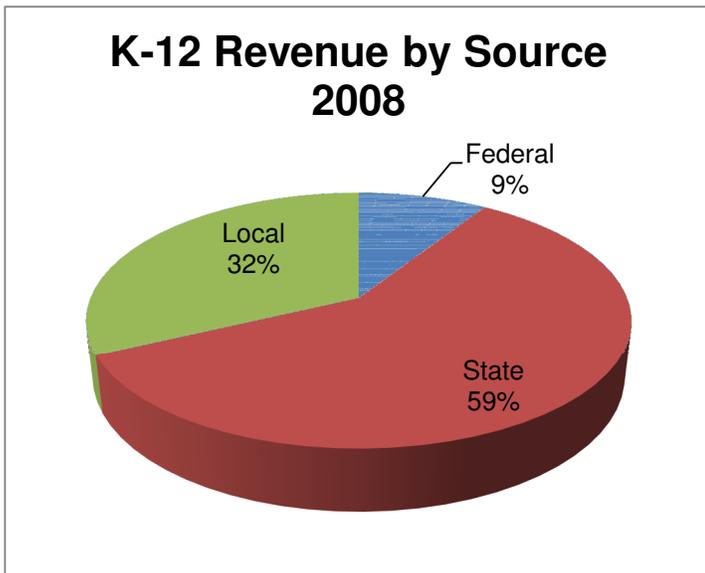
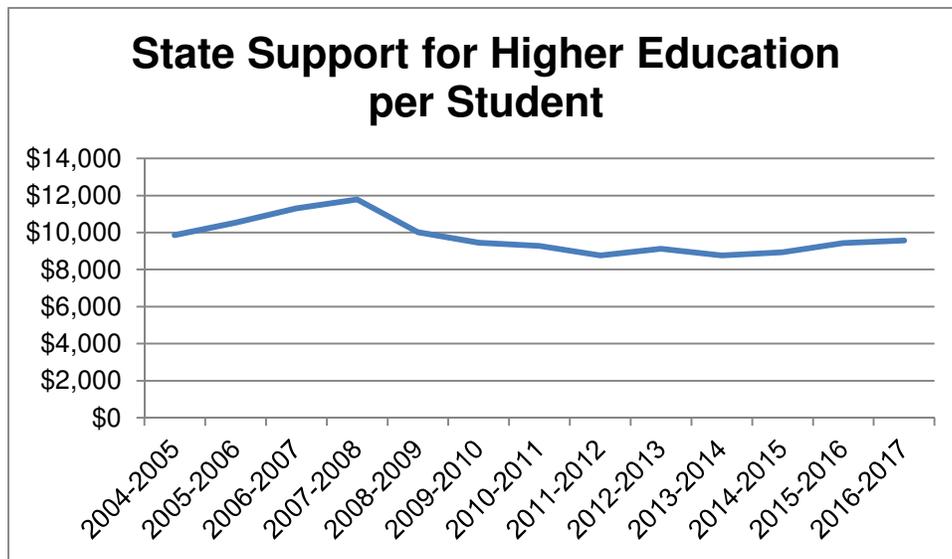
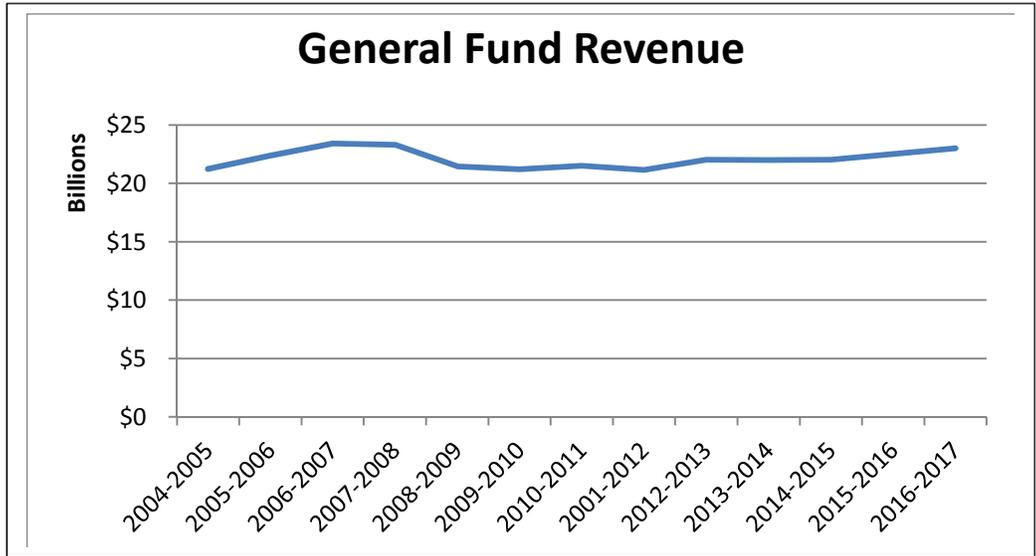
fared any better. Spending in 2017 was almost 19 percent below 2008 levels, and costs for students were up significantly. Tuition costs for two-year colleges were up 55 percent and for four-year colleges were up 46 percent.

According to an analysis by the Center for Budget and Policy Priorities, tax cuts have not propelled North Carolina’s economy forward. Before the tax cuts took effect in 2014,

*North Carolina’s economy generally grew faster than the national economy and in line with neighboring states, even though North Carolina had easily the highest personal income tax rates in the region and much higher rates than it has today. Since the tax cuts took effect, North Carolina has lagged behind the overall region’s growth in jobs and GDP.<sup>154</sup>*

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$554 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$866 Million**



# North Dakota

**K-12 Spending Per Pupil**  
\$13,717

**Higher Education Spending Per Student**  
\$11,780

**Average Teacher Salary**  
\$54,421

**Student-Teacher Ratio**  
11.82 to 1

## State Rank

**26th** Per-Pupil Spending 2008

**16th** Per-Pupil Spending 2016

**2nd** Per-Pupil Spending Growth

**32nd** Support for Higher Education 2008

**5th** Support for Higher Education 2016

**42nd** Growth in Cost of Higher Education (Four-Year Degree)

**27th** Average Teacher Salary

**2nd** Growth in Average Teacher Salary

**2nd** Student-Teacher Ratio 2008

**2nd** Student-Teacher Ratio 2016

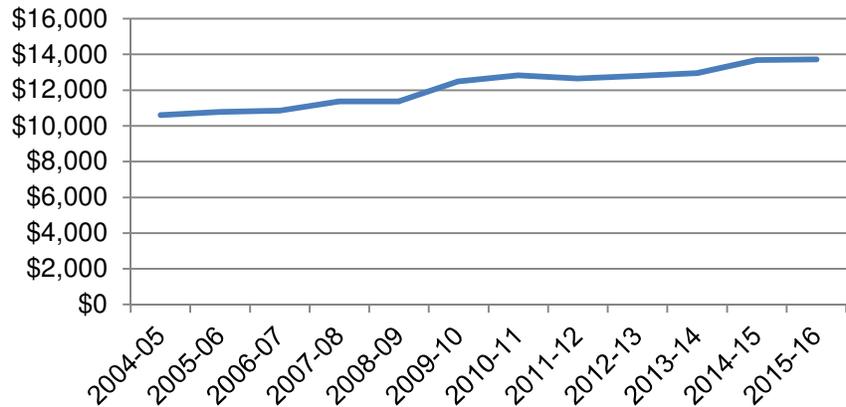
**17th** Improvement in Student-Teacher Ratio

**42nd** Tax Fairness

**1st** Tax Effort 2015

**1st** Improvement in Tax Effort

## K-12 Spending Per Pupil



North Dakota’s budget has waxed and waned since the discovery of the Bakken Shale deposit in 2009 and the subsequent oil boom. While other states saw their budgets tightening during the years around the Great Recession, North Dakota found itself flush with revenue as the price and in-state production of oil climbed.

Unemployment was the lowest in the country.<sup>155</sup> Real per-pupil spending increased by more than 20 percent, and the average teacher salary rose by 12.8 percent. At one point, the state claimed a billion-dollar budget surplus, and revenue collections continually exceeded forecasts.

North Dakota passed an education funding formula in 2013 that significantly increased the share of education paid for by statewide taxes. This has helped equalize education spending across school

districts in the state. The Legislature also improved the higher education funding formula that year, and provided “record education funding” to K-12 and higher education institutions.<sup>156</sup> Between 2008 and 2017, state support for higher education increased by 38 percent, and no other state saw more improvement.

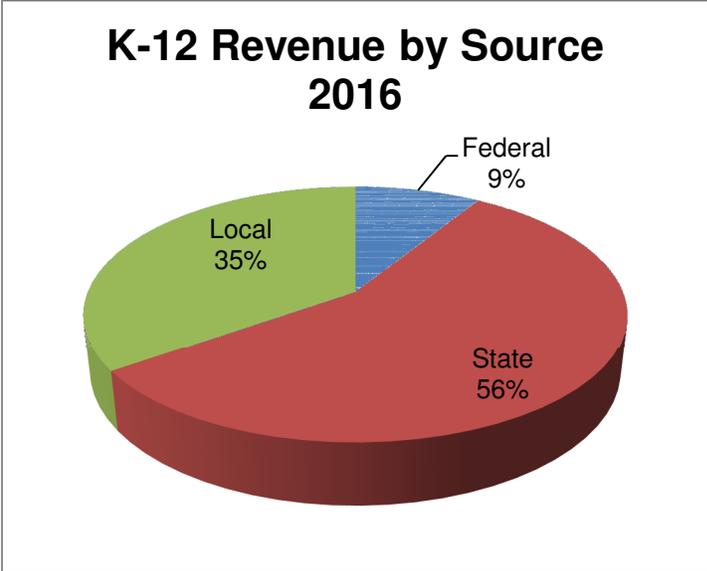
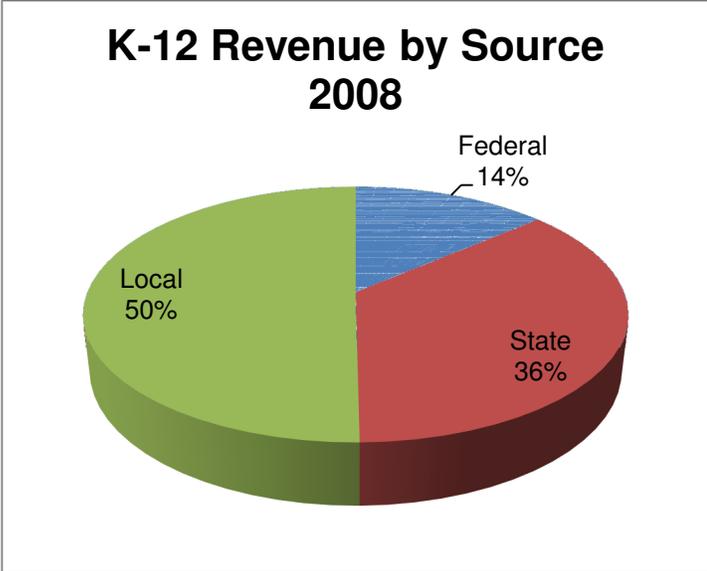
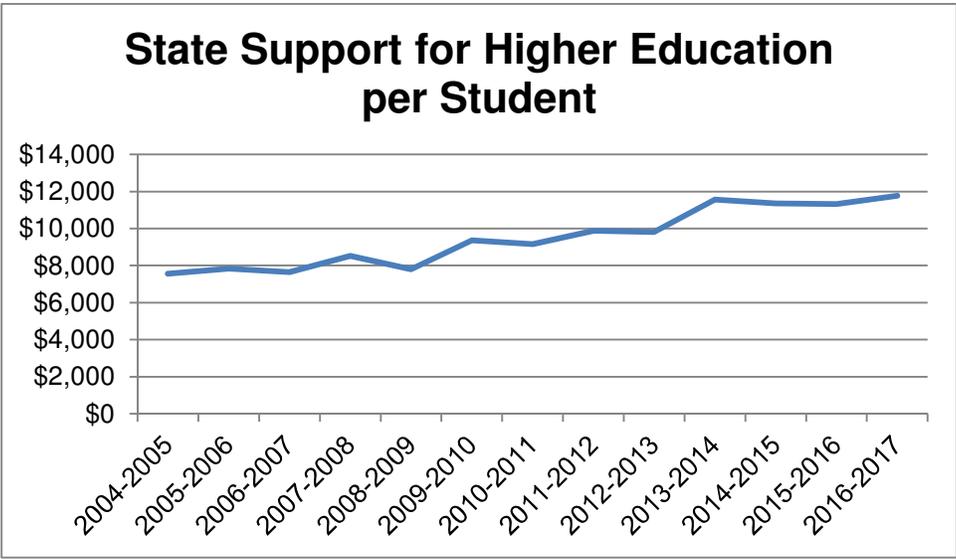
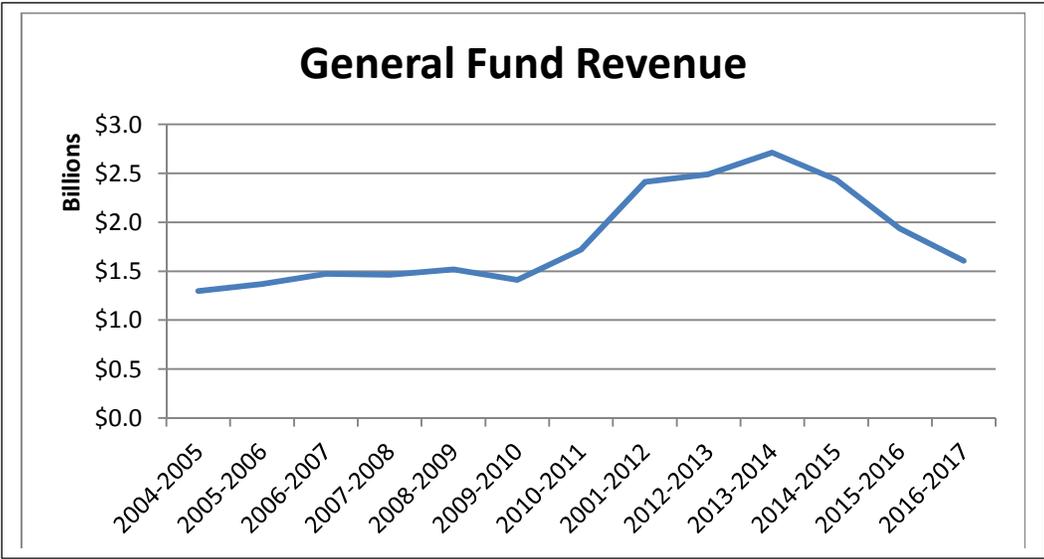
The 2015 legislative session marked the fourth-straight biennium that lawmakers lowered the income tax rate for individuals and corporations. Lawmakers argued that this was made possible because of the oil boom.

As the price of oil has dropped, North Dakota has faced, and continues to face, budget shortfalls. In the beginning of 2017, the state estimated a \$2 billion budget shortfall. This was later revised to \$512 million, and lawmakers cut funding to

state employees and higher education. Compared with the last two-year budget, spending was cut by \$600 million, with K-12 spending largely unharmed. The Grand Forks Herald editorialized in May 2018:

*The state relies too heavily on commodities, so the best tax structure requires conservative tweaks and, especially, diversification. North Dakotans may not like this, but a modest and consistent income tax needs to be part of the equation. Sales taxes, extraction taxes and the like are just too erratic.*<sup>157</sup>

Today the state’s investment in education faces reductions as budget surpluses have turned to budget deficits. North Dakota was able to weather the storm of the Great Recession better than almost any state in the nation. But, as oil and commodity prices lower from their peak, lawmakers should seize the opportunity to improve the tax system.



# STATE REPORTS

## Ohio

**K-12 Spending Per Pupil**  
\$12,413

**Higher Education Spending Per Student**  
\$5,793

**Average Teacher Salary**  
\$58,000

**Student-Teacher Ratio**  
16.87 to 1

### State Rank

**19th** Per-Pupil Spending 2008

**20th** Per-Pupil Spending 2016

**16th** Per-Pupil Spending Growth

**41st** Support for Higher Education 2008

**41st** Support for Higher Education 2016

**51st** Growth in Cost of Higher Education (Four-Year Degree)

**17th** Average Teacher Salary

**38th** Growth in Average Teacher Salary

**39th** Student-Teacher Ratio 2008

**39th** Student-Teacher Ratio 2016

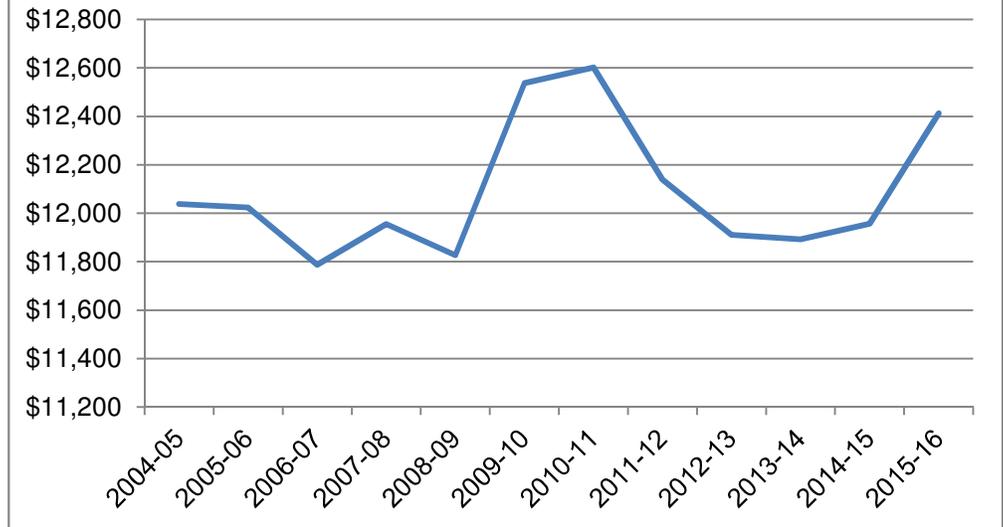
**26th** Improvement in Student-Teacher Ratio

**30th** Tax Fairness

**24th** Tax Effort 2015

**46th** Improvement in Tax Effort

### K-12 Spending Per Pupil



In 2005, Ohio legislators voted to phase out the state's corporate income tax over five years and make other tax changes. As a result, the state's capacity to pay for public services was declining just as the recession hit. Then, in 2015, the Ohio Legislature approved Gov. John Kasich's plan for \$1.9 billion in income tax cuts.<sup>158</sup> Added together, the final phase-out of the corporate income tax and the 2015 tax cut are responsible for Ohio's overall tax effort dropping by 10.6 percent.

These tax cuts largely benefited the richest 1 percent of Ohioans. For example, the 2015 tax cuts gave those making more than \$388,000 a year a tax

cut worth an average of more than \$10,000. Middle-class Ohio families got an average of \$20.<sup>159</sup>

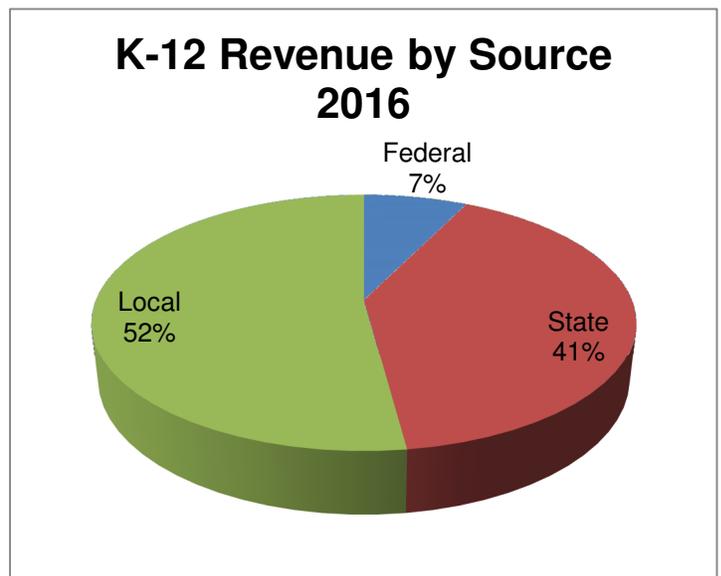
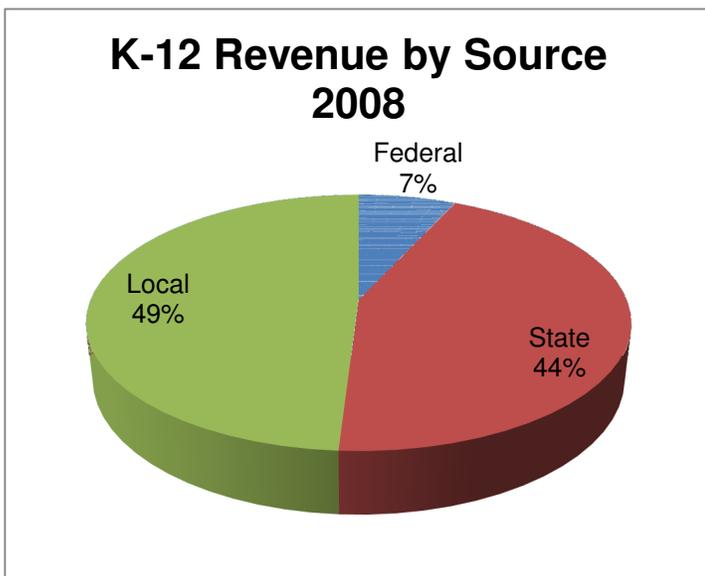
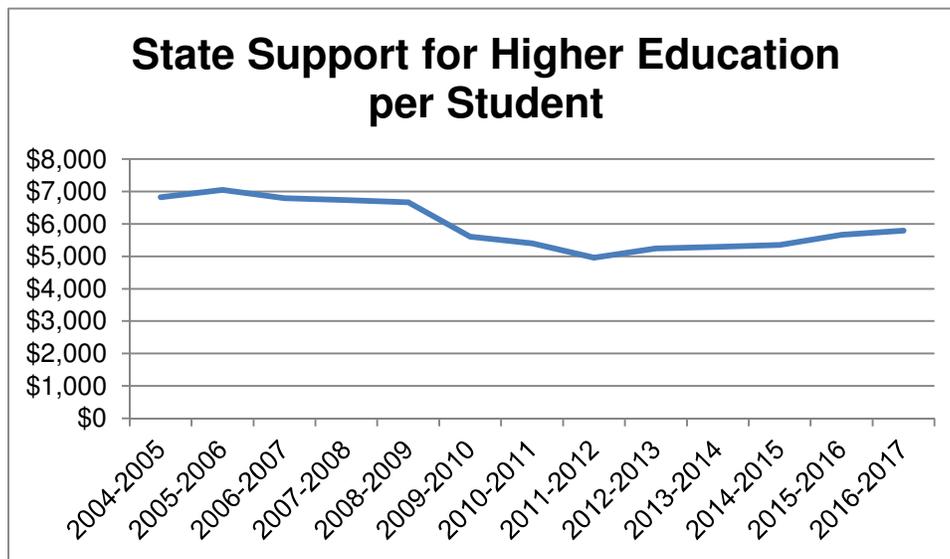
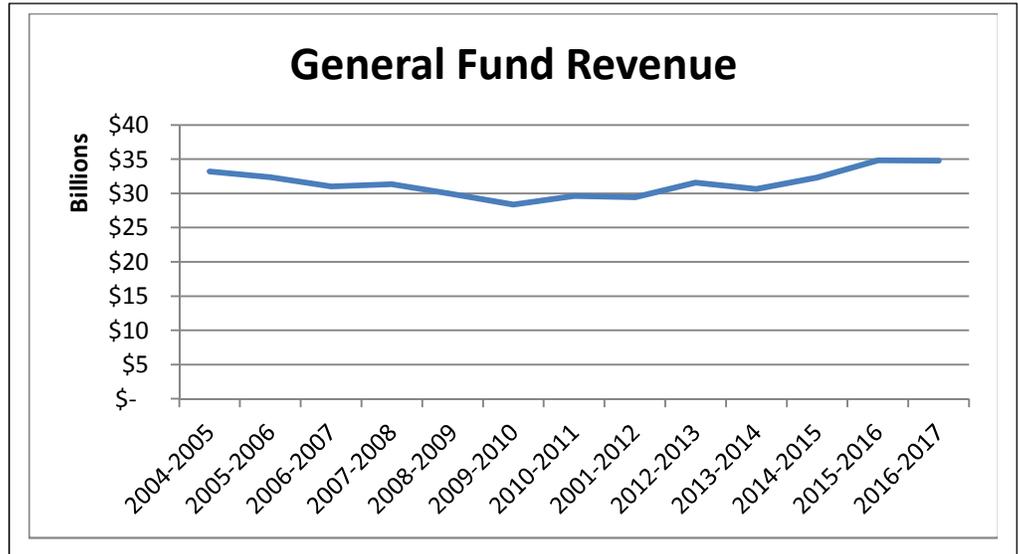
At the same time, public education was pinched. Real per-pupil expenditures began to fall in 2010-11, and 2016 spending was still below 2011 levels. State funding increases did not keep pace with inflation.<sup>160</sup> As a result, the average teacher salary declined by 8.4 percent, when adjusted for inflation. The pupil-teacher ratio was slightly higher in 2016 compared to 2008.

The same story can be told for higher education. Real state support for higher education fell 14 percent, and costs for tuition

increased by 6 percent above inflation. As a result, almost two-thirds of Ohio's four-year undergraduate class of 2016 has student debt, which averages \$30,351.<sup>161</sup>

A consistent policy of tax cutting hasn't moved Ohio's economy forward; the state reports slower job growth, higher unemployment and slower gains in personal income.<sup>162</sup> And it has left the state struggling to provide for its schools and colleges. Expansions in Ohio's school voucher programs, which divert money to private schools, and in Ohio's charter school program, have also increased the pressure on public education.

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$368 Million**



## Oklahoma

**K-12 Spending Per Pupil**  
\$8,305

**Higher Education Spending Per Student**  
\$6,486

**Average Teacher Salary**  
\$45,678

**Student-Teacher Ratio**  
16.32 to 1

### State Rank

**48th** Per-Pupil Spending 2008

**48th** Per-Pupil Spending 2016

**45th** Per-Pupil Spending Growth

**18th** Support for Higher Education 2008

**37th** Support for Higher Education 2016

**16th** Growth in Cost of Higher Education (Four-Year Degree)

**49th** Average Teacher Salary

**45th** Growth in Average Teacher Salary

**18th** Student-Teacher Ratio 2008

**37th** Student-Teacher Ratio 2016

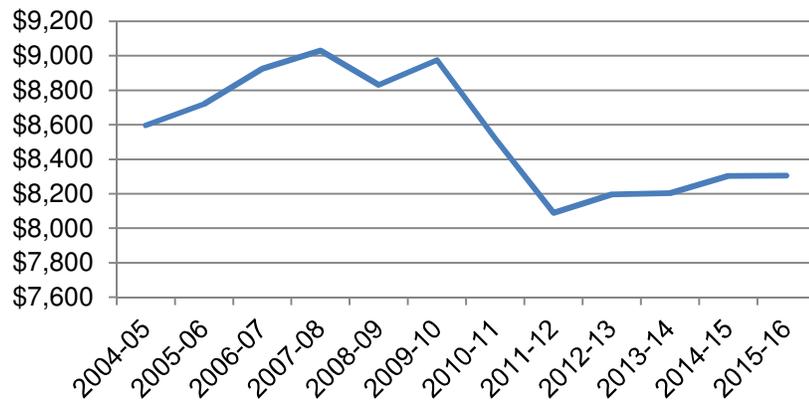
**50th** Improvement in Student-Teacher Ratio

**40th** Tax Fairness

**37th** Tax Effort 2015

**27th** Improvement in Tax Effort

### K-12 Spending Per Pupil



The Oklahoma teacher strike was a long time coming. Oklahoma lawmakers had been pursuing tax cuts for more than a decade and responded to resulting budget shortfalls by cutting funding for K-12 and higher education. In 2013, state legislators cut the top income tax rate for Oklahomans with the highest incomes, reduced the oil and gas production tax rate from 7 percent to 2 percent, and implemented tax incentives for the industry. Income tax cuts are estimated to cost Oklahoma more than \$1 billion a year, and oil and gas industry tax breaks cost the state \$450 million in 2017.<sup>163</sup> Comparing 2008 and 2015, the state reduced its tax effort by 2 percent.

While the rich got richer in Oklahoma, the state's education system suffered. In 2016, Oklahoma ranked 48th out of the 50 states and the

District of Columbia for per-pupil spending. Spending in 2016 was 8 percent less than in 2008, after adjusting for inflation. Spending cuts forced 20 percent of Oklahoma school districts to reduce their school week to four days.<sup>164</sup> The ratio of students to teachers increased by nearly 20 percent between 2008 and 2016; only one other state saw a larger increase. Teacher salaries were 10 percent lower in 2018 compared with 2009, after adjusting for inflation.

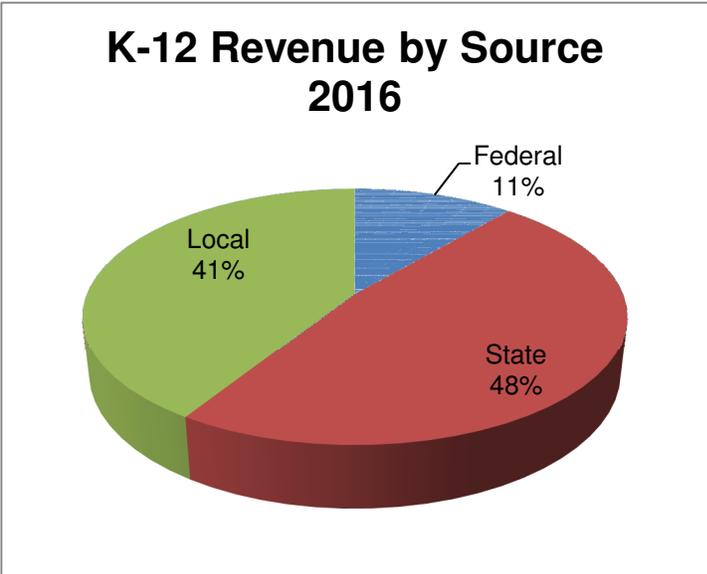
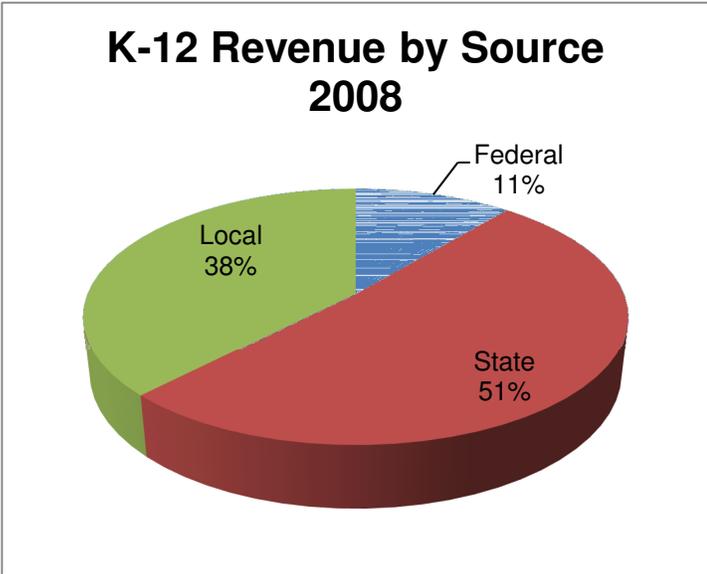
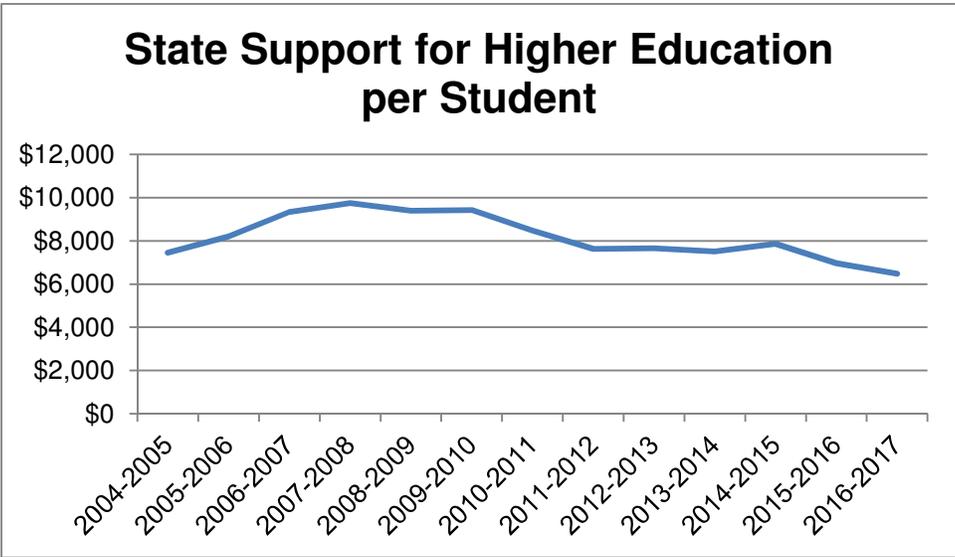
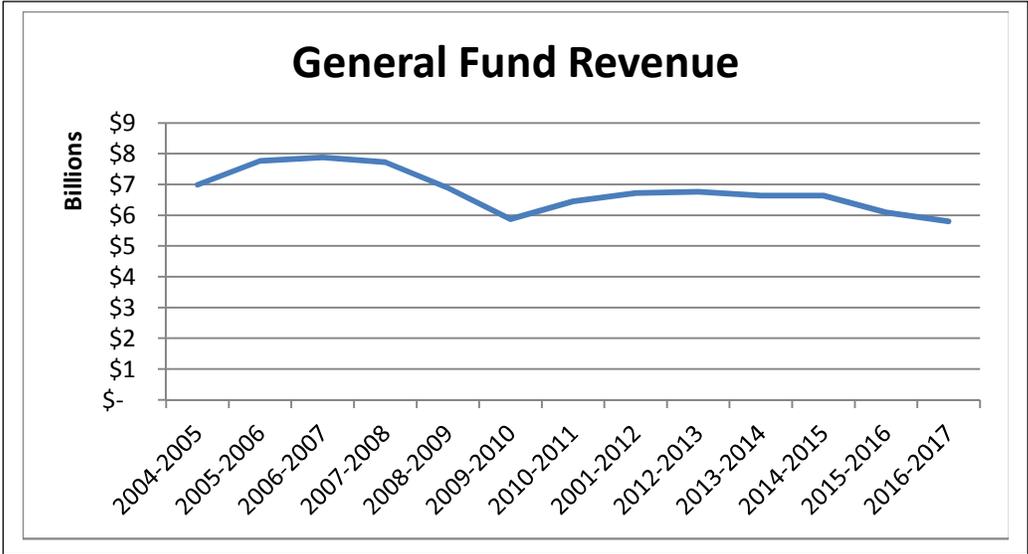
Oklahoma has reduced its per-student support for higher education by nearly 33.5 percent since 2008, after accounting for inflation. Only four other states saw larger reductions in funding for their higher education systems. The cost of attending public higher education rose by more than 40 percent.

Oklahoma's tax cuts have not boosted wages for Oklahoma's workers; the state ranks 42nd for growth in median income between 2008 and 2017. While the state has seen employment growth and higher than average GDP growth after tax cuts, the Center for Budget and Policy Priorities attributes this increase in economic activity to increases in energy prices and the boom in hydraulic fracturing rather than to tax policy.<sup>165</sup>

Responding to teacher demands, the Legislature passed a \$400 million tax package that included pay raises for teachers. This is the first time the Oklahoma Legislature has approved a tax increase in nearly three decades, but the package falls short of restoring all the revenue lost to years of tax cuts.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$489 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$437 Million**



# Oregon

**K-12 Spending Per Pupil**  
\$11,121

**Higher Education Spending Per Student**  
\$5,774

**Average Teacher Salary**  
\$63,143

**Student-Teacher Ratio**  
19.82 to 1

## State Rank

**30th** Per-Pupil Spending 2008

**30th** Per-Pupil Spending 2016

**29th** Per-Pupil Spending Growth

**44th** Support for Higher Education 2008

**42nd** Support for Higher Education 2016

**14th** Growth in Cost of Higher Education (Four-Year Degree)

**12th** Average Teacher Salary

**11th** Growth in Average Teacher Salary

**47th** Student-Teacher Ratio 2008

**47th** Student-Teacher Ratio 2016

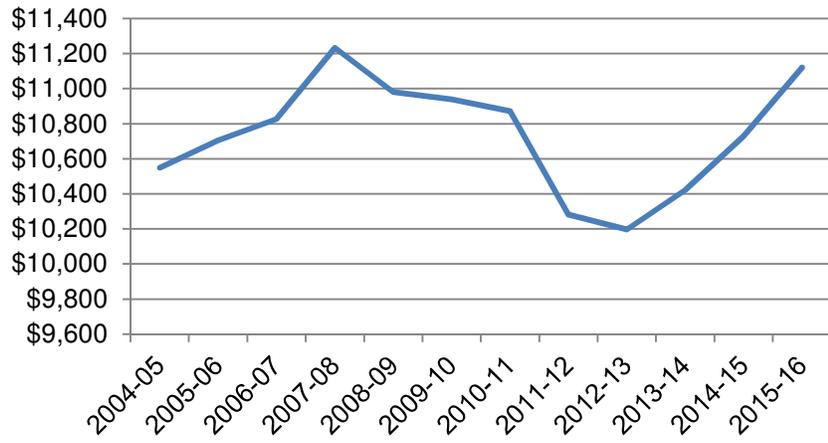
**38th** Improvement in Student-Teacher Ratio

**10th** Tax Fairness

**29th** Tax Effort 2015

**2nd** Improvement in Tax Effort

## K-12 Spending Per Pupil



Only four states have a higher pupil-teacher ratio than Oregon, where there are nearly 20 students for every teacher. The state ranks 30th for per-pupil spending, and 2016 spending was 1 percent less than 2008 levels, after adjusting for inflation. The Quality Education Model, the guiding document on school funding in Oregon, identified a \$2 billion funding gap in 2015-2017.<sup>166</sup>

The state ranks 42nd for its support of higher education, and the state was spending almost 12 percent per student less in 2017 than it was before the recession. Tuition and fees at four-year public colleges have risen by 48 percent since 2008, the 14th-highest increase in the nation. Tuition at two-year colleges rose by 33 percent.

Faced with revenue shortfalls in the wake of the

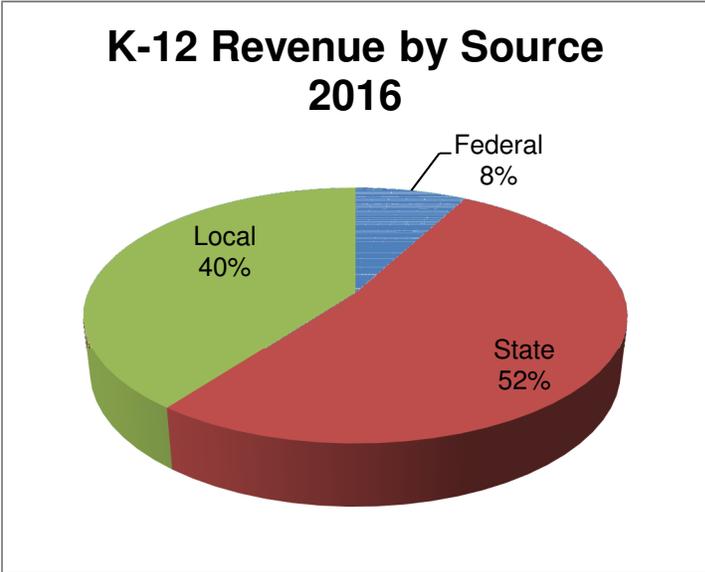
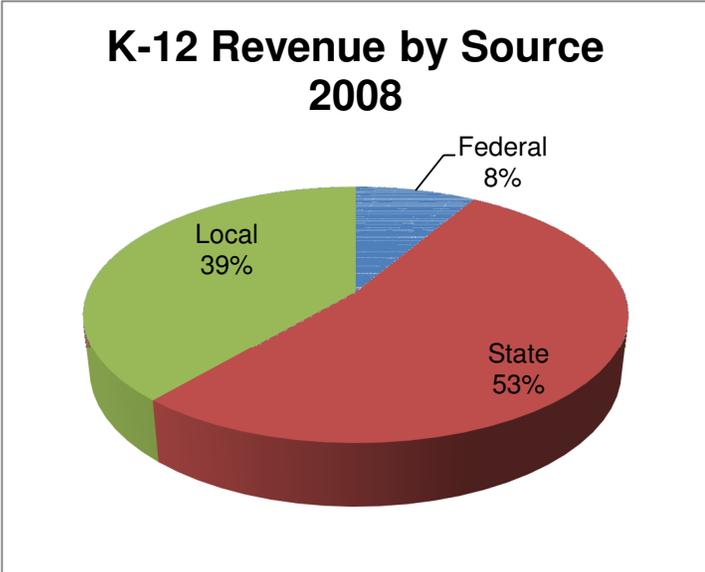
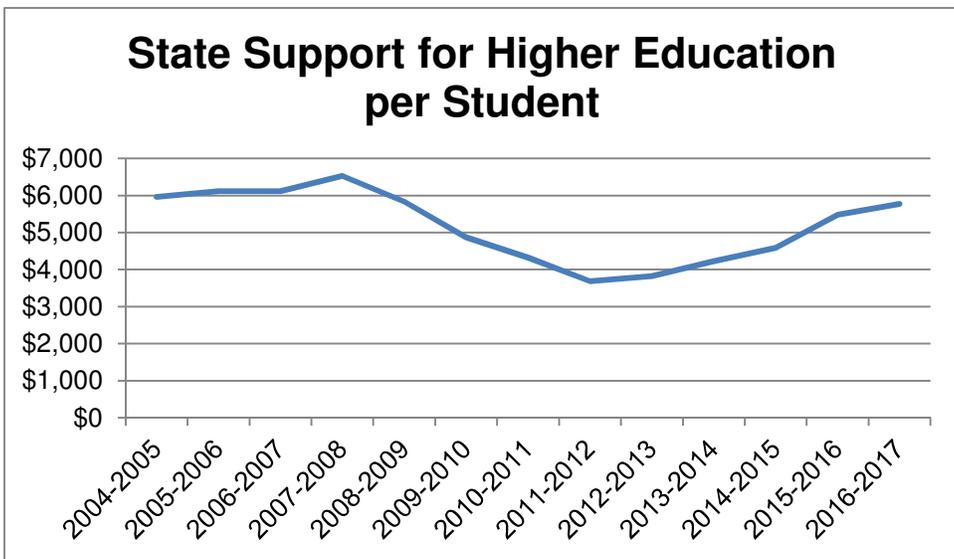
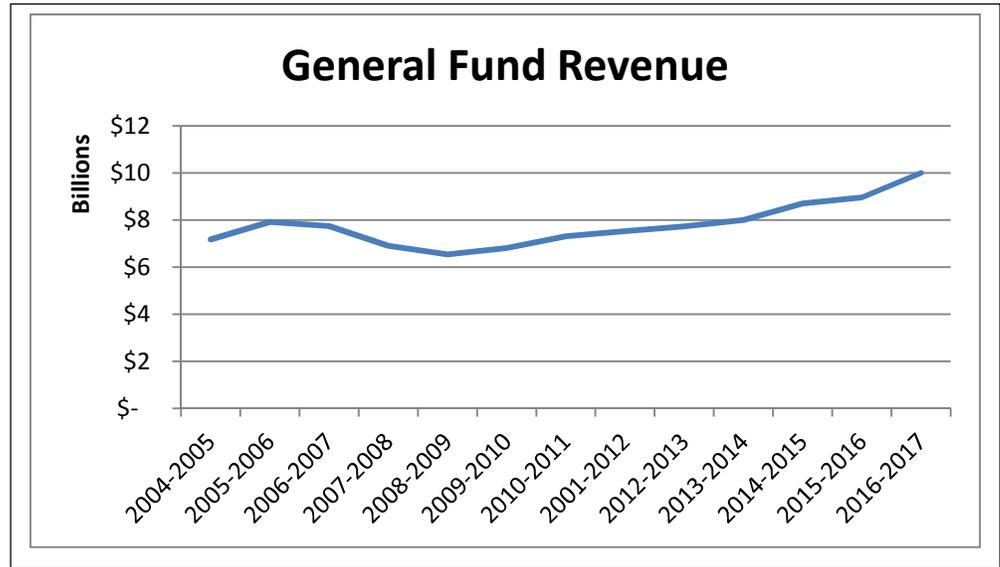
recession, the Oregon Legislature proposed tax increases in 2009 that were sent to voters and approved the following year. Measure 66 raised the personal income tax on the state's highest earners, and Measure 67 raised corporate income taxes and imposed a minimum excise tax. Oregon was an example for the rest of the country in how to respond to the recession—through targeted tax increases. The state raised hundreds of millions in revenue and avoided deeper cuts to education, health and human services, and public safety.<sup>167</sup> According to a September 2011 "Oregon Economic and Revenue Forecast," Oregon's economy "turned strongly positive" the year after the tax increases were enacted.<sup>168</sup>

Comparing 2008 and 2015, the state increased its tax

effort by 14.5 percent. Voters, however, rejected a measure in 2016 that would have imposed a 2.5 percent gross receipts tax on certain corporations with Oregon sales exceeding \$25 million. The revenue generated by the increase was to be spent on early childhood and K-12 education, healthcare and services for senior citizens. The Oregon Legislature rejected a similar revenue proposal in 2017. The Oregon Education Investment Initiative would have imposed a gross receipts tax on businesses with Oregon sales above \$5 million a year to support \$2 billion in new investments for pre-K to higher education.<sup>169</sup> Many of Oregon's school districts struggle to fund services because of the state's property tax cap, which limits the ability of school districts to raise revenue.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$64 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$108 Million**



# Pennsylvania

**K-12 Spending Per Pupil**  
\$15,814

**Higher Education Spending Per Student**  
\$4,341

**Average Teacher Salary**  
\$67,398

**Student-Teacher Ratio**  
14.21 to 1

## State Rank

**12th** Per-Pupil Spending 2008

**10th** Per-Pupil Spending 2016

**8th** Per-Pupil Spending Growth

**42nd** Support for Higher Education 2008

**47th** Support for Higher Education 2016

**39th** Growth in Cost of Higher Education (Four-Year Degree)

**9th** Average Teacher Salary

**13th** Growth in Average Teacher Salary

**12th** Student-Teacher Ratio 2008

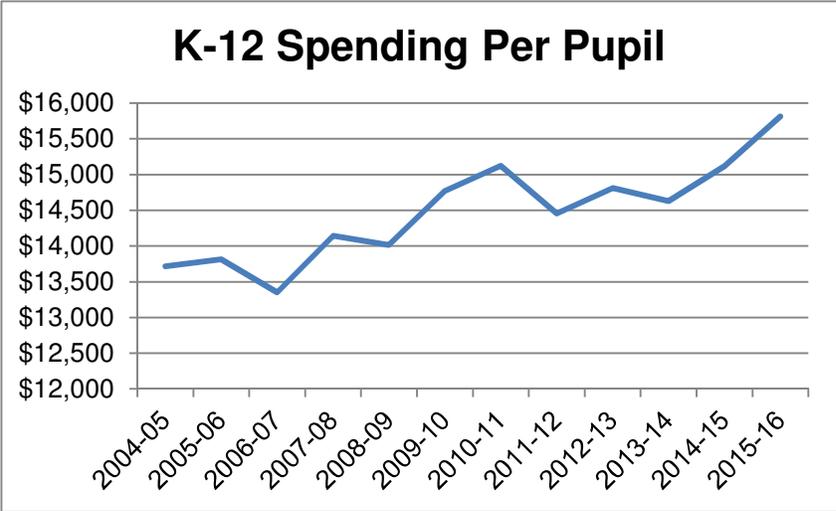
**20th** Student-Teacher Ratio 2016

**40th** Improvement in Student-Teacher Ratio

**37th** Tax Fairness

**21st** Tax Effort 2015

**33rd** Improvement in Tax Effort



In the 2010-11 fiscal year, then-Gov. Tom Corbett cut classroom funding for K-12 education by \$841 million. That was a 13 percent reduction. The story of education funding in Pennsylvania in recent years has focused on the impact of this cut and the state’s slow recovery.<sup>170</sup> Local funds offset this reduction to some extent.<sup>171</sup> But poorer school districts suffered disproportionately from the harm of the cuts.

By 2017, even following three years of funding increases, public schools were receiving \$3 billion less than what was needed to meet the goals of the state’s Basic Education Funding Formula.<sup>172</sup> Pupil-teacher ratios are still higher than before the recession.

The state ranks near the bottom for support of higher

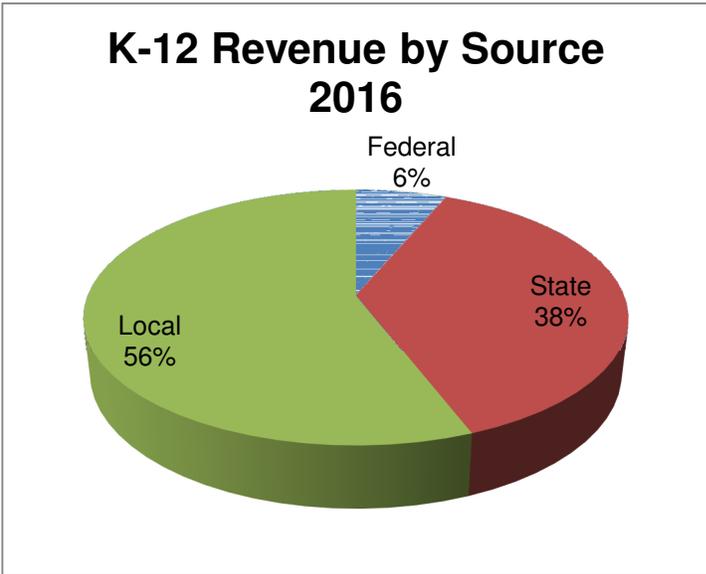
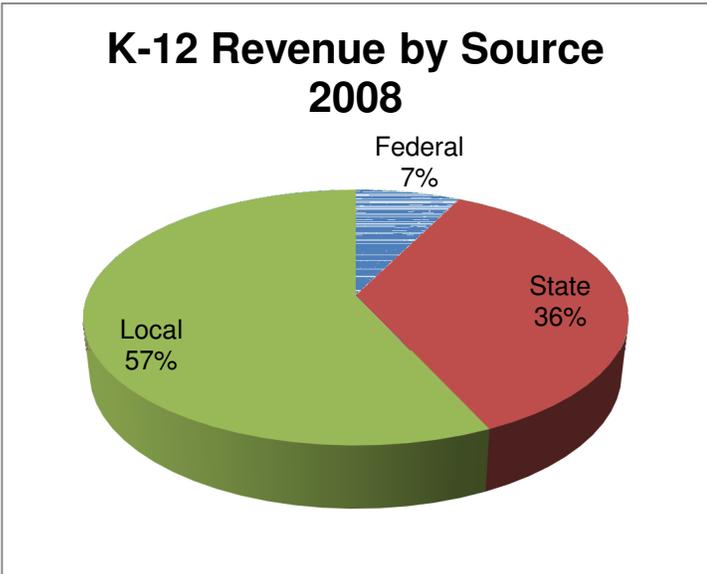
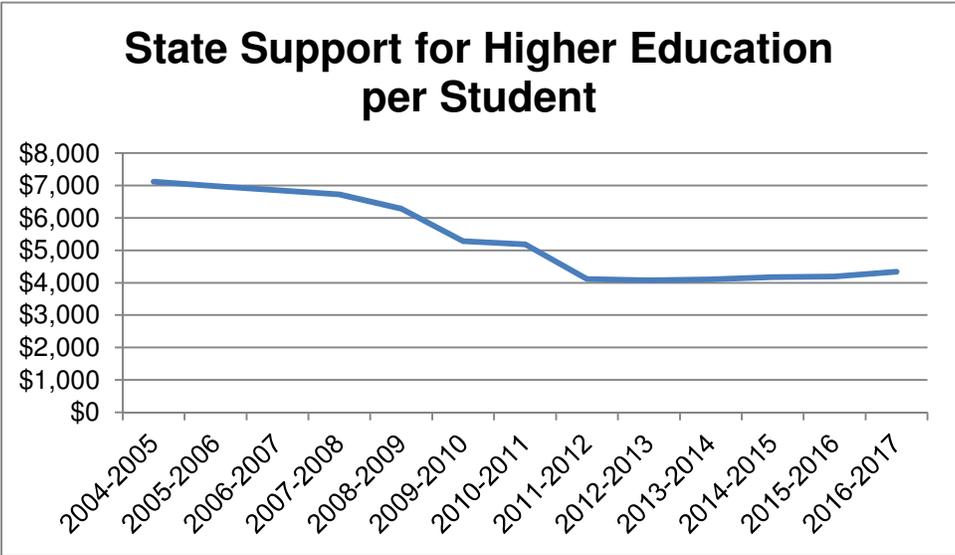
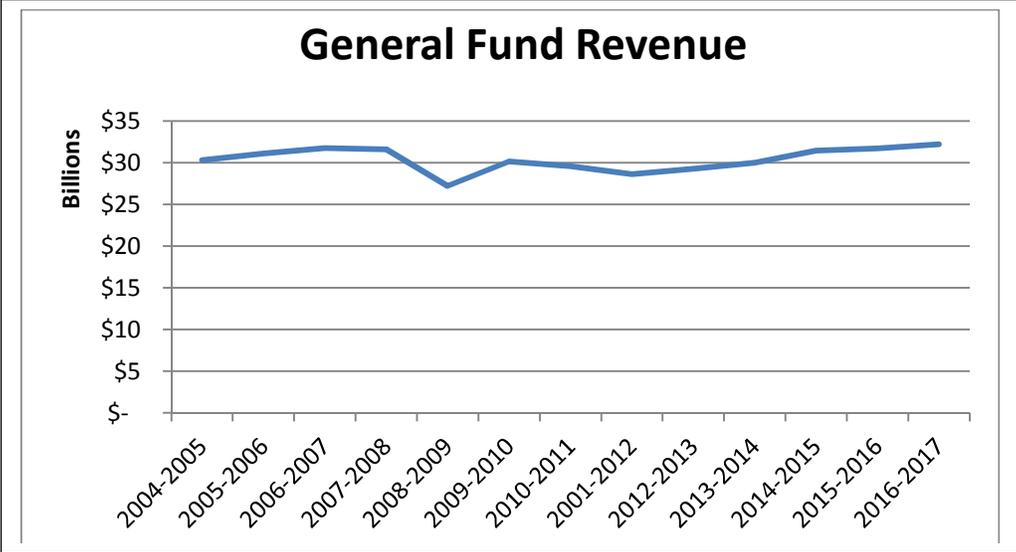
education, and only three states have had a bigger drop in state support for higher education than Pennsylvania. Student’s costs for a four-year degree rose 25 percent more than inflation. The cost of a two-year degree rose 40 percent above inflation.

As in other states, a key part of this story is the decision to cut corporate taxes regardless of fiscal need. What’s unique about Pennsylvania is that a major part of this tax cut—a complete elimination of the state’s main tax on corporations—was enacted in 2000, with a 10-year phase-in. While the Legislature delayed the phase-in at different points, by 2016 the tax was gone. Pennsylvania has a smaller corporate profit tax that was also changed, so that in 2013

taxation was no longer based on a formula that included whether a company had a physical presence in the state, further lowering revenues.<sup>173</sup> The annual cost of corporate tax cuts enacted in 2003 is now estimated at \$4 billion.<sup>174</sup>

By focusing tax cuts on corporations, the governor and Legislature disconnected the state’s revenue system from economic growth. Comparing 2008 and 2015, the state reduced its tax effort by 4 percent. This was to the benefit of the richest Pennsylvanians. Those making more than \$426,000 a year pay just 5.7 percent of their income in state and local taxes while middle-class families pay 10.6 percent. The Legislature has resisted efforts to remedy this situation, refusing to properly tax shale or adopt another broad-based tax.

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$831 Million**



## Rhode Island

**K-12 Spending Per Pupil**  
\$15,931

**Higher Education Spending Per Student**  
\$6,209

**Average Teacher Salary**  
\$66,758

**Student-Teacher Ratio**  
13.36 to 1

### State Rank

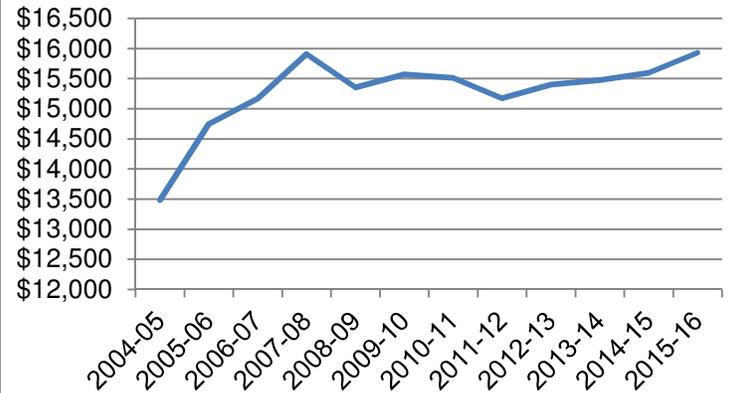
<b>8th</b>	Per-Pupil Spending 2008
<b>9th</b>	Per-Pupil Spending 2016
<b>25th</b>	Per-Pupil Spending Growth
<b>39th</b>	Support for Higher Education 2008
<b>39th</b>	Support for Higher Education 2016
<b>17th</b>	Growth in Cost of Higher Education (Four-Year Degree)
<b>10th</b>	Average Teacher Salary
<b>17th</b>	Growth in Average Teacher Salary
<b>9th</b>	Student-Teacher Ratio 2008
<b>12th</b>	Student-Teacher Ratio 2016
<b>28th</b>	Improvement in Student-Teacher Ratio
<b>11th</b>	Tax Fairness
<b>10th</b>	Tax Effort 2015
<b>20th</b>	Improvement in Tax Effort

Rhode Island ranks ninth for per-pupil spending and, by 2016, had returned to 2008 levels in real terms. There are 13 students for every 1 teacher, which places Rhode Island 12th among the states and District of Columbia for its ratio of students to teachers. The state ranks 10th for teacher pay; however, the average teacher salary is 1.4 percent less than it was in 2008, after adjusting for inflation.

Between 2009 and 2016, state lawmakers took action on personal and corporate income taxes and sales taxes that had a net positive impact on revenue. Among those actions, the state made major changes to its corporate income tax in 2014; it adopted mandatory combined reporting, moved to single-sales-factor apportionment, and lowered the rate to 7 percent. Comparing 2008 and 2015, the state's tax effort was unchanged. Unfortunately, the state is among 10 states with the highest taxes on the poor. Rhode Island legislators are considering a number of proposals this session to make the tax code more progressive, including a proposal that would increase the personal income tax on high earners.

Rhode Island is remarkable for the relative stability of its school funding; the state ranked eighth in 1991 and seventh in 2006 for per-pupil

### K-12 Spending Per Pupil



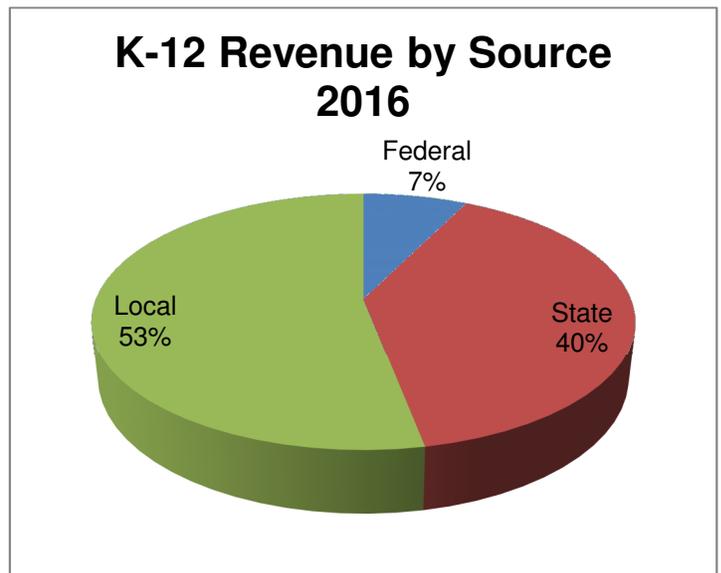
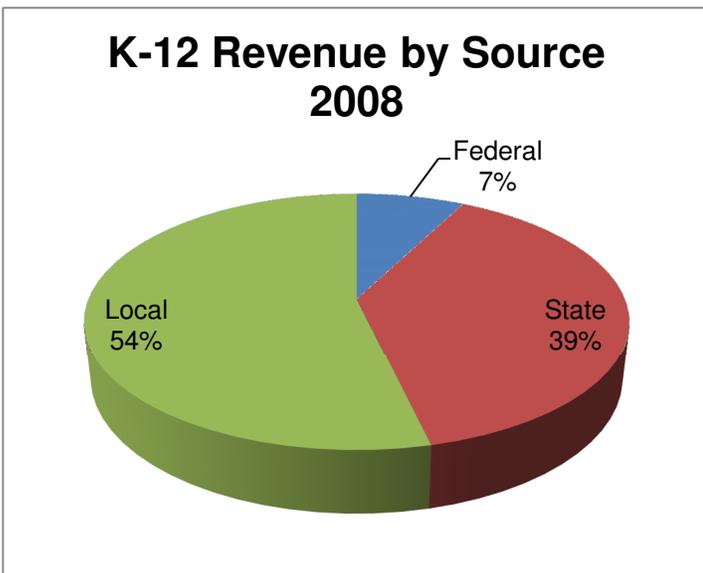
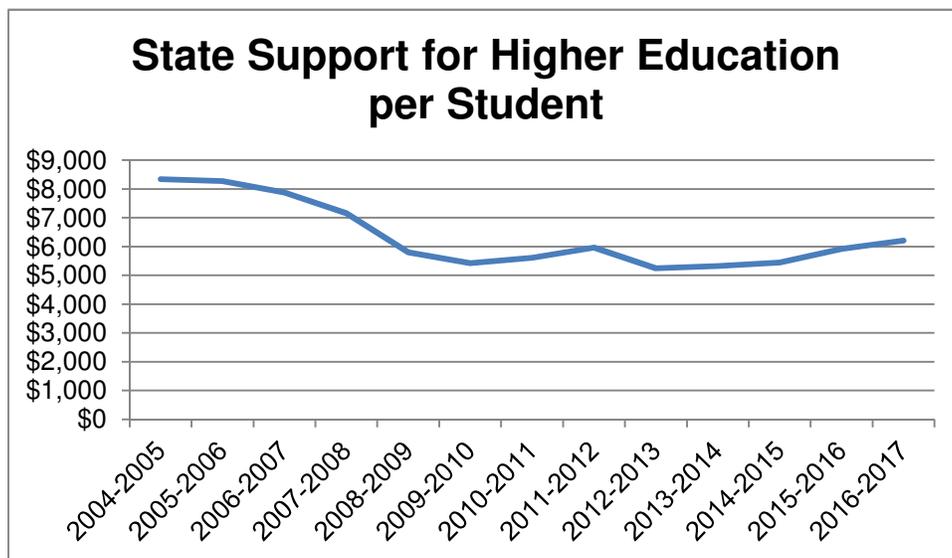
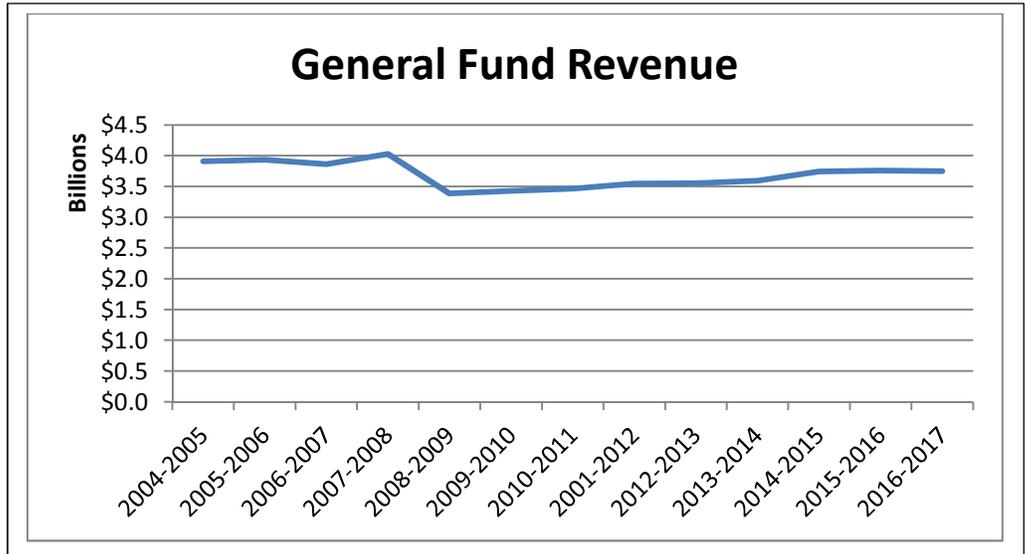
spending, and, comparing 1991 and 2008, state revenue consistently accounted for 40-41 percent of education funding. Despite this stability, the absence of a school funding formula was a central issue prior to the recession.<sup>175</sup> During the 2006 session, the Legislature enacted a joint committee to develop a permanent education foundation aid formula for Rhode Island.<sup>176</sup> The joint committee's recommendations were incorporated into legislative proposals, though they weren't enacted. During this same period, efforts to reduce state aid failed in the Legislature. The Legislature ultimately adopted a new funding formula in 2010, and implementation began in 2012.

It was not long before it was determined that the 2010 formula failed to provide sufficient support for Rhode Island's high-poverty schools and failed to provide sufficient equity, because it did not provide additional formula funding for English language

learners or special education students.<sup>177</sup> The Pawtucket and Woonsocket school districts filed suit; however, the Rhode Island Supreme Court affirmed a lower court's order to dismiss the case. More recently, in 2015, Gov. Gina Raimondo launched a new review of the state's funding formula. The formula became the subject of criticism when a special committee found that charter schools were receiving disproportionately more money than public schools, while serving fewer special education students.

While Rhode Island is notable for its consistent support of K-12 education, the state does not provide the same level of support for its higher education system. In 2017, it ranked 39th for its support for higher education, and the state was spending 13 percent less than it had been prior to the recession. This has meant higher costs for students, with tuition up by 36 percent and 44 percent for two-year and four-year schools, respectively.

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$29 Million**



# South Carolina

**K-12 Spending Per Pupil**  
\$10,512

**Higher Education Spending Per Student**  
\$5,938

**Average Teacher Salary**  
\$51,027

**Student-Teacher Ratio**  
15.20 to 1

## State Rank

**33rd** Per-Pupil Spending 2008

**32nd** Per-Pupil Spending 2016

**31st** Per-Pupil Spending Growth

**31st** Support for Higher Education 2008

**40th** Support for Higher Education 2016

**36th** Growth in Cost of Higher Education (Four-Year Degree)

**35th** Average Teacher Salary

**32nd** Growth in Average Teacher Salary

**33rd** Student-Teacher Ratio 2008

**28th** Student-Teacher Ratio 2016

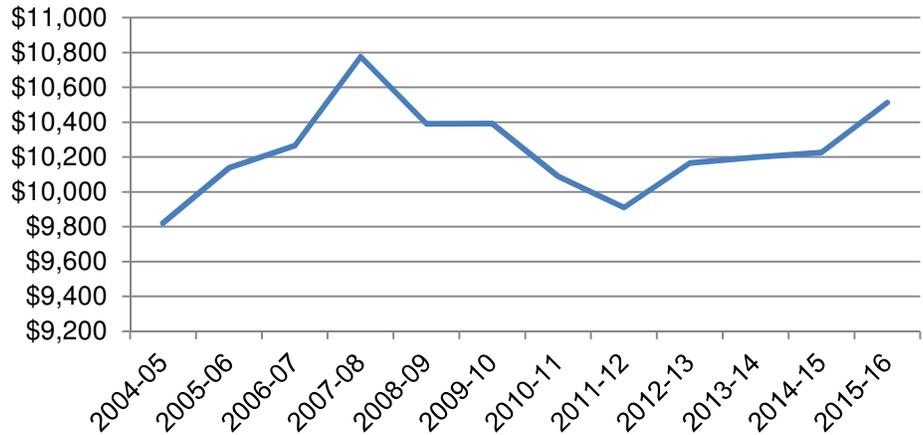
**22nd** Improvement in Student-Teacher Ratio

**34th** Tax Fairness

**30th** Tax Effort 2015

**29th** Improvement in Tax Effort

**K-12 Spending Per Pupil**



In 2008, the South Carolina Legislature passed Act 338, which reduces the amount of property tax that can be collected, particularly for high-value homes. To make up for this loss, South Carolina implemented an increase in sales tax, although this does not cover the amount lost to Act 338. In addition, South Carolina legislators have made a variety of business tax cuts. In part due to this decrease in revenue, the Legislature's education funding between 2010 and 2017 was more than \$4 billion below what the state's formula requires.<sup>178</sup> As a result, overall real per-pupil spending is still below 2008 levels.

One result is lower average teacher pay. Teachers' salaries currently rank 35th in the United States, and average pay has declined 7

percent since the recession. Many starting teachers must pick up second and third jobs in addition to teaching to afford living costs.<sup>179</sup>

In addition, many districts are growing quickly and need additional funding that the state is unable to provide. Act 338 does not redistribute money on the basis of need, so many poorer schools in particular do not receive the money necessary for day-to-day functions.<sup>180</sup> Because higher-poverty school districts struggle to levy higher property taxes, these already-disadvantaged districts are often left underfunded.<sup>181</sup> This situation would be rectified if South Carolina legislators chose to fully fund education. In fact, the courts had previously tasked the Legislature with doing just that. But in 2017, the South Carolina Supreme Court,

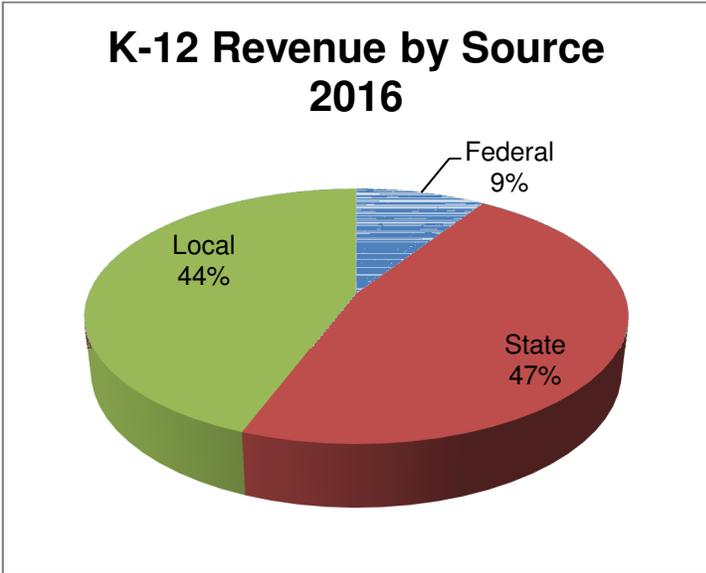
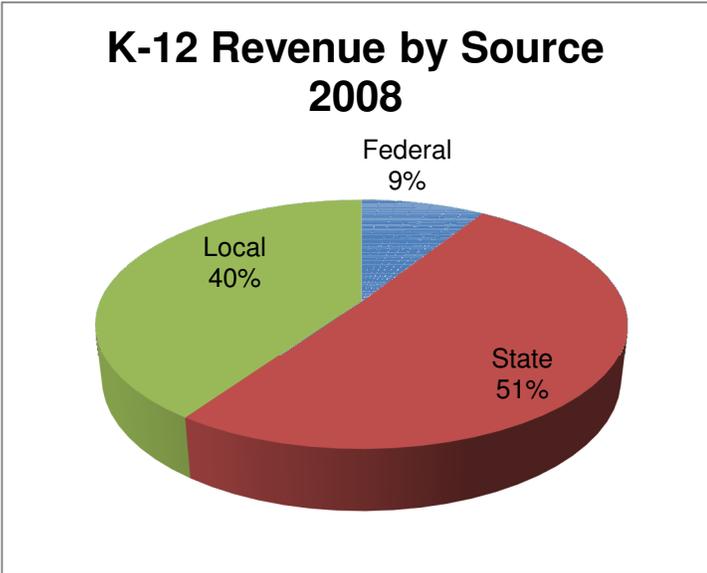
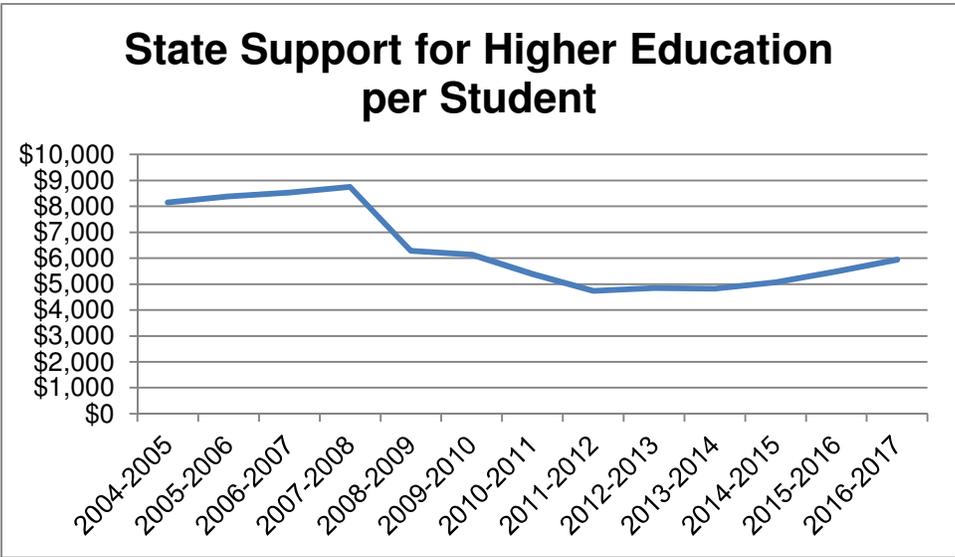
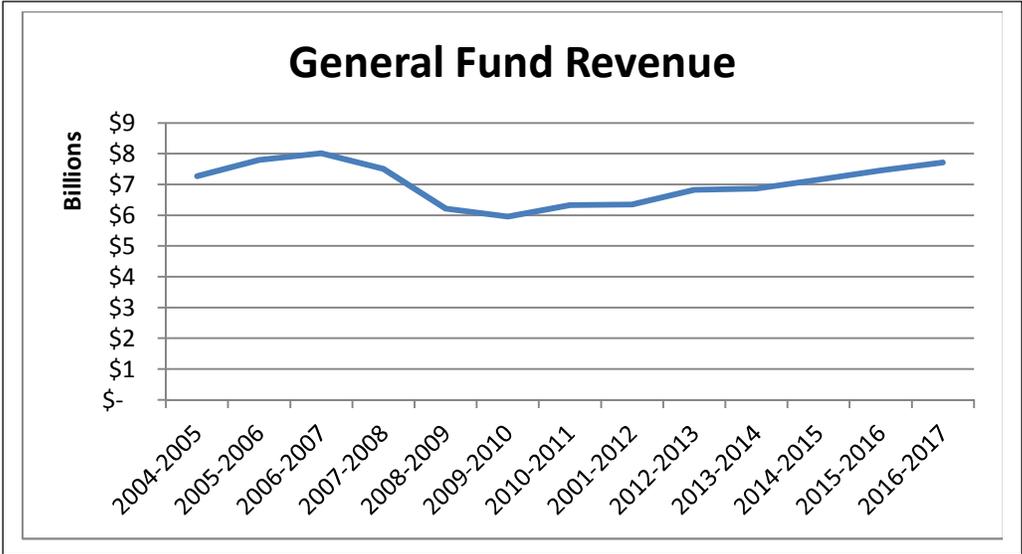
which has become more conservative, reversed itself.<sup>182</sup>

As spending has started to recover, lawmakers have had to look at how best to shore up particular gaps.<sup>183</sup> For example, because lawmakers are forced to play catch-up, this year the state will use new funds to pay for new school buses, since over 20 percent of its buses are more than 20 years old.

South Carolina's higher education system has also suffered from disinvestment. The state ranks 40th in terms of its support for higher education, and only five other states had larger reductions in state support. This has meant higher costs for students. Tuition for two-year and four-year colleges is up 37 and 28 percent, respectively.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$196 Million**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$477 Million**



# South Dakota

**K-12 Spending Per Pupil**  
\$9,412

**Higher Education Spending Per Student**  
\$7,694

**Average Teacher Salary**  
\$47,944

**Student-Teacher Ratio**  
13.93 to 1

## State Rank

**42nd** Per-Pupil Spending 2008

**41st** Per-Pupil Spending 2016

**36th** Per-Pupil Spending Growth

**35th** Support for Higher Education 2008

**24th** Support for Higher Education 2016

**29th** Growth in Cost of Higher Education (Four-Year Degree)

**44th** Average Teacher Salary

**1st** Growth in Average Teacher Salary

**7th** Student-Teacher Ratio 2008

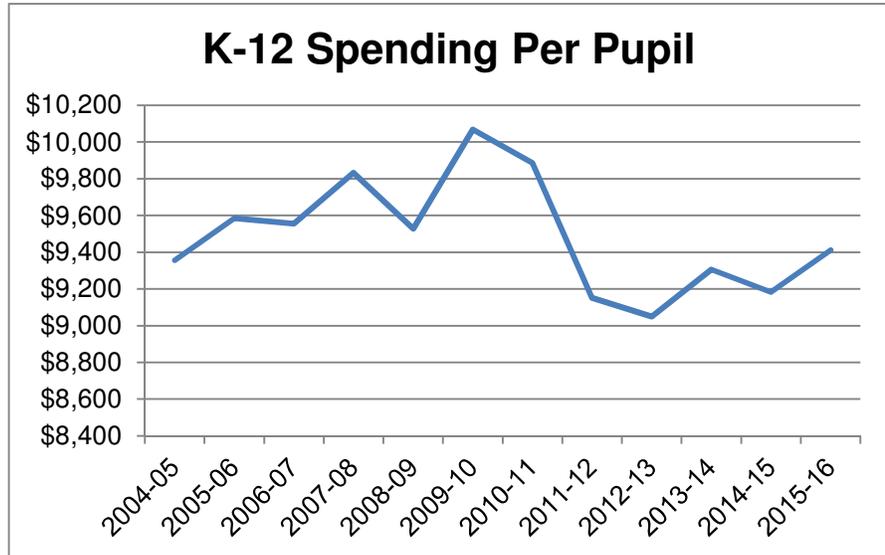
**17th** Student-Teacher Ratio 2016

**42nd** Improvement in Student-Teacher Ratio

**49th** Tax Fairness

**49th** Tax Effort 2015

**10th** Improvement in Tax Effort



In 2013, South Dakota ranked last among the states for teacher pay. That year a legislative study committee found that “teachers are in short supply in this state and that school districts of all sizes are now struggling to retain qualified teachers and to fill teacher vacancies.” As a result of the work of that study committee, the Legislature adopted House Concurrent Resolution 1002, which acknowledged that low pay was contributing to the state’s teacher shortage and urged the Legislature to take action.<sup>184</sup>

To address South Dakota’s low teacher pay, in 2016 the Legislature enacted an education funding package that revised the state education funding formula and included a half-cent increase in the state’s sales tax. The sales tax increase

was projected to generate more than \$60 million in new revenue that would be targeted toward teacher salary increases and property tax relief.<sup>185</sup> This was a significant step for South Dakota, as the state’s sales tax had not been raised since 1969.<sup>186</sup> Comparing 2008 and 2015, the state increased its tax effort by 5.8 percent, yet it continues to be ranked third-lowest in the nation with regard to tax effort.

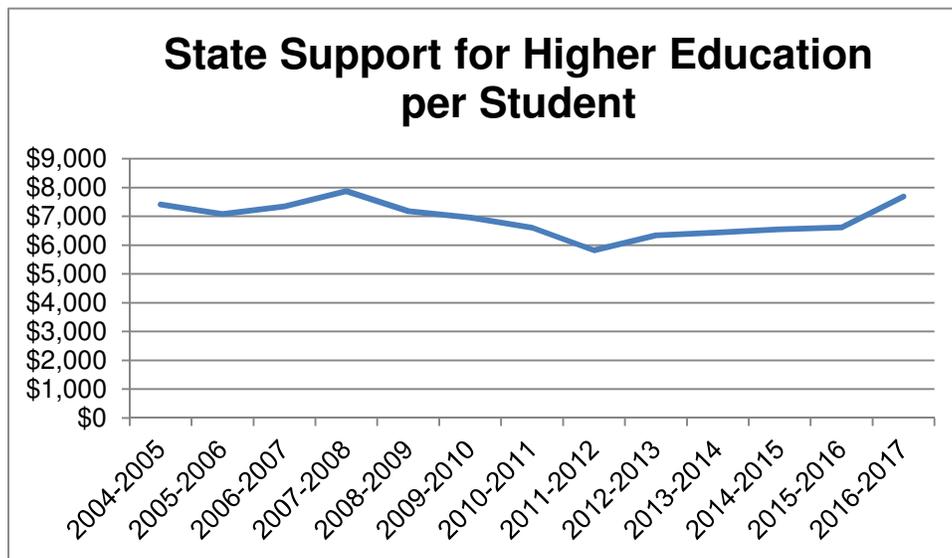
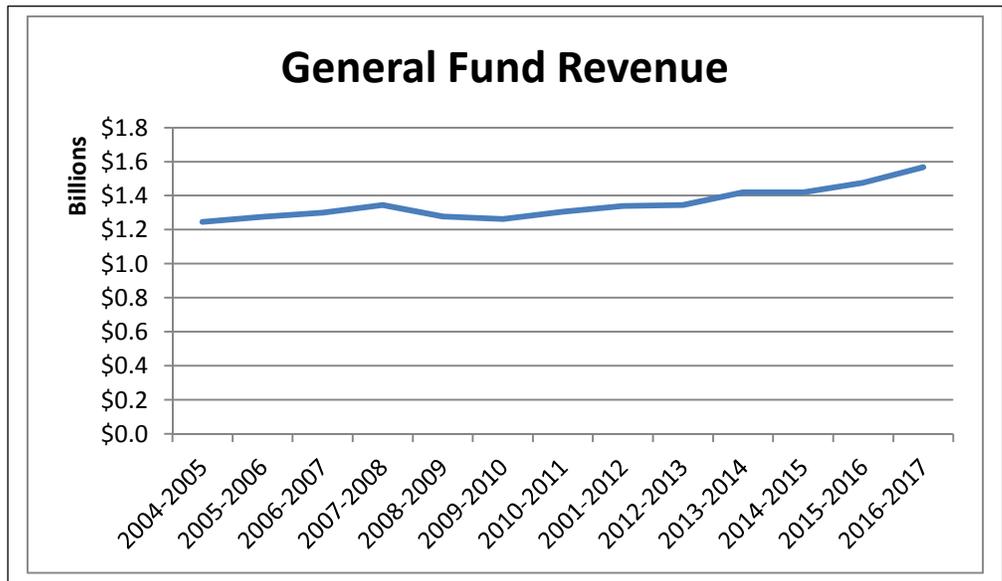
While per-pupil spending has not returned to 2008 levels, South Dakota has made progress in raising teacher pay. The first year of the new state aid formula saw an increase in the average teacher salary of nearly \$3,700 over the prior year, an 8.8 percent increase.<sup>187</sup> This year, South Dakota ranks 44th among the states for teacher pay, and in

March, legislators passed an education funding bill that increases the property tax levy to provide for additional funding for South Dakota schools, which will raise the target teacher salary in 2019 by about 1.3 percent to \$49,132.<sup>188</sup>

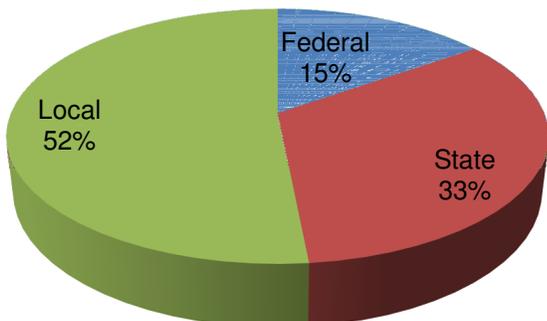
South Dakota’s failure to levy an income tax means it relies more on sales and property tax increases to address education funding gaps, which places a larger burden on the poor and middle class. The Institute on Taxation and Economic Policy ranks the state among the 10 most regressive in the nation.<sup>189</sup> Prior to 2005, South Dakota did collect a state-level estate tax. The Center for Budget and Policy Priorities estimates that reinstating the tax could raise \$10 million for the state.<sup>190</sup>

**Total Investment  
Needed To Reach  
2008 K-12  
Spending Levels:  
\$56 Million**

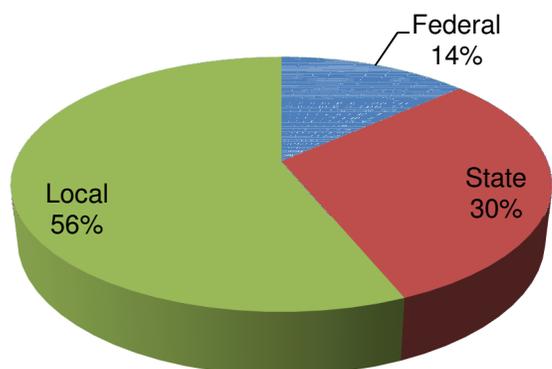
**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$6 Million**



**K-12 Revenue by  
Source 2008**



**K-12 Revenue by  
Source 2016**



## Tennessee

**K-12 Spending Per Pupil**  
\$9,036

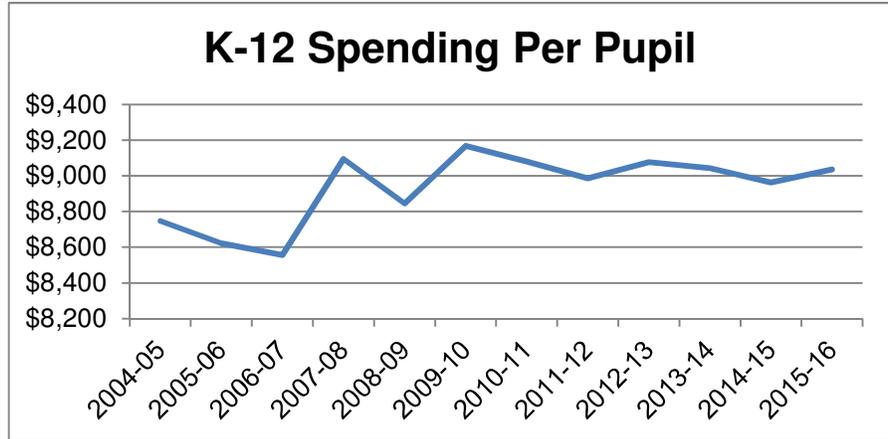
**Higher Education Spending Per Student**  
\$9,003

**Average Teacher Salary**  
\$50,900

**Student-Teacher Ratio**  
15.06 to 1

### State Rank

<b>47th</b>	Per-Pupil Spending 2008
<b>45th</b>	Per-Pupil Spending 2016
<b>27th</b>	Per-Pupil Spending Growth
<b>12th</b>	Support for Higher Education 2008
<b>13th</b>	Support for Higher Education 2016
<b>12th</b>	Growth in Cost of Higher Education (Four-Year Degree)
<b>36th</b>	Average Teacher Salary
<b>19th</b>	Growth in Average Teacher Salary
<b>32nd</b>	Student-Teacher Ratio 2008
<b>26th</b>	Student-Teacher Ratio 2016
<b>21st</b>	Improvement in Student-Teacher Ratio
<b>43rd</b>	Tax Fairness
<b>48th</b>	Tax Effort 2015
<b>45th</b>	Improvement in Tax Effort



Tennessee ranks 45th for per-pupil spending, though the state has made a measure of progress since the recession, when it ranked 47th.

Tennessee ranks 36th for teacher pay, but salaries are down 3.5 percent in real terms, compared with 2009. The state also regressed on the ratio of students to teachers.

In March 2015, the Hamilton County Board of Education and six smaller school districts filed a lawsuit against the state for breaching its constitutional duty to provide “a system of free public education” for children in Tennessee. Several other districts have since filed similar suits. In *Hamilton County Board of Education v. Haslam*, the districts argue that the state’s funding formula presumes the state will pay 75 percent of classroom costs but that it presently pays only 70 percent of these costs, resulting in an annual shortfall of approximately \$134 million—even before taking into consideration that the state

already uses artificially low figures to represent the costs of operating the school system. According to the suit, there is also a state funding gap of approximately \$10,000 per teacher per year because the formula underestimates the cost of teachers’ salaries by approximately \$532 million.<sup>191</sup>

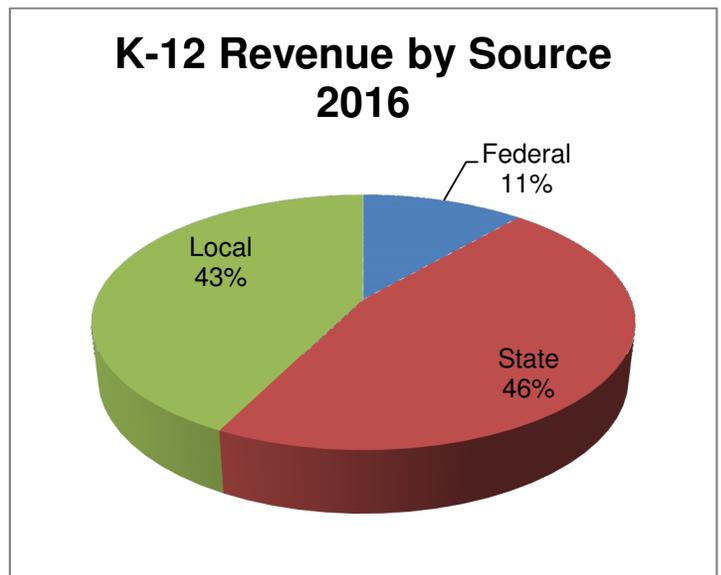
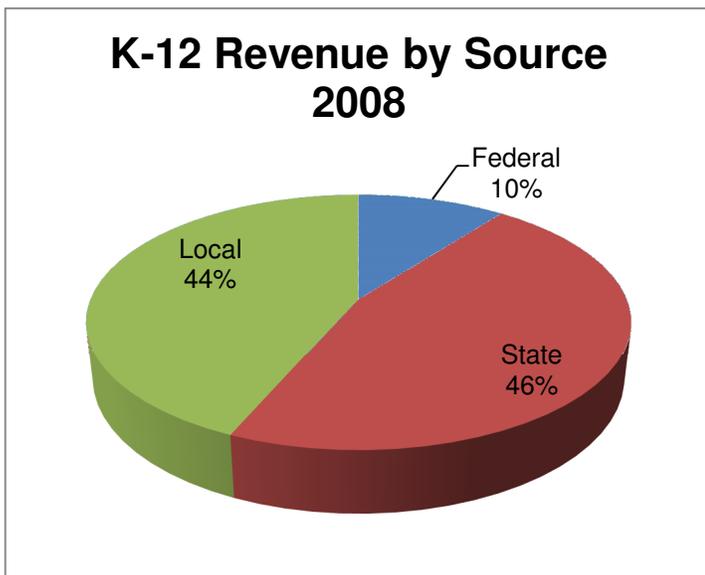
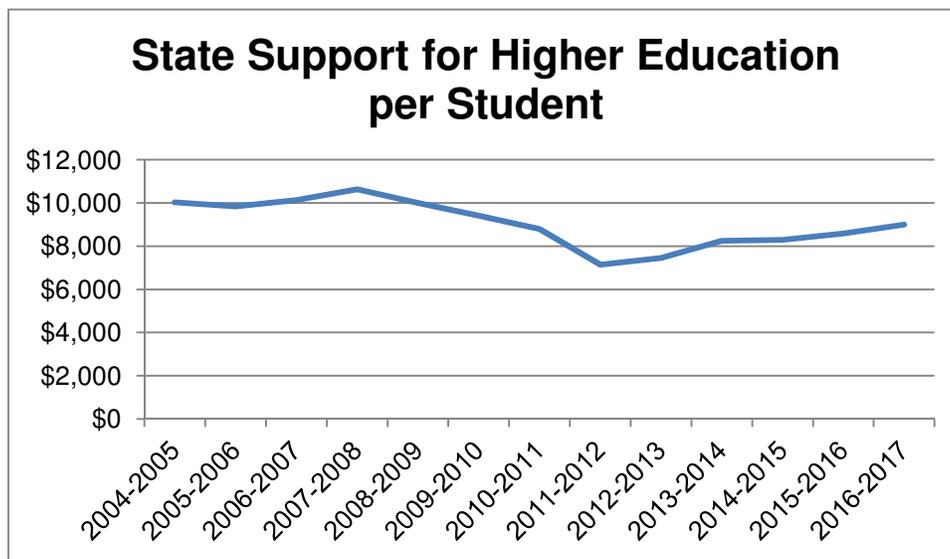
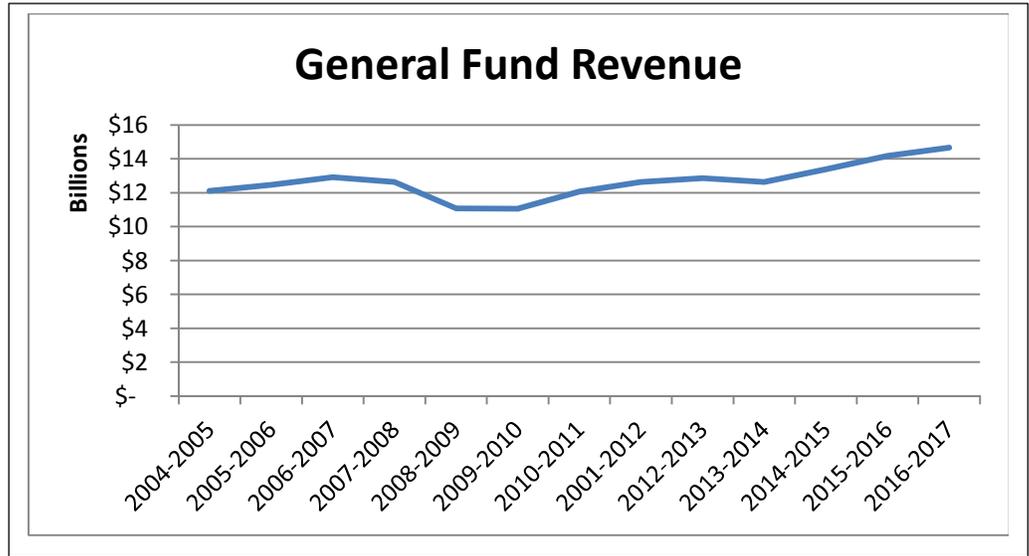
The state does somewhat better in terms of its support for higher education, where it ranks 13th among the states. Tennessee has been described as a leader for its higher education system.<sup>192</sup> Its Drive to 55 Initiative has a goal of equipping 55 percent of Tennesseans with a college degree or certificate by the year 2025, and between 2011 and 2016, there was an 18 percent uptick in the number of five-year credentials awarded by the state’s institutions. The state also launched the Tennessee Promise program in 2015, providing the state’s high school graduates two free years of community or technical college. Despite

these efforts, as of 2017, the state was spending 15 percent less than it was prior to the recession.

While Tennessee does not levy an income tax on wages, at one time it did tax interest and dividends. The tax on interest and dividends, the so-called Hall tax, started being phased out in 2016 and will be eliminated entirely for the 2022 tax year. Tennessee officials estimated that the Hall tax would have generated \$341 million in revenues in 2017 before the phase-out was implemented.<sup>193</sup> This tax cut overwhelmingly benefits the rich, with 60 percent of the tax cuts flowing to the wealthiest 5 percent.<sup>194</sup> Tennessee was already regarded as one of the most regressive tax states because of its reliance on sales and excise taxes. The state has one of the highest sales taxes in the nation.<sup>195</sup> The state is also falling behind on tax effort. While the economy has boomed and its wealth base has grown, the state reduced its tax effort by 10 percent.

**Total Investment  
Needed To Reach  
2008 K-12  
Spending Levels:  
\$58 Million**

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$302 Million**



## Texas

**K-12 Spending Per Pupil**  
\$9,248

**Higher Education Spending Per Student**  
\$7,393

**Average Teacher Salary**  
\$53,167

**Student-Teacher Ratio**  
15.26 to 1

### State Rank

**43rd** Per-Pupil Spending 2008

**42nd** Per-Pupil Spending 2016

**39th** Per-Pupil Spending Growth

**25th** Support for Higher Education 2008

**28th** Support for Higher Education 2016

**34th** Growth in Cost of Higher Education (Four-Year Degree)

**29th** Average Teacher Salary

**18th** Growth in Average Teacher Salary

**26th** Student-Teacher Ratio 2008

**29th** Student-Teacher Ratio 2016

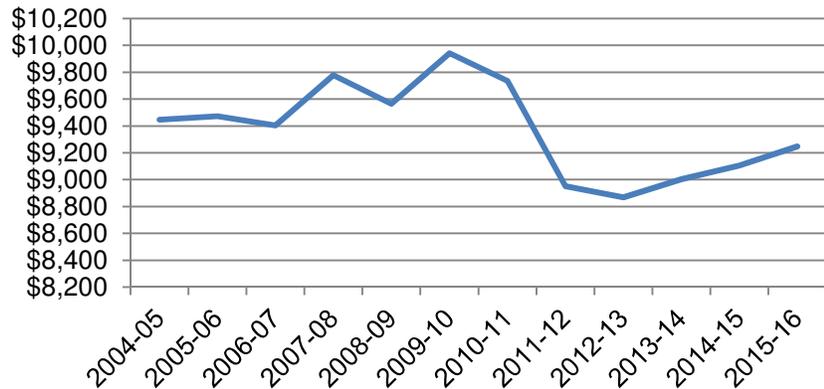
**37th** Improvement in Student-Teacher Ratio

**45th** Tax Fairness

**46th** Tax Effort 2015

**19th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Per-pupil spending in Texas peaked in 2009-10 at \$9,941. Over the next three years, it dropped by more than \$1,000, driven in particular by a \$5.3 billion cut in state funding in 2011. Funding started to recover in 2013-14, but by 2015-16 it was still \$500 below its peak. In that time, the state Supreme Court found that Texas' Legislature had only a minimal responsibility for funding schools adequately.<sup>196</sup>

The results have been dramatic. The pupil-teacher ratio rose from 14.5 students to 15.26 students per teacher. Texas would need to hire 11,000 more teachers to have the staffing per pupil that it had in 2010-11.<sup>197</sup> Average teacher pay has fallen; real teacher pay is 2.7 percent less than before the recession. There have been cuts in arts, bilingual education and many other programs students need.<sup>198</sup> Real per-student support for public higher education dropped by almost

19 percent, driving tuition costs to increase by 30 percent.

Between 2008 and 2015, state lawmakers took actions that reduced revenue. In particular, in 2015, the Legislature cut the rate on the corporate franchise tax, which is Texas' main business tax. This has cost the state \$1 billion a year. Comparing 2008 and 2015, the state increased its tax effort by 1 percent.<sup>199</sup>

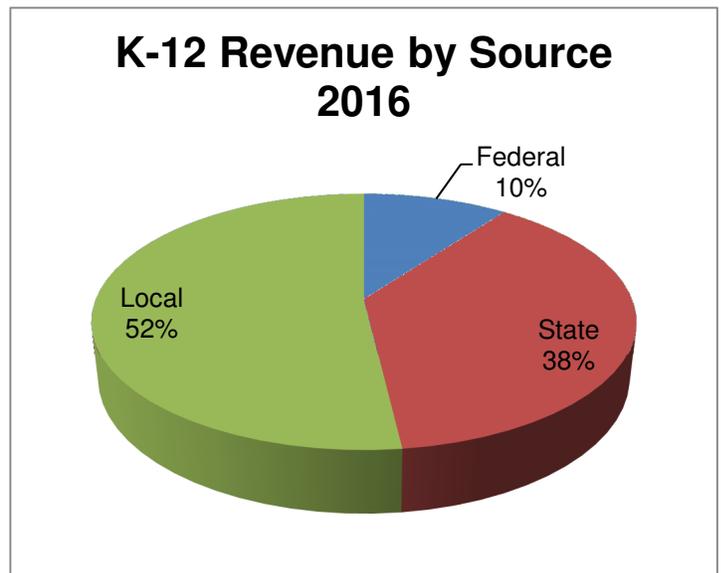
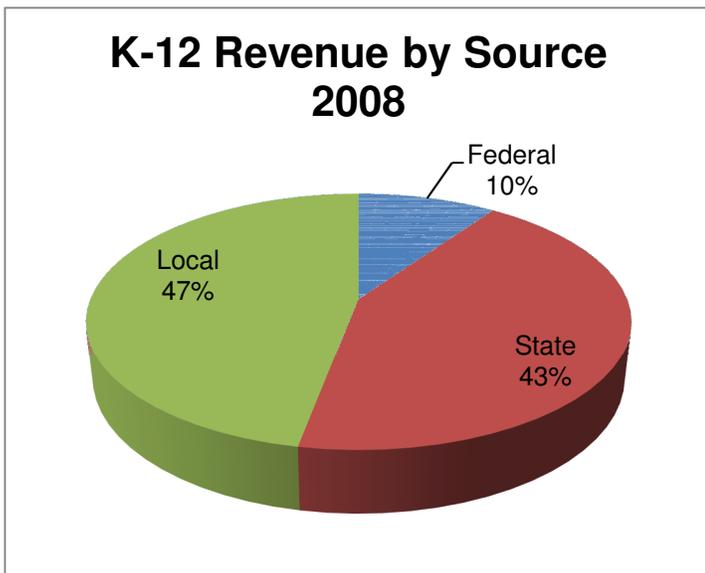
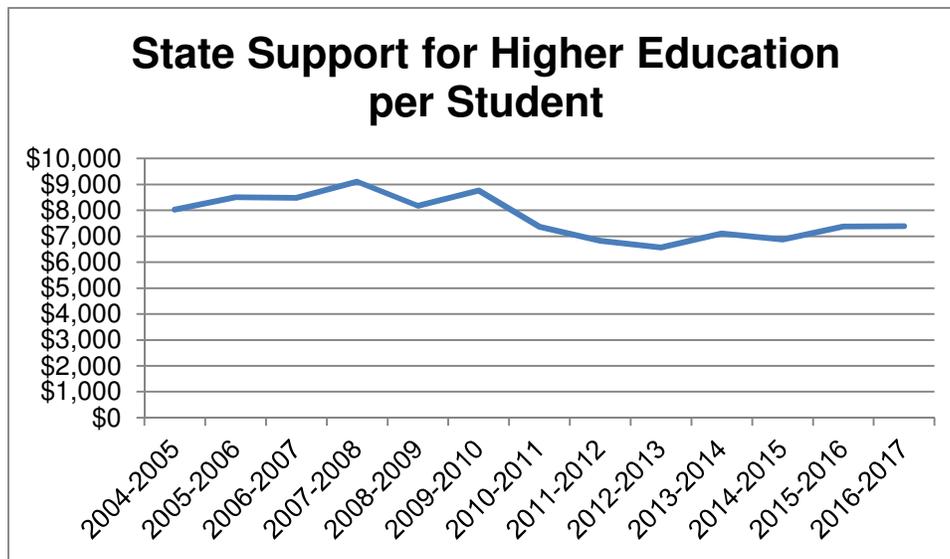
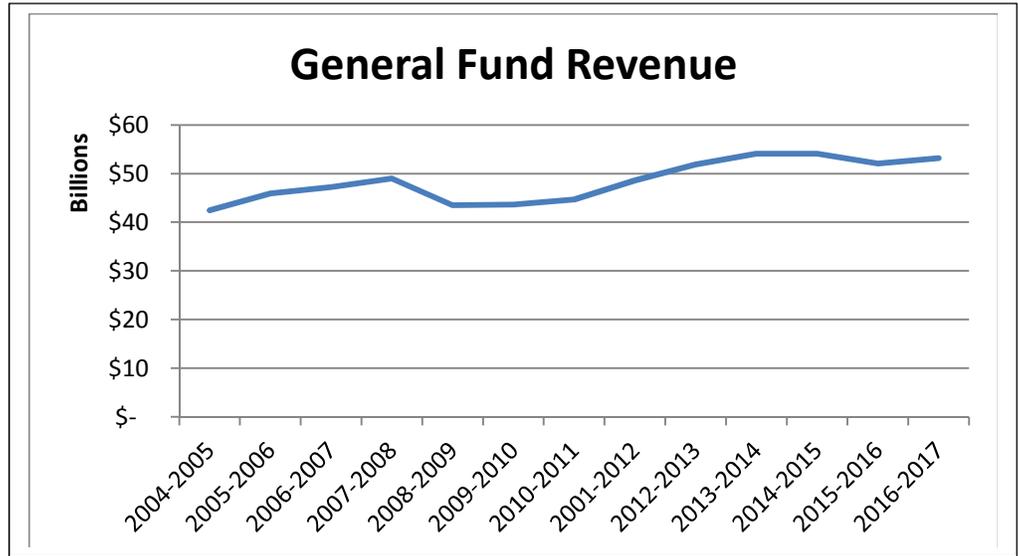
As Texas lawmakers have cut state support for schools, they've allowed the state's savings account to grow. Texas' rainy day fund, the second-largest state reserve fund in the nation, is funded through taxes on oil and gas production and is growing each year. It is expected to reach \$11 billion by 2019.<sup>200</sup> Clearly, there is revenue available to fund Texas' schools, but its lawmakers are choosing not to spend it.<sup>201</sup>

While the rainy day fund represents an option for

restoring some of the billions that have already been cut from the state's education system, it is not a permanent solution. It is estimated that the state needs at least \$3.2 billion just to get back to pre-recession spending levels.<sup>202</sup> But that doesn't get the state where it should be in order to meet the needs of Texas students. And the state's ability to do more is hampered by a flawed school finance system. Some school districts struggle to fund schools despite taxing their citizens the maximum amount allowed by law.<sup>203</sup> Schools rely heavily on property taxes to fund schools, and because there is no state income tax, the poor and middle class disproportionately pay for the services that are provided. An important first step to reforming the state's school finance system is to ensure that all Texans are paying their fair share for a world-class public education system.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$2.7 Billion**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$1.8 Billion**



# STATE REPORTS

## Utah

**K-12 Spending Per Pupil**  
\$7,132

**Higher Education Spending Per Student**  
\$7,310

**Average Teacher Salary**  
\$47,604

**Student-Teacher Ratio**  
22.85 to 1

### State Rank

**51st** Per-Pupil Spending 2008

**51st** Per-Pupil Spending 2016

**12th** Per-Pupil Spending Growth

**23rd** Support for Higher Education 2008

**30th** Support for Higher Education 2016

**20th** Growth in Cost of Higher Education (Four-Year Degree)

**48th** Average Teacher Salary

**47th** Growth in Average Teacher Salary

**51st** Student-Teacher Ratio 2008

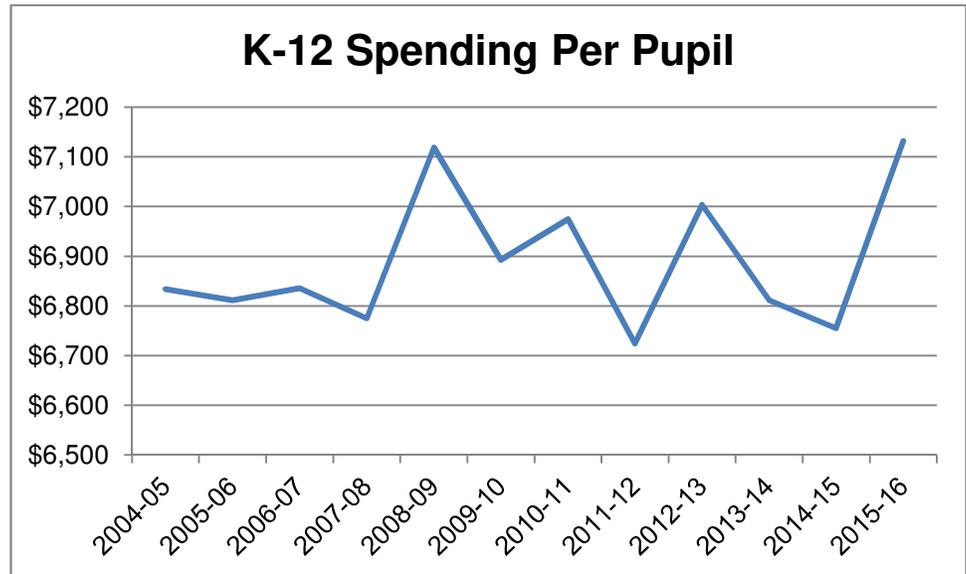
**49th** Student-Teacher Ratio 2016

**6th** Improvement in Student-Teacher Ratio

**33rd** Tax Fairness

**41st** Tax Effort 2015

**43rd** Improvement in Tax Effort



Utah has long provided less money for K-12 education than other states; for example, it measured 49th in per-pupil funding in the 1990s.<sup>204</sup> Utah did increase its per-pupil expenditures by 5 percent during the period following the recession. However, in part because it was starting from such a low level, Utah was still last in per-pupil funding in 2016. Utah's low level of support for education also means lower teacher wages and a higher student-teacher ratio. The state ranks 48th for teacher pay and 49th for the ratio of students to teachers.

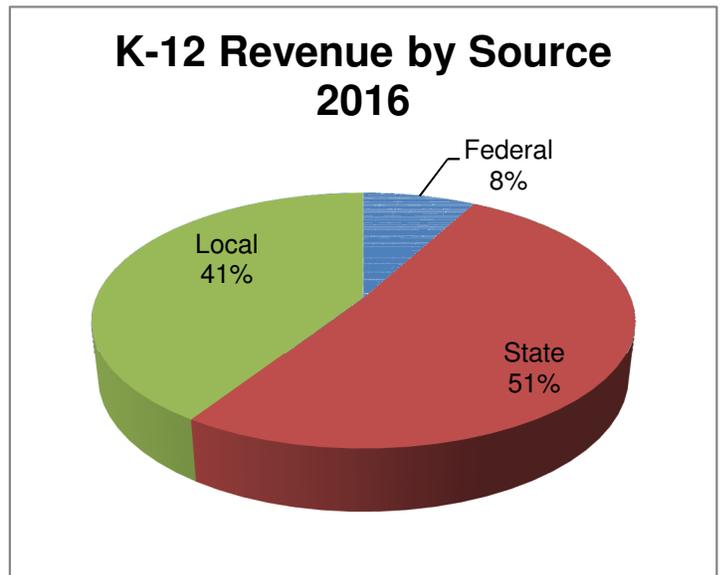
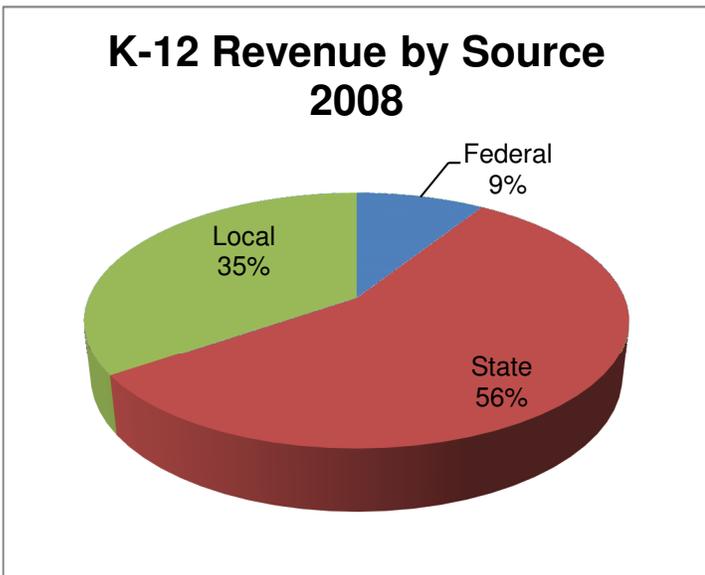
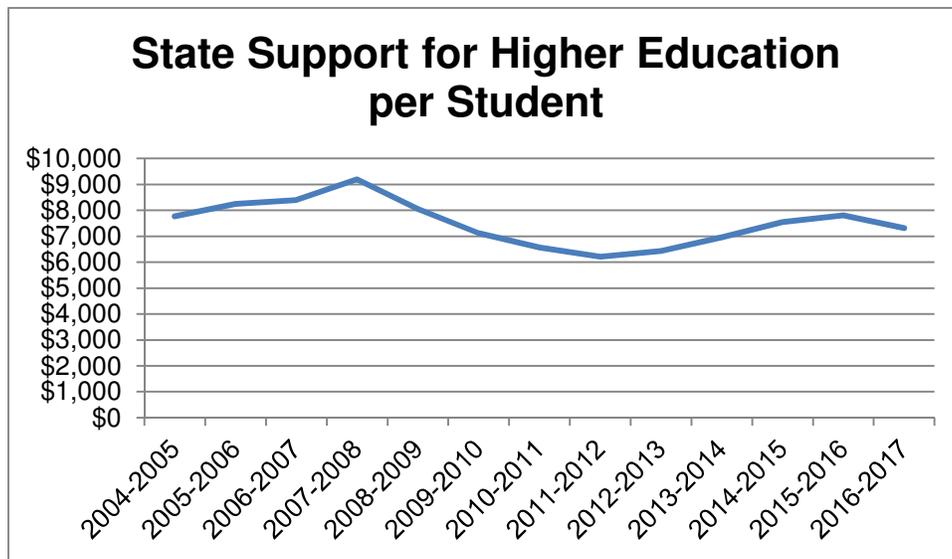
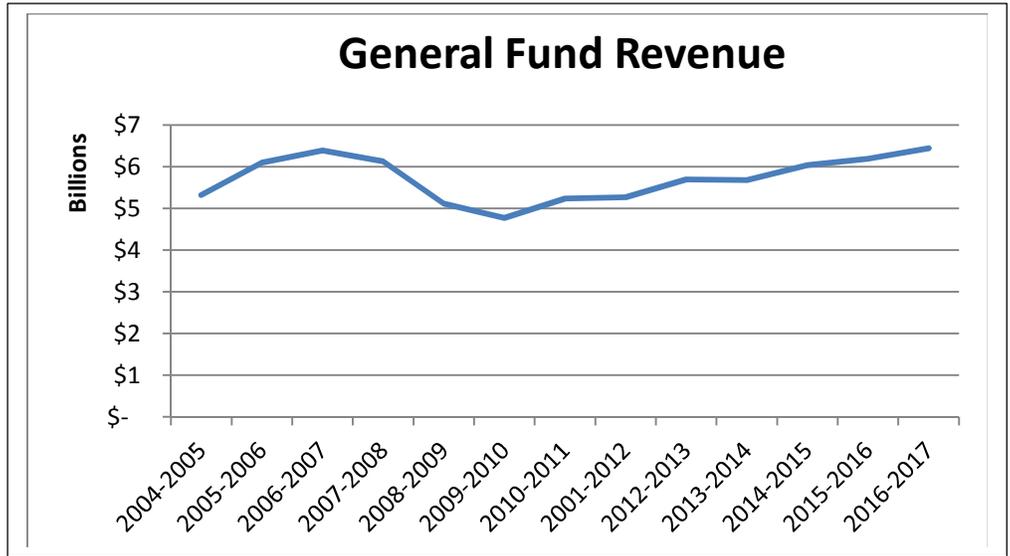
Utah has the resources to do more. Tax cuts, particularly a major business tax cut in 2007, have cost the state more than \$400 million a year.<sup>205</sup> The state's tax effort since the recession was reduced by more than 9 percent. Real average teacher pay has dropped by more than 10 percent.

In response to this chronic disinvestment, activists in Utah organized around a ballot initiative to raise \$700 million from a combination of income and sales tax increases. This year, the Legislature introduced legislation to

pre-empt the initiative, and, after negotiations with the governor, supporters of the initiative dropped their effort. They joined the governor in support of a ballot question to increase the gas tax and a bill to increase the property tax.

Higher education has also suffered since the recession. State support for higher education is 20.5 percent below its pre-recession level. The cost of a year of education at a four-year public institution is up by 42 percent. It remains to be seen what steps will be taken to remedy this.

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$255 Million**



## Vermont

**K-12 Spending Per Pupil**  
\$18,332

**Higher Education Spending Per Student**  
\$4,016

**Average Teacher Salary**  
\$58,527

**Student-Teacher Ratio**  
10.54 to 1

### State Rank

**5th** Per-Pupil Spending 2008

**5th** Per-Pupil Spending 2016

**10th** Per-Pupil Spending Growth

**50th** Support for Higher Education 2008

**48th** Support for Higher Education 2016

**32nd** Growth in Cost of Higher Education (Four-Year Degree)

**16th** Average Teacher Salary

**4th** Growth in Average Teacher Salary

**1st** Student-Teacher Ratio 2008

**1st** Student-Teacher Ratio 2016

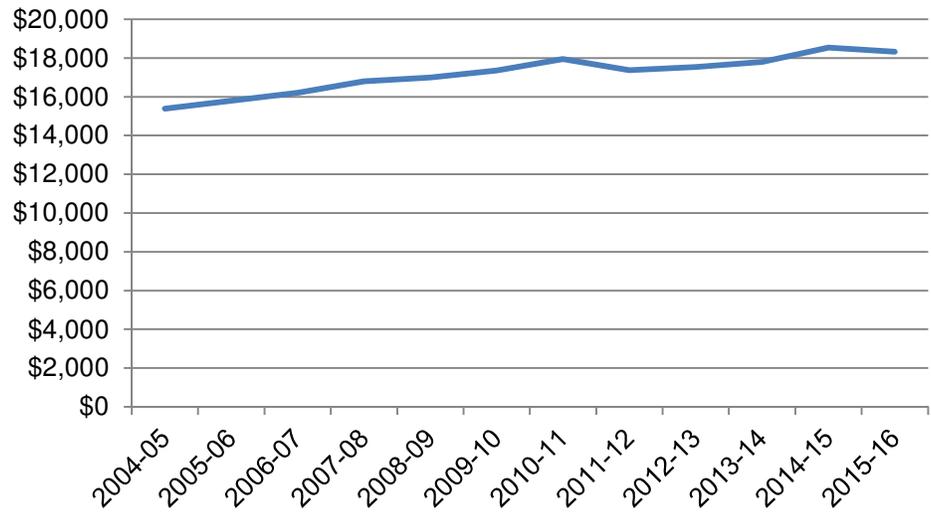
**13th** Improvement in Student-Teacher Ratio

**5th** Tax Fairness

**4th** Tax Effort 2015

**12th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Vermont has a unique school funding system that relies heavily on the property tax. Taxes on residential and nonresidential property provide for two-thirds of the funding for schools, and the rest comes from state funds.<sup>206</sup> But, unlike in other states, Vermont's property tax is effectively collected statewide and is incorporated into the funding formula.<sup>207</sup>

Similarly, Vermont's manner of funding higher education is quite different from other states. It provides relatively less state aid directly to institutions and relies far more on providing financial aid to students. This leaves the state's colleges and university struggling to make basic investments to ensure the quality of their programs, and unions representing Vermont's faculty have

called for returning the share of state support to 51 percent, the level it was in the 1980s.<sup>208</sup>

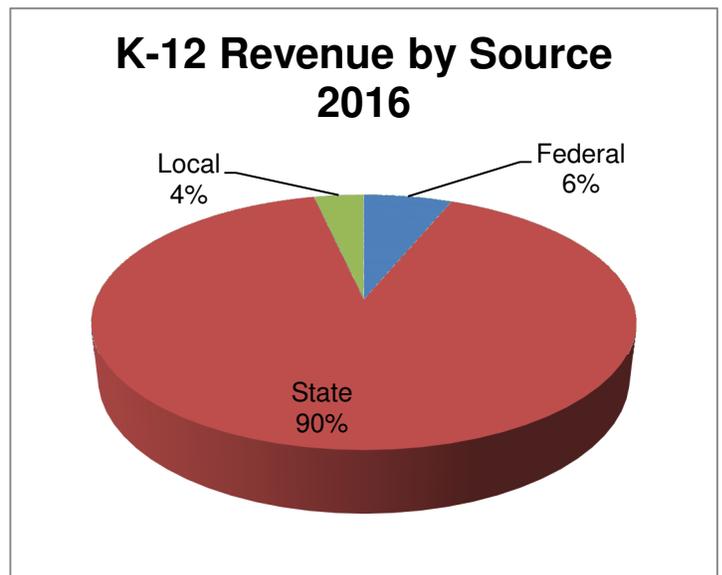
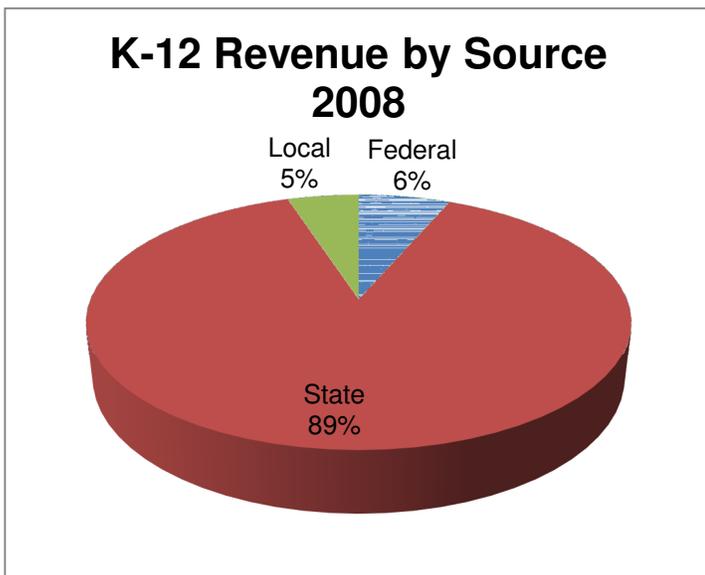
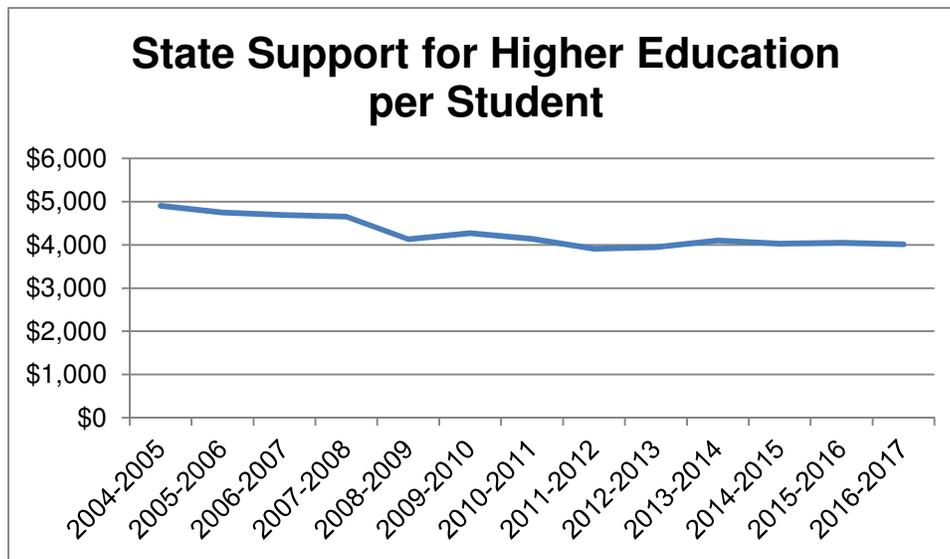
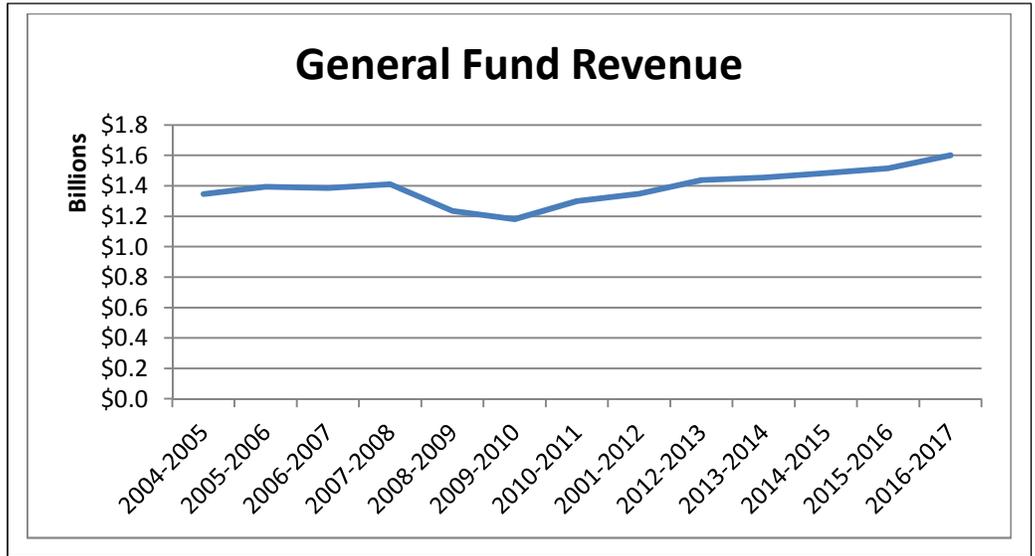
Vermont's policymakers responded to the recession by increasing the property tax and the cigarette tax and by capping income tax deductions. These changes are reflected in a 4.2 percent increase in the state's tax effort between 2008 and 2015.

Because of this, Vermont was able to do a better job of funding K-12 education during the aftermath of the recession than other states. Between 2008 and 2016, the pupil-teacher ratio went from 10.7 to 10.54 students per teacher, one of only 16 states that improved the pupil-teacher ratio. Similarly, average teacher pay in

Vermont rose by 5.5 percent in real terms between 2009 and 2018. Only three states had larger increases. Real per-pupil funding increased by 9 percent between 2008 and 2016 as well.

But this policy did not extend to higher education. The state has reduced its already somewhat meager support by 13.7 percent. There have been staff reductions and reduced course offerings as a result.<sup>209</sup> Tuition has increased 23 and 30 percent for two- and four-year schools, respectively. In 2015, AFT Vermont released a plan for improving investment in higher education.<sup>210</sup> There are still recommendations in that report regarding corporate tax reform that the Legislature would be wise to revisit.

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$13 Million**



## Virginia

**K-12 Spending Per Pupil**  
\$11,726

**Higher Education Spending Per Student**  
\$6,524

**Average Teacher Salary**  
\$51,265

**Student-Teacher Ratio**  
14.22 to 1

### State Rank

**17th** Per-Pupil Spending 2008

**25th** Per-Pupil Spending 2016

**42nd** Per-Pupil Spending Growth

**38th** Support for Higher Education 2008

**36th** Support for Higher Education 2016

**11th** Growth in Cost of Higher Education (Four-Year Degree)

**34th** Average Teacher Salary

**39th** Growth in Average Teacher Salary

**42nd** Student-Teacher Ratio 2008

**21st** Student-Teacher Ratio 2016

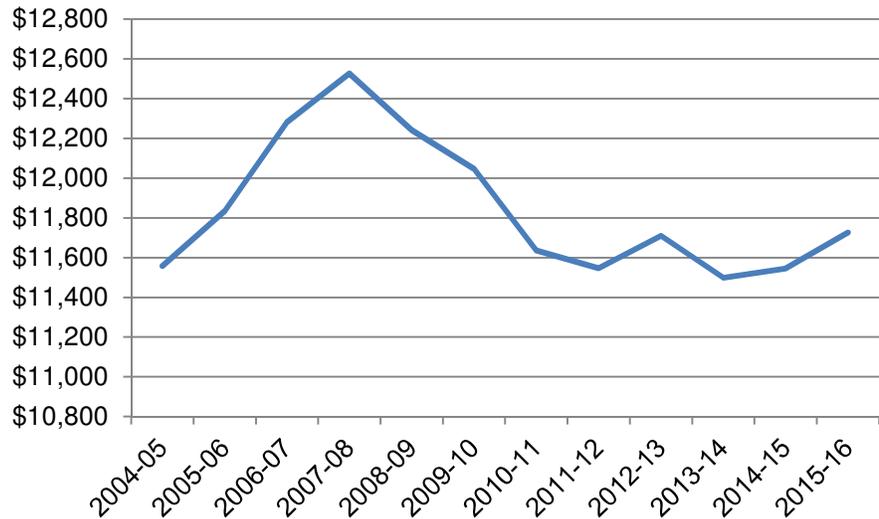
**1st** Improvement in Student-Teacher Ratio

**25th** Tax Fairness

**43rd** Tax Effort 2015

**36th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Since the Great Recession, Virginia finds itself in a unique revenue situation. Between 2009 and 2016, state lawmakers took action on personal and corporate income and sales taxes that had a net positive impact on revenue, however, the state reduced its tax effort by 5 percent. As the Commonwealth Institute documented in 2017:

*The relationship between revenues and the broader economy has changed relative to the historical trend. Since FY 2009, Virginia's general fund revenues as a share of personal income have hovered around 4.1 percent, compared to a pre-recession average of around 4.5 percent. This difference is equivalent to approximately \$1.8 billion in FY 2017. ... In addition to that trend, actual*

*state revenue collections were much lower than official projections in FY 2014 and FY 2016. (Fiscal years run from July through June.) Although it is not unusual for actual revenues to vary from forecasts, these years of lower-than-expected revenue growth occurred even while the broader economy showed growth. It is unclear if these shortfalls were blips or whether they are evidence of deeper changes in areas like work arrangements, how corporations report profits, or consumer preferences.<sup>211</sup>*

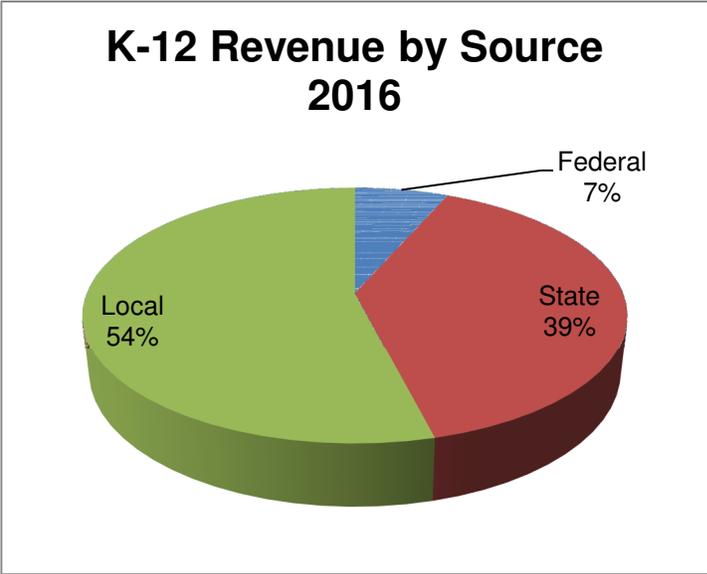
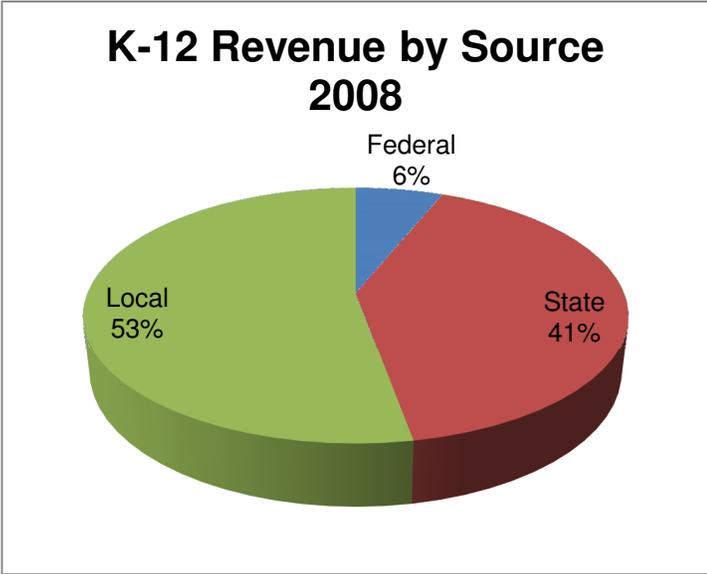
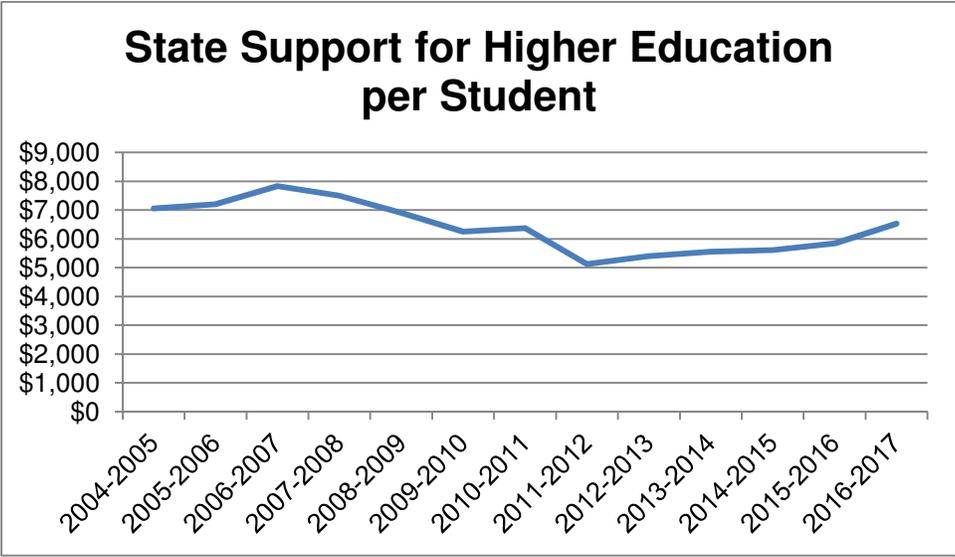
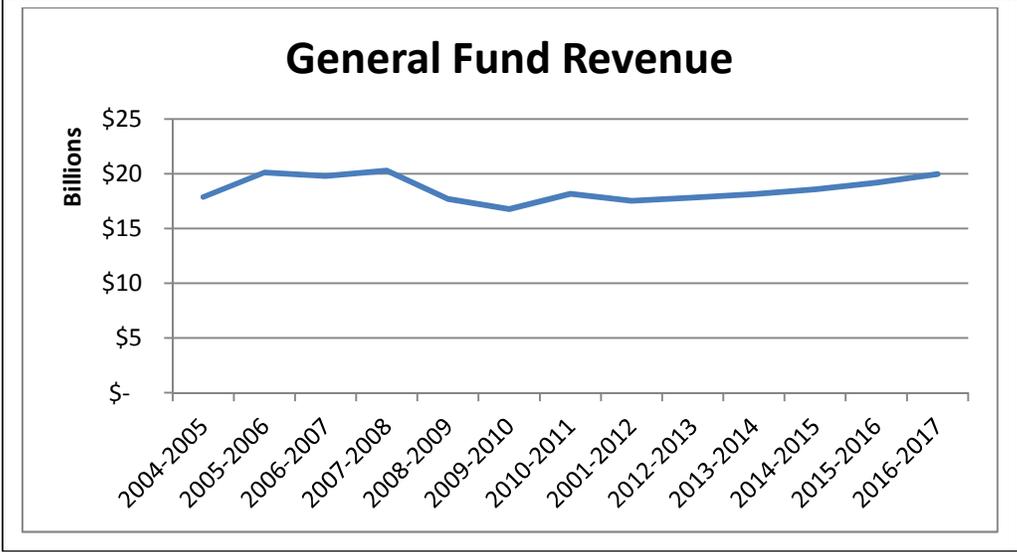
The report goes on to note that, in response to these shortfalls, lawmakers have dipped into the state's rainy day fund instead of undertaking tax changes or addressing changes in the state's economy. Given lawmakers' resistance to

rebalancing the state's revenues with the state's economy, its low ranking in growth in per-pupil spending (42nd) and in higher education support (36th) is unsurprising. Virginia's education spending levels are below recession-level spending, after accounting for inflation.

Particularly in rural and poor areas of the state, students do not have equal access to science and math classes, Advanced Placement classes and experienced teachers. Communities with high concentrations of poor students are also more likely to have school facilities in need of repair and renovation.<sup>212</sup> Without a recommitment from the state, these students will continue to be left behind.

**Total Investment Needed To Reach 2008 K-12 Spending Levels: \$1 Billion**

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$297 Million**



# Washington

**K-12 Spending Per Pupil**  
\$11,830

**Higher Education Spending Per Student**  
\$7,809

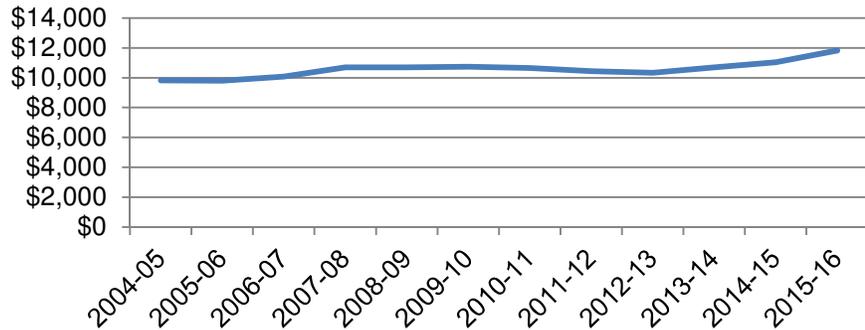
**Average Teacher Salary**  
\$55,175

**Student-Teacher Ratio**  
18.76 to 1

## State Rank

- 35th** Per-Pupil Spending 2008
- 22nd** Per-Pupil Spending 2016
- 9th** Per-Pupil Spending Growth
- 24th** Support for Higher Education 2008
- 22nd** Support for Higher Education 2016
- 28th** Growth in Cost of Higher Education (Four-Year Degree)
- 25th** Average Teacher Salary
- 42nd** Growth in Average Teacher Salary
- 48th** Student-Teacher Ratio 2008
- 46th** Student-Teacher Ratio 2016
- 10th** Improvement in Student-Teacher Ratio
- 46th** Tax Fairness
- 40th** Tax Effort 2015
- 38th** Improvement in Tax Effort

**K-12 Spending Per Pupil**



In 2012, in *McCleary v. State of Washington*, the Washington Supreme Court ruled that the state was violating the constitutional rights of children by failing to live up to its “paramount duty” to adequately fund its K-12 education system, and it ordered the state to fully fund its schools.<sup>213</sup> State legislators enacted new revenue measures to fund schools immediately after the decision, and as of 2016, Washington ranked 22nd for per-pupil funding. Spending in 2016 was almost 11 percent higher than in 2008, after adjusting for inflation. Only eight states increased school funding by a higher amount between 2008 and 2016. Since 2016, Washington legislators enacted a number of additional tax increases to generate more than \$5 billion in new revenue through 2021 to fund education.<sup>214</sup>

The *McCleary* decision also ordered legislators to provide sufficient funding for teacher salaries in order to attract and

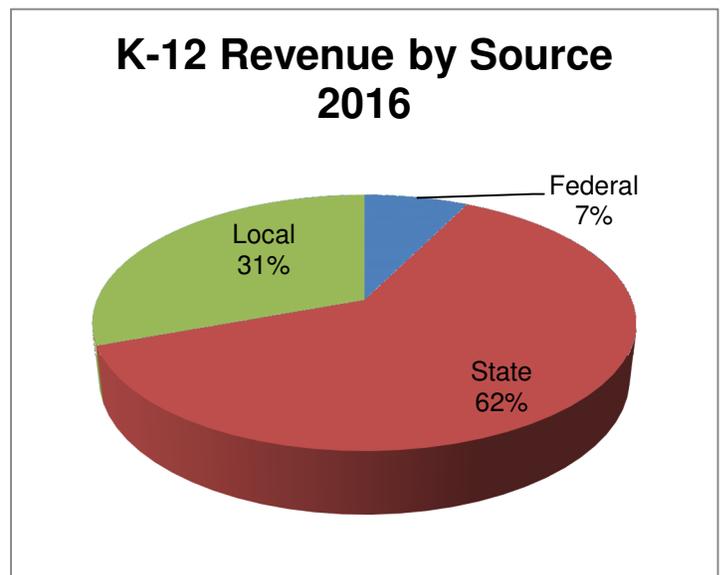
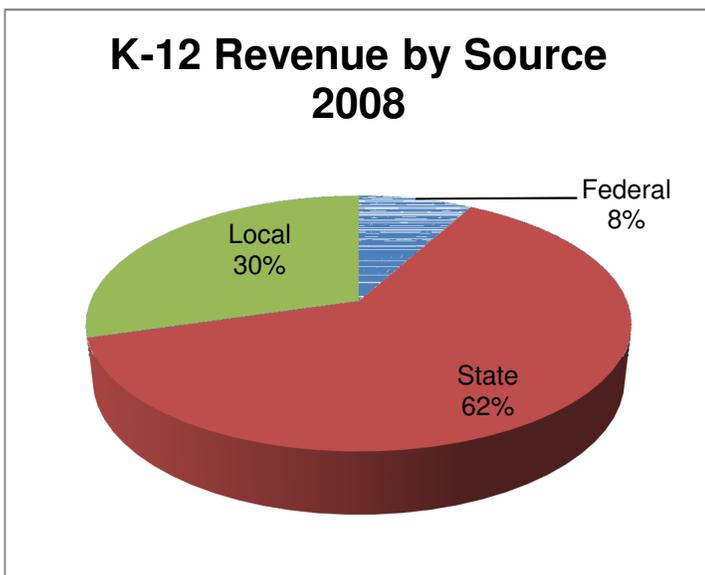
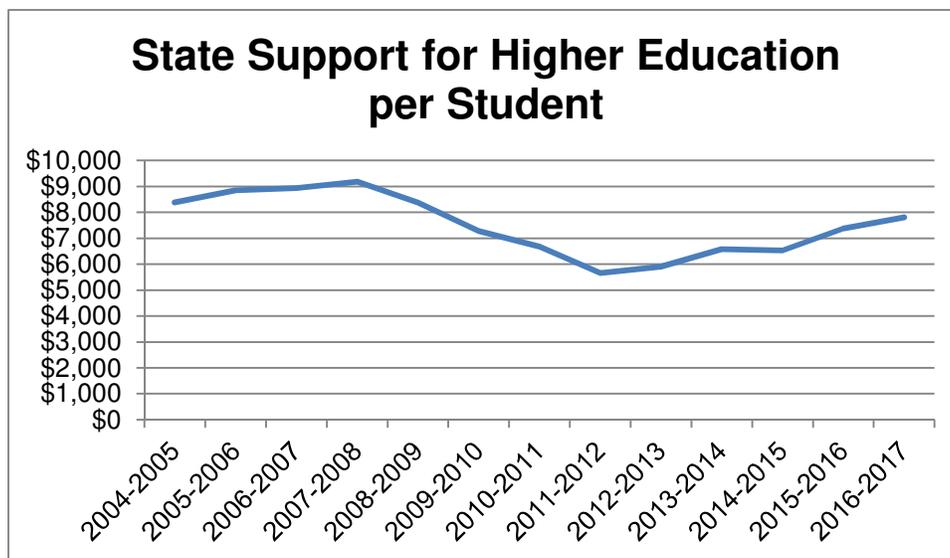
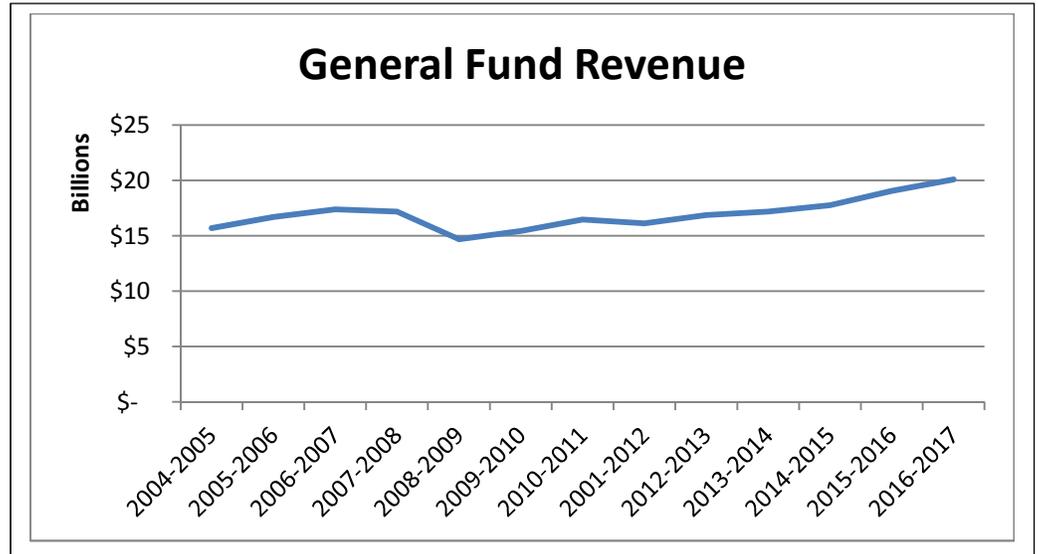
retain qualified educators. School funding legislation in 2017 provided for an increase in the starting salary for new teachers, and it set average salaries for teachers, staff and administrators to be paid for with state revenues.<sup>215</sup> The state currently ranks 25th for average teacher salary, but because it had lost ground after the recession, the average teacher salary is still 9.4 percent less than it was in 2009, after adjusting for inflation.

While the state has made progress on funding K-12 education, Washington’s higher education system has not fared as well. In the three years following the recession, Washington lawmakers cut \$770 million from its higher education system.<sup>216</sup> As a result of those cuts, more than 1,000 courses were removed and 16 degrees or program options were eliminated, eliminating more than 500 jobs.<sup>217</sup> Currently the state ranks 22nd for spending on higher education; however,

2017 spending is 15 percent less than it was before the recession, after adjusting for inflation.

Between 2009 and 2016, state lawmakers took action on personal and corporate income and sales taxes that had a net positive impact on revenue. Even so, revenues did not keep pace with growth in the economy. Comparing 2008 and 2015, the state reduced its tax effort by 5.7 percent. A 2015 study by the Institute on Taxation and Economic Policy demonstrates that Washington has done a poor job of aligning its tax code with its economic capacity. The report found that Washington’s tax system is the most regressive in the country. According to the report, a household making \$21,000 per year pays 16.8 percent of its income in state and local taxes, while a household making \$507,000 pays 2.4 percent. A report published in April 2018 confirms that the state has not taken action to improve the progressivity of its tax system.<sup>218</sup>

**Total Investment Needed To Reach 2008 Higher Education Spending Levels: \$330 Million**



# West Virginia

**K-12 Spending Per Pupil**  
\$11,581

**Higher Education Spending Per Student**  
\$6,909

**Average Teacher Salary**  
\$45,642

**Student-Teacher Ratio**  
14.11 to 1

## State Rank

**24th** Per-Pupil Spending 2008

**27th** Per-Pupil Spending 2016

**26th** Per-Pupil Spending Growth

**28th** Support for Higher Education 2008

**31st** Support for Higher Education 2016

**13th** Growth in Cost of Higher Education (Four-Year Degree)

**50th** Average Teacher Salary

**50th** Growth in Average Teacher Salary

**19th** Student-Teacher Ratio 2008

**19th** Student-Teacher Ratio 2016

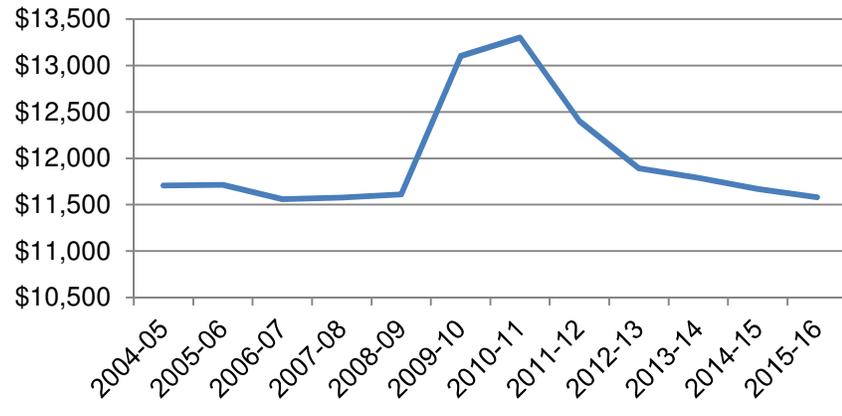
**25th** Improvement in Student-Teacher Ratio

**14th** Tax Fairness

**9th** Tax Effort 2015

**17th** Improvement in Tax Effort

**K-12 Spending Per Pupil**



This year, West Virginia’s teachers went on strike for nine days, demanding a pay raise and relief from rising healthcare costs. West Virginia teachers had been four years without a pay raise and were facing steep increases in their health plan costs. The state ranks second-to-last for teacher pay, and only one other state did less to improve teacher wages between 2009 and 2018.

West Virginia is one of the poorest states in the nation; 18 percent of the population falls below the poverty line, and the state ranks 49th among the states and the District of Columbia for median income. West Virginia experienced little job growth and higher than average unemployment in the wake of the recession.<sup>219</sup>

Despite its economic challenges, the state ranked 27th for per-pupil spending in 2016. However, 2016 spending was only slightly

above 2008 levels in real terms. Efforts to maintain K-12 funding did not carry over to higher education. State spending on higher education has declined by 22.4 percent since 2008.

While there are clearly disparities between a state like West Virginia and wealthier states like New York, for example, in terms of fiscal capacity, West Virginia’s revenue problems are the result of political choices made by state leaders. West Virginia lawmakers have slashed the corporate income tax rate from 9 to 6.5 percent since 2006. They have also phased out the business franchise tax. Other tax reductions enacted over this period include repealing the alternative minimum tax and the corporate charter tax, eliminating business registration renewal fees, and providing new tax credits for manufacturing. These and other tax changes have reduced state revenue by

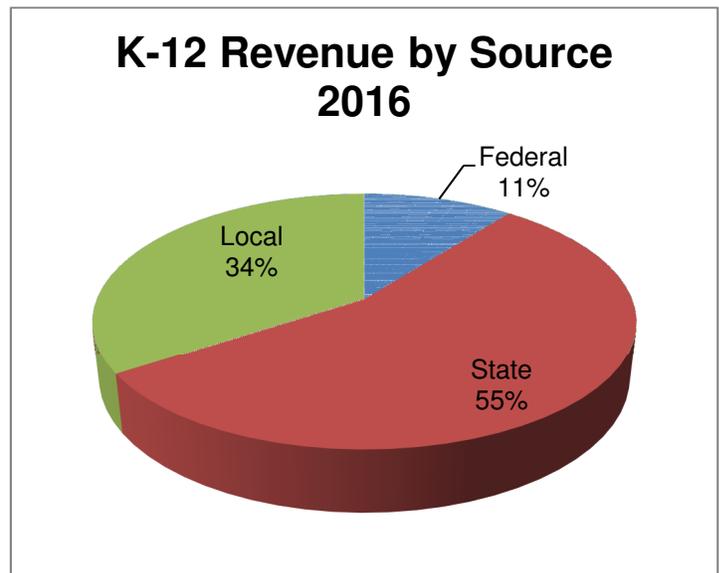
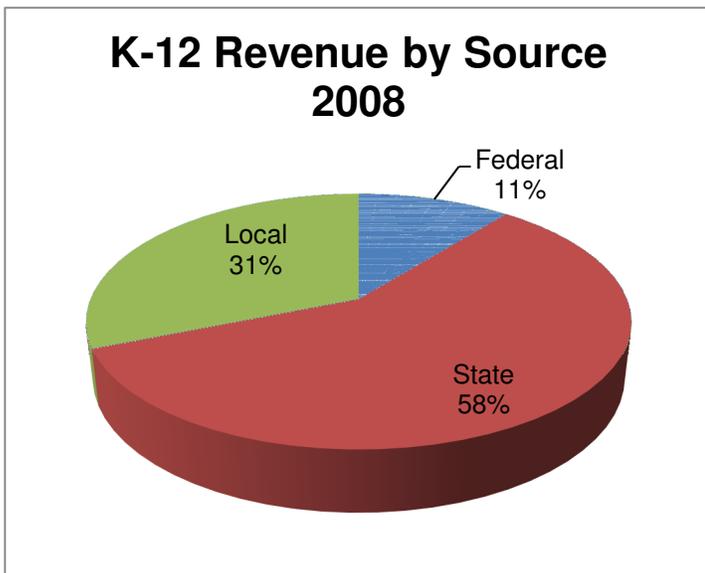
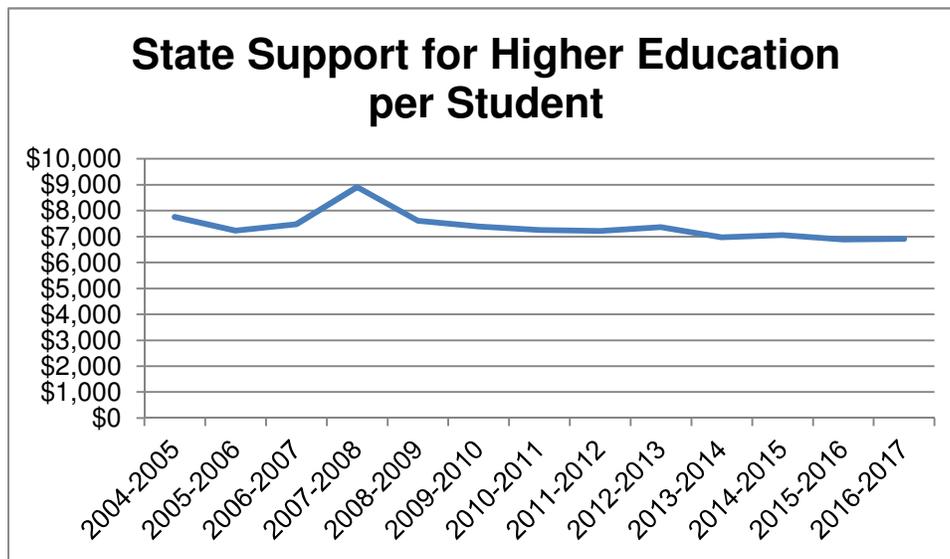
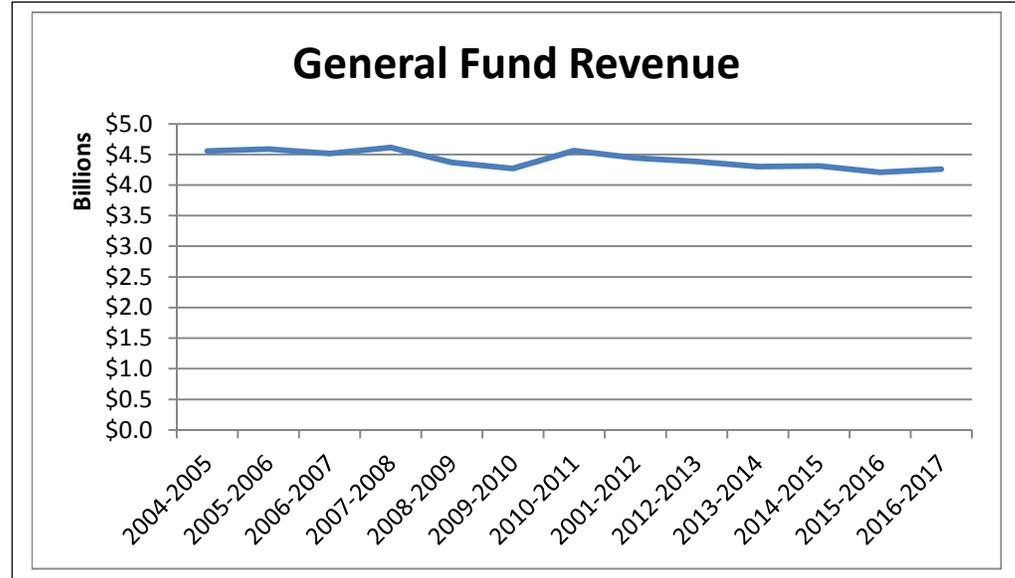
more than \$425 million annually.<sup>220</sup>

Cutting business taxes has not done anything to turn around West Virginia’s economy. In an op-ed opposing the state Legislature’s latest tax-cutting scheme in 2018, Ted Boettner, executive director of the West Virginia Center on Budget and Policy, said:

*Instead of aiming to be a cheap place to do business — which we already are — we need to be a good place to do business. And this means investing in our people and communities instead of pursuing a trickle-down economic approach that redistributes more money upward to those who need it the least.*<sup>221</sup>

The West Virginia Center on Budget and Policy has proposed that lawmakers increase the state severance tax on coal and natural gas from the current rate of 5 percent to 7.5 percent, which would generate \$93 million in new revenue in 2019.

**Total Investment  
Needed To Reach  
2008 Higher  
Education  
Spending Levels:  
\$140 Million**



## Wisconsin

**K-12 Spending Per Pupil**  
\$11,750

**Higher Education Spending Per Student**  
\$6,858

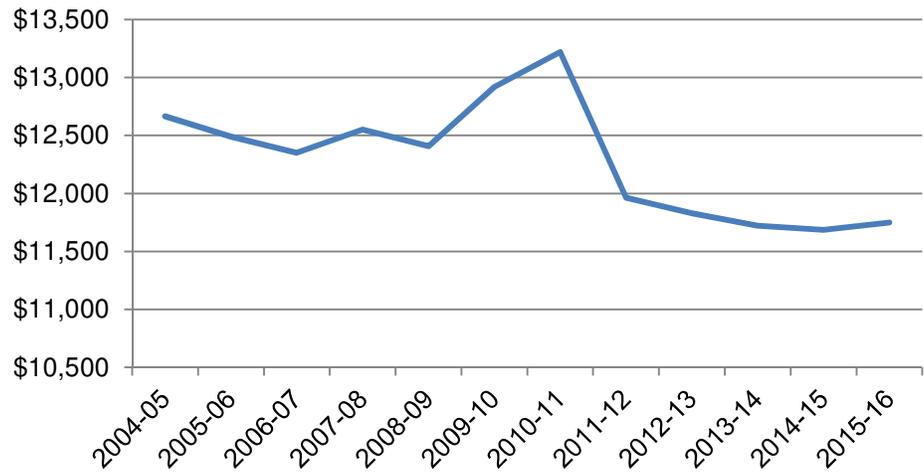
**Average Teacher Salary**  
\$55,895

**Student-Teacher Ratio**  
14.91 to 1

### State Rank

- 16th** Per-Pupil Spending 2008
- 24th** Per-Pupil Spending 2016
- 41st** Per-Pupil Spending Growth
- 46th** Support for Higher Education 2008
- 32nd** Support for Higher Education 2016
- 44th** Growth in Cost of Higher Education (Four-Year Degree)
- 24th** Average Teacher Salary
- 27th** Growth in Average Teacher Salary
- 30th** Student-Teacher Ratio 2008
- 24th** Student-Teacher Ratio 2016
- 20th** Improvement in Student-Teacher Ratio
- 13th** Tax Fairness
- 20th** Tax Effort 2015
- 44th** Improvement in Tax Effort

### K-12 Spending Per Pupil



Faced with a \$3 billion budget shortfall in 2011, Gov. Scott Walker and the newly elected Republican Legislature cut the education budget by \$1.85 billion. That same year, Walker signed the first in a series of tax cuts that have ultimately cost the state \$4.7 billion.<sup>222</sup> And, at the same time lawmakers made steep cuts in state support for schools, they also enacted limits on the amount of money school districts can raise at the local level.

Wisconsin public schools spent less per student in 2016 than they did in 2008; per-pupil spending was 6.4 percent less than in 2008, after adjusting for inflation. And, between 2008 and 2016, the state dropped from 16th to 24th for per-pupil spending. Teacher salaries in 2018 are 5.6 percent less than they were in 2009, after adjusting for inflation.

Because of spending cuts, many Wisconsin school districts are facing difficulties hiring enough qualified teachers.<sup>223</sup>

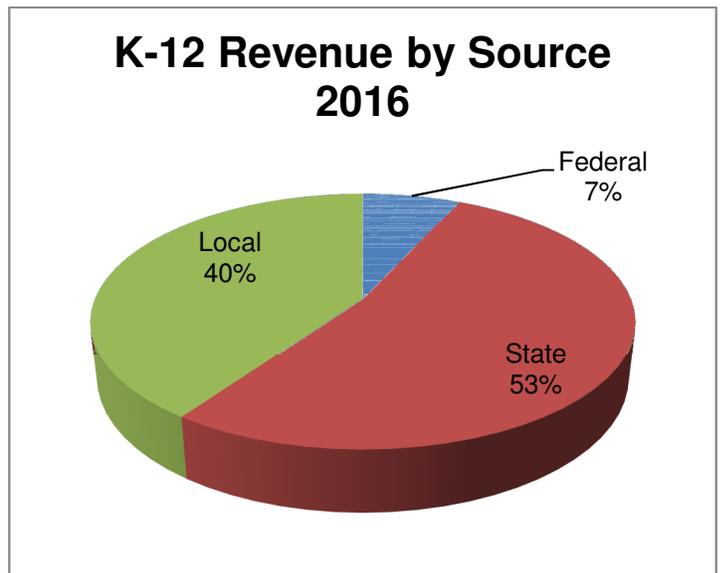
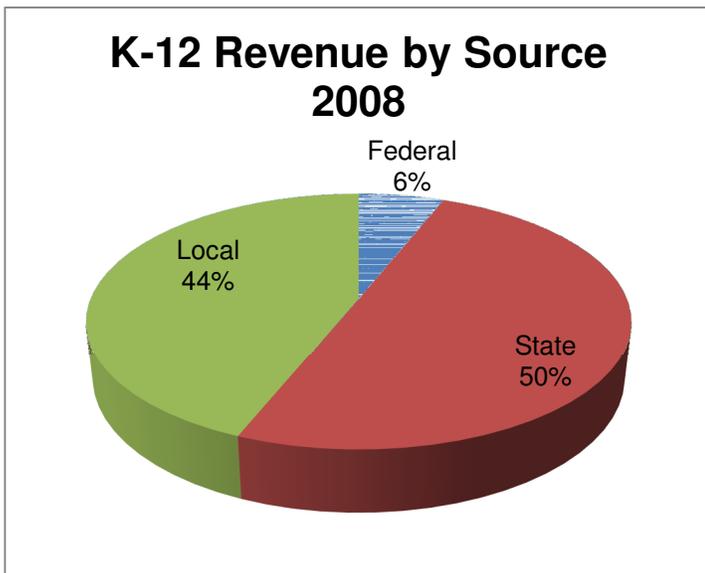
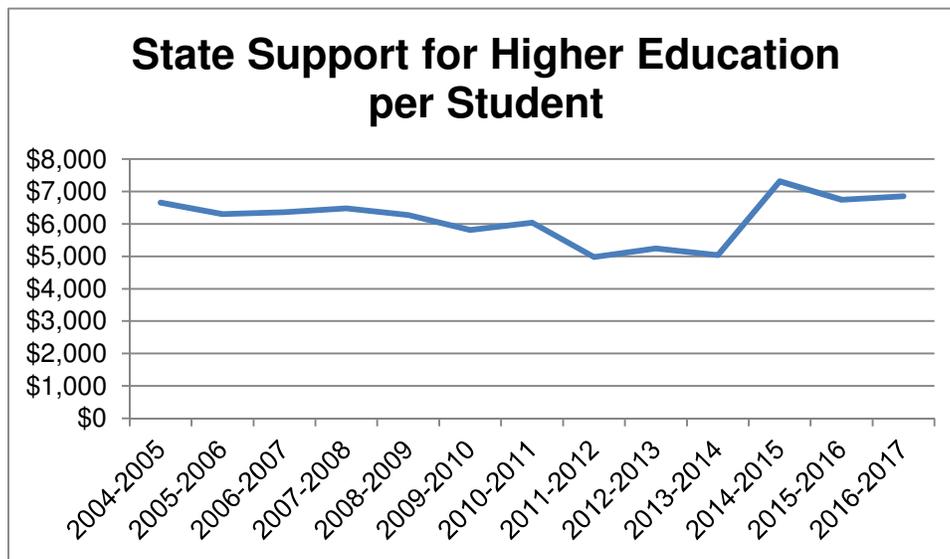
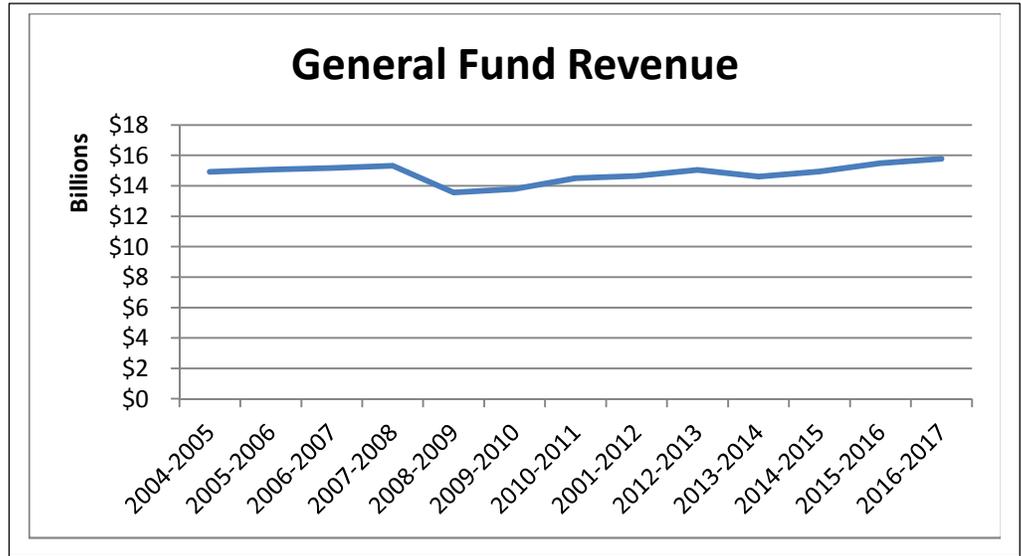
Tuition and fees at public two-year colleges rose by 14 percent. At four-year colleges, they rose by 19 percent. State support for higher education, after being cut dramatically in 2012, has recovered. The continued impact of austerity can be seen in efforts by the state to eliminate programs at the University of Wisconsin-Superior and to restructure the University of Wisconsin-Stevens Point. The latter effort includes eliminating 13 degree programs.<sup>224</sup>

Tax cuts enacted by Wisconsin lawmakers have disproportionately benefited the richest Wisconsin residents. According to the Wisconsin Budget Project,

the top 1 percent of taxpayers received a combined tax cut that was nearly 11 times as big as the combined tax cut received by taxpayers in the bottom 20 percent—even though 20 times as many taxpayers were in the group with the lowest income. Comparing 2008 and 2015, tax cuts represent a 9.8 percent reduction in tax effort.

While Wisconsin's lawmakers have pursued a strategy of cutting taxes and shrinking government, in neighboring Minnesota, lawmakers have raised the minimum wage, boosted education spending and increased taxes. These contrasting approaches have produced significantly different results for the two states. Wisconsin has seen slower economic, wage and job growth.<sup>225</sup>

**Total Investment  
Needed To Reach  
2008 K-12  
Spending Levels:  
\$687 Million**



# Wyoming

**K-12 Spending Per Pupil**  
\$16,864

**Higher Education Spending Per Student**  
\$16,643

**Average Teacher Salary**  
\$58,578

**Student-Teacher Ratio**  
12.38 to 1

## State Rank

**7th** Per-Pupil Spending 2008

**7th** Per-Pupil Spending 2016

**17th** Per-Pupil Spending Growth

**4th** Support for Higher Education 2008

**3rd** Support for Higher Education 2016

**40th** Growth in Cost of Higher Education (Four-Year Degree)

**15th** Average Teacher Salary

**33rd** Growth in Average Teacher Salary

**6th** Student-Teacher Ratio 2008

**8th** Student-Teacher Ratio 2016

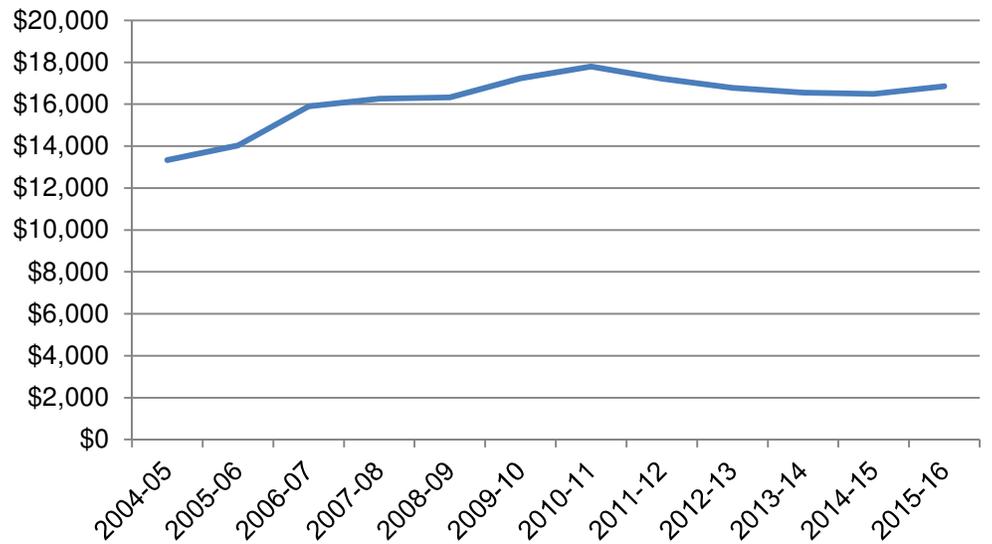
**15th** Improvement in Student-Teacher Ratio

**51st** Tax Fairness

**17th** Tax Effort 2015

**8th** Improvement in Tax Effort

## K-12 Spending Per Pupil



Like other states with large energy resources, Wyoming was not as immediately affected by the recession as some other states, but it has fared worse in recent years. Per-pupil spending in Wyoming is below its 2010-2011 peak, and, at the end of 2016, Wyoming lawmakers were contemplating \$700 million in cuts to the state's education budget to make up for shortfalls in oil and coal tax revenue.<sup>226</sup> Legislators ultimately passed an omnibus education bill for 2017-18 that cut \$34.5 million from Wyoming's public schools.<sup>227</sup> During the following session, legislators enacted an education bill that cut another \$27

million.<sup>228</sup> In the face of budget shortfalls, state Sen. Eli Bebout, president of the Wyoming Senate, said:

We made a lot of adjustments in the state government. The community colleges, the University of Wyoming, and towns and counties have had to make their cuts. But K-12, in my opinion, has not made the responsible reductions like everyone else.<sup>229</sup>

Despite calls from education advocates, the Legislature has consistently failed to enact revenue reform that would ensure a predictable revenue stream to stabilize school funding and protect against the boom and bust

economic cycles that come with the state's reliance on revenue from fossil fuel production. Wyoming does not levy a personal or corporate income tax or a gross receipts tax.

While Wyoming ranked 7th among the states for school spending through 2016, recent cuts to the state's education budget threaten to undermine its ability to provide services. Between 2009 and 2018, the state ranked 33rd for teacher salary growth. After adjusting for inflation, teacher wages have fallen by 7.4 percent, compared with 2009.

