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PUBLIC SCHOOL FUNDING IN MASSACHUSETTS

How It Works, Trends since 1993

by Noah Berger and Jeff McLynch

Executive Summary

As Massachusetts emerges from the fiscal crisis of the past several years, one issue that is certain to receive renewed attention is potential modifications to the Commonwealth's landmark Education Reform Act. Enacted in 1993, the Act engendered major changes in the financing of public primary and secondary education in Massachusetts. In particular, it established a "foundation budget," the amount of funding deemed necessary to provide an adequate education to children in a given school district; it also envisioned that, by FY 2000, state education aid would reach levels sufficient to permit all school districts to meet their respective foundation budgets.

That vision was in fact realized, but, the timing of – and the strains imposed by – the fiscal crisis has prevented policymakers, since that time, from taking any further strides towards resolving some of the remaining tensions found in the original Act. While funding reductions put in place during the fiscal crisis have yet to be restored in real terms, discussions about a new phase of education reform, including efforts to resolve those tensions, will likely soon begin in earnest, as tax revenue starts to grow and as the Commonwealth's fiscal situation achieves some degree of stability.

Consequently, this paper – the third edition of *Public School Funding in Massachusetts* – provides a brief explanation of the funding formula contained in the Education Reform Act and the principles on which it was based, namely:

- Adequate funding should be available to every school district to provide each child with a quality education.
- Local communities should each contribute to their schools according to their ability to pay.
- The state should provide enough funding for each school district to fill the gap between the required local contribution and the funding level needed to provide each child with a quality education.

The paper then highlights several of the education financing challenges that Massachusetts currently faces and outlines some of the options for meeting them. Among the questions the paper examines are:

- Should there be a new comprehensive evaluation of the cost of education?
- Should other specific changes in the foundation budget formula be considered?
- Should property value or income be the primary measure of municipal capacity?
- Should the state provide a uniform minimum percentage of local education costs?
- Should the state provide more funding for education?

Finally, the paper uses U.S. Census Bureau data for FY 1993 through FY 2003 – the most recent year for which such data are available – to illustrate the trends in education finance since the Education Reform Act was put in place. These data reveal that:

- In FY 1993, state and local spending on primary and secondary education in Massachusetts totaled 3.35 percent of state personal income; by FY 2003, that figure was 4.16 percent of state personal income. This change amounts to the largest increase of its kind among the fifty states; as a result, Massachusetts' national ranking improved from 49th to 34th by this measure.
- Overall spending grew between FY 1993 and FY 2003 when measured on a cost-adjusted, per-pupil basis as well. In FY 1993, total per pupil spending for primary and secondary education was \$6,666, once interstate cost-of-living differences are taken into account. That figure grew to \$9,431 by FY 2003. Consequently, Massachusetts' national ranking for total cost-adjusted per-pupil spending (among the 48 states for which such data are available) climbed from 33rd to 19th.
- Between FY 1993 and FY 2003, the share of primary and secondary education funded from the state's coffers grew from 31.5 percent to 41.4 percent. This nearly one-third increase was the seventh largest increase of its kind among the 50 states.

However, these same data demonstrate that, while the Commonwealth has, over the course of the past decade or so, significantly increased funding for primary and secondary education, the investments it makes in educating its children still lag behind those of many other states:

- In FY 2003, state and local spending on public primary and secondary education in Massachusetts amounted to 4.16 percent of personal income, earning the Commonwealth a rank of 34th. Nationally, state and local spending on public primary and secondary education constituted 4.63 percent of personal income in FY03, roughly 11 percent more than in Massachusetts.
- On a cost-adjusted basis, total spending per pupil in Massachusetts was \$9,431 in FY 2003, leaving the Commonwealth 19th in the country and modestly above the overall U.S. mark of \$9,388 per pupil.

- Local governments, even now, provide the largest share of revenue for public elementary and secondary education in Massachusetts. In FY 2003, they provided 52.4 percent. State government provided 41.4 percent of such revenue, while the federal government supplied just 6.2 percent. Consequently, Massachusetts continues to rely more than most states on local governments to generate revenue for public primary and secondary education. Among local governments, those in Massachusetts produced the 8th largest share of total public elementary and secondary education revenue. Local governments across the United States provided 42.7 percent of revenue for public primary and secondary education in FY 2003.

Introduction

As Massachusetts emerges from the fiscal crisis of the past several years, one issue that is certain to receive renewed attention is potential modifications to the Commonwealth's landmark Education Reform Act. Enacted in 1993, the Act engendered major changes in the financing of public primary and secondary education in Massachusetts. In particular, it established a "foundation budget," the amount of funding deemed necessary to provide an adequate education to children in a given school district. The Act not only stipulated the amount of local revenue cities and towns were expected to contribute towards meeting their respective foundation budgets, but also altered the formula by which state education aid is distributed to ensure that local governments would, over time, be able to meet those budgets. As a result, the Act produced a noticeable increase in state funding for public primary and secondary education, especially in low-income communities.

The Act envisioned that, by FY 2000, state education aid would reach levels sufficient to permit all school districts to meet their respective foundation budgets. That goal was in fact met, but, the timing of – and the strains imposed by – the fiscal crisis has prevented policymakers, since that time, from taking any further strides towards resolving some of the remaining tensions found in the original Act. Worse still, rather than continue the progress made between 1993 and 2000 in education financing, the Commonwealth has retreated noticeably over the last few years – between FY 2002 and FY 2004, no state in the nation cut real per pupil funding for education more than Massachusetts did.¹ While those funding reductions have yet to be restored in real terms, discussions about a new phase of education reform will likely soon begin in earnest as tax revenue starts to grow in a sustained fashion and as the Commonwealth's fiscal situation achieves some degree of stability.

Consequently, this paper – the third edition of *Public School Funding in Massachusetts* – provides a brief explanation of the funding formula contained in the Education Reform Act and the principles on which it was based. The paper then highlights several of the education financing challenges that Massachusetts currently faces and outlines some of the options for meeting them. Finally, it uses U.S. Census Bureau data for FY 1993 through FY 2003 – the most recent year for which such data are available – to illustrate the trends in education finance since the Education Reform Act was put in place and to compare the Commonwealth's investments in primary and secondary education to those of other states. These data demonstrate that, while the Commonwealth has, over the course of the FY93 to FY03 period, significantly increased funding for primary and secondary education, it still lags behind much of the country in the share of economic resources it dedicates to educating its children.

¹ Reschovksy, Andrew, "The Impact of State Government Fiscal Crises on Local Governments and Schools," Madison, WI: Robert M. LaFollette School of Public Affairs, University of Wisconsin (Madison), December 2003, p. 27.

The Massachusetts Education Funding Formula

The Education Reform Act of 1993 established a school funding formula based on three principles:

1. Adequate funding should be available to every school district to provide each child with a quality education.
2. Local communities should each contribute to their schools according to their ability to pay.
3. The state should provide enough funding for each school district to fill the gap between the required local contribution and the funding level needed to provide each child with a quality education.

The manner in which each of these principles is embodied in the funding formula is discussed below.

How the state determines the minimum funding level for each school district

The funding formula of the Education Reform Act was developed between 1991 and 1993, prior to the implementation of the Massachusetts education standards and the MCAS test. As a result, there was no clear definition, at the time, of what a quality education would be or how it would be measured.

To determine the minimum amount of funding schools would need, the Education Reform Act relied on a report by the Massachusetts Business Alliance for Education (MBAE), a business-backed education advocacy group. The report, *Every Child a Winner*, made a series of recommendations for reforming public education in Massachusetts. Its recommendations included many of the standards-based reforms that were ultimately incorporated into the Education Reform Act. The report also included a detailed study of the cost of providing a quality education. But this study could not be based on the costs of meeting the new standards, as those standards had not been developed. Rather, the report was built on discussions with superintendents operating schools under the rules in place before enactment of the Education Reform Act.

The report describes its cost estimation process as follows:

MBAE developed a "foundation budget" based on a functional model of a school system compiled with the help of knowledgeable school superintendents. This foundation budget sets standards for student teacher ratios, maintenance expenditures, support personnel, teacher training, and budgets for computer purchases and educational supplies and so on.²

² Massachusetts Business Alliance for Education, *Every Child a Winner!*, July 1991, p. 36.

Building on the MBAE report, the Education Reform Act put into law a series of formulas that determine a unique foundation funding level for each school district in the state. The formulas look at how many students are in each district, what grades they are in, how many come from low-income families and how many have limited proficiency in English. Based on these factors, the formulas determine how much each school district will need to spend on staff, facilities, books, and other costs. The total cost determined by this formula is called the “foundation budget” for the district. It is the minimum amount that the state, in 1993, believed would be required to provide an adequate education for the students in that district. The law also required that these foundation budgets be updated each year to reflect inflation and changing enrollments.

When the Education Reform Act was enacted in 1993, “two-thirds of the state’s students were in districts that spent below foundation, often by a large margin.”³ The law set a seven year phase-in process to provide enough new funding to bring every district up to the foundation level. By 2000 this objective was achieved: new state and local funding allowed every district in the state to spend the foundation budget amount. But the state has never determined whether the amounts specified in the 1993 law are adequate to meet the needs of schools that are now holding students to new educational standards that are much tougher than those that were in place when the MBAE cost study was completed.

How each community’s minimum local contribution to its schools is determined

Before the enactment of the Education Reform Act, there were no state-wide standards for how much each local community should contribute towards its schools. Some provided very generous funding and others very little. Because the Education Reform Act committed the state to provide the funding necessary to close the gap between the appropriate local contribution and the foundation budget amount for each district, the state had to establish a set of rules about how much each community should contribute towards the funding of its own schools.

The basic principle adopted by the Education Reform Act is that each community should contribute an amount to its schools that is equivalent to the amount that the community would raise by imposing a property tax of a little less than 1 percent (0.94 percent, to be precise). In many wealthy communities with high property values, this tax rate would raise more than enough to fund the full costs of their schools. In property-poor districts, this tax rate would generate only a small fraction of the foundation budget amount. The state determined that rather than requiring people in low income communities to tax themselves at higher rates than people in wealthier communities, state aid to localities would be used to fill the gap between what each community would be able to raise at a 0.94 percent property tax rate and the amount of money that the state law determined would be needed to educate the students in that district. The amount that each community would be able to raise by applying the 0.94 percent property tax rate to its adjusted total property value was defined as the “minimum required local contribution.”

³ Costrell, Robert M., *Massachusetts’ Hancock Case and the Adequacy Doctrine*, Harvard University Program on Education Policy and Governance (Cambridge, MA), October 2005, p. 11.

The law also requires towns annually to increase their local spending on schools by the amount that their revenues increase, as measured by their respective “Municipal Revenue Growth Factor” (MRGF), a value calculated for each town by the Department of Revenue. This factor incorporates growth in property tax capacity, local aid, and other receipts.

This basic structure was modified, however, to address several concerns. Those modifications and the issues they raise will be described in the discussion of challenges and policy options below. As will be discussed, one of the most important modifications was that the income levels of each community were incorporated into the calculations by an element of the formula that adjusts property values by income.

While the minimum required local contribution is calculated as a percentage of local property values, the law does not establish a new tax or require that the money be raised through the property tax. Communities are free to use any revenue source they choose: unrestricted local aid; existing property tax revenue; or other taxes and fees. Since many communities were already funding their schools at a level above the minimum required local contribution in 1993, those communities could simply continue providing the funding that they were already providing.

In the original law, those communities that were spending significantly below the required amount were required gradually to close that gap – in addition to the increases described by the MRGF. That mandate, however, proved difficult for communities to meet, and has been annually suspended by the Legislature.

How state funding is targeted

Because the Education Reform Act made the state ultimately responsible for ensuring that every district would have adequate funding, the law established a major new state funding commitment: to fill the gaps between the foundation budget amount for each district and the amounts that each community would contribute as a result of the minimum required local contribution. At the time of the enactment of the Education Reform Act, it was estimated that an additional \$1.1 billion in education aid would be needed to fill this gap.

It is important to recognize that this formula could lead to the state providing a very different share of the school’s budget in different communities. As described above, in a community with high property wealth, a 0.94 percent property tax rate could provide more than is needed to fund local schools. As a result, that school district would get no state aid.

Challenges and Policy Options

Could the Education Reform Act definition of adequate funding be improved?

1. Should there be a new comprehensive evaluation of the cost of education?

As described above, state law currently relies on a definition of adequate funding that was adopted before the implementation of the standards-based reforms of the 1990s and before the enactment of the federal No Child Left Behind law.

Today, a more accurate benchmark for adequate funding could be built by an actual examination of the resources needed to achieve specific outcomes. The state could begin by selecting the subjects on which students should be expected to achieve specific competencies, deciding what standard of achievement should be required in each subject, evaluating the resources and learning time needed to give students the opportunity to meet those standards, and then analyzing what it would cost local schools to provide the needed resources. Such an evaluation could also consider the specific needs of districts with large numbers of low-income students, special education students, or students for whom English is a second language.

The option of doing this type of rigorous cost analysis did not exist in 1993, as there were no serious state standards, no way to measure progress towards those standards, and, therefore, no way to know how to help kids meet the standards and what it would cost. The original Education Reform Act called for periodic review of the formula, but this requirement has not led to any comprehensive updating of the foundation budget by the Legislature.

Now, the state could undertake a comprehensive study of the adequacy of the foundation budget, in the context of the challenges schools currently face. Such a study could be initiated either by the executive or legislative branch of government. Indeed, roughly half of all state governments either have conducted or are in the process of conducting education cost studies.⁴

Various methodologies would be available. Researchers could examine effective schools in Massachusetts or across the country. They could apply research findings on educational strategies that work and determine the costs of implanting those strategies. They could choose to seek input from teachers, principals, superintendents and parents. If such a study were to determine that the foundation budget established in 1993 needs to be updated, the Legislature could then amend the education funding law to reflect the costs of giving all schools the resources they need to help students to meet the challenging state standards.

2. Should other specific changes in the foundation budget formula be considered?

Alternatively, policymakers could examine specific elements of the foundation budget formula and decide whether specific improvements could be made. For example, the foundation budget includes assumptions about how many students there should be per teacher. The state could

⁴ Hunter, Molly A., *Status of Education Cost Studies*, Campaign for Fiscal Equity, 2005.

make a policy choice to support smaller class sizes to allow teachers to provide more individual attention to students. To accomplish this, policymakers could choose to adjust the student-teacher ratios built into the foundation formula to provide the funding that would be needed to reduce class sizes in Massachusetts schools. Policymakers could also decide to provide school districts with the resources to pay for a longer school day or longer school year to allow for more instructional time and for expanded learning opportunities for children. This could be done by building into the funding formula the added costs of extending the school day or school year. The state could also decide to make a new commitment to funding coordinated professional development strategies that could strengthen the capacity of schools to adopt best practices and build those costs into the foundation budget.

It is important to note, however, that while state law determines how much money each school district will be guaranteed to receive, it does not dictate how the money is spent. Increasing the foundation budget to provide adequate funding for smaller classes would not force local districts to use the money for that purpose. Under existing law they would be free to make their own decisions about how they can most effectively use their resources to educate their students. They could use the new revenue to restore other services such as police or fire departments that have been cut during the recent fiscal crisis or achieve any number of other goals. If it chose to do so, however, the state could explicitly require that new resources be used for specific purposes.

Could local contribution requirements more accurately reflect municipal capacity?

Under current law the amount that each community is required to contribute towards its schools is determined by local property values, by the incomes of its residents, and by its historic spending on its schools. The following section describes how these issues interact in the education funding formula, highlights some issues the formula doesn't address, and discusses policy options related to these issues.

1. Should property value or income be the primary measure of capacity?

To address the problem that some communities have high property values but residents with relatively low incomes, the formula adjusts each community's property values by the percentage by which the town's average per capita income varies from the state average. Thus, if a town has an average per capita income 30 percent below the state average, its adjusted property value is set at 30 percent below its actual property value. Every community is then expected to contribute the same amount (0.94 percent) of its adjusted property value towards its schools. Property values are adjusted for income in recognition of the fact that there are times when property values do not reflect the ability of local residents to pay taxes. This entire structure, however, has never been fully implemented. Recognizing the difficulty that communities with historically low spending on their schools have in catching up, the Legislature has essentially suspended the requirement that they do so. As a result, actual spending requirements now reflect not just capacity as measured by property values or incomes, but also historic spending patterns.

One possible modification in the local spending requirement would be for the local contribution calculation to rely less on property values and more on individual incomes. Income is often a better measure of ability to pay than are property values. This is particularly true for senior citizens who may own property that has appreciated in value while their incomes may have declined due to retirement. The challenge with moving to more of an income-based system for determining local contributions, however, is that local governments generate their revenue primarily through the property tax. The structure of the property tax is built around taxing residents based on their property values. The state even has a tax limitation law (Proposition 2 ½) that prohibits property tax rates above specified levels regardless of how high the incomes of the property owners might be. As an alternative, it would be possible simply to further adjust local property values to give additional weight to local incomes as a factor in the formula.

Another possible modification would be to require increased spending by those communities that are spending at significantly below the levels the formula would dictate. Because local communities have received significant local aid cuts over the past several years, this could be impractical. It would, however, be a modification that would require similar communities to be treated more consistently.

The most dramatic shift towards using income rather than property values as the basis for education funding would be to eliminate that portion of local property taxes that fund education and finance the entire system through an expanded state-wide income tax. Since local property taxes provide approximately \$3.83 billion a year in funding for our schools, replacing this funding with an income tax would require an increase in the income tax rate from 5.3 percent to about 7.4 percent.⁵ For someone earning \$60,000 a year, the change would mean a personal income tax increase of roughly \$1,140 (because of deductions, the income tax rate is not applied to a taxpayer's gross income). That same taxpayer, however, would no longer pay any local property taxes for schools – which would reduce her property taxes by about 50 percent, depending on where she lives.

There would be obvious concerns with such a dramatic change in our education financing system: it would give us one of the highest income tax rates in the nation and it would reduce local control over decisions about funding local schools. It would not, however, change our overall tax burden – we would still be paying a smaller percentage of our total income in state and local taxes than the residents of more than thirty other states. We would also be funding our schools with our most equitable tax – the income tax. It would also be possible to take more moderate steps in this direction. The Commonwealth could choose to shift any share of the education funding obligation from local property taxes to state income taxes.

⁵Cities and towns contributed approximately \$4.89 billion of the \$8.15 billion in net school spending in FY 2003; of that \$4.89 billion, it is assumed that 78.4 percent was derived from local property taxes, as that is the share of general local revenue dedicated to local education contributions that is supplied by that particular tax. Thus, 78.4 percent of \$4.89 billion is roughly \$3.83 billion.

2. Should the state provide a uniform minimum percentage of local costs?

Another issue that has arisen in the context of evaluating local contributions is whether the state should provide a minimum percentage of each community's school budget. Under the existing system, a community with very high property values (or relatively few students) could receive no additional aid under the existing formula. If the 0.94 percent of property value calculation for a given community provides more than enough to educate all of the students in that community, then the formula treats that community as not being in need of additional state aid.

In fact, that community is not required even to spend the full 0.94 percent of local property value on its schools as long as it is able to provide the foundation budget amount. Because of its high property wealth, such a town is able to tax its residents at a lower rate than other communities and still generate enough to finance its schools. Because such a community can provide foundation level funding without additional state aid, the basic formula does not provide additional aid. Some have argued, however, that the state should provide some minimum percentage of each district's budget (perhaps 20 percent), regardless of need.

The funding formula could be adjusted to meet this concern by stipulating that each district's state aid will be the amount dictated by the funding formula or 20 percent of the district's foundation budget, whichever is greater. The state has already taken steps in this direction by frequently distributing a share of education aid on a per pupil basis – providing a specified amount of new aid per student to every district, regardless of need. Such a policy responds to the perception that it is unfair for some districts to get little or no aid from the state while others receive substantial aid. But distributing aid in this manner conflicts with the principal that the state aid should be used to compensate for the fact that communities with low property values and low incomes have to tax themselves at substantially higher rates to generate the amount of tax revenue that wealthier communities can generate at lower tax rates. If the state were to determine that each community should receive at least a specified share of its schools' budget from the state, then it would be making a policy choice to provide extra aid to those districts that have the least need according to the existing needs-based formula.

3. Should the formula require all communities to contribute at the same rate?

While the Education Reform Act generally requires all communities to contribute at proportionate rates, it also includes elements that distort that basic mandate. The theory of the Act is that each town should pay the same total share of its adjusted property wealth towards education (unless it can reach its foundation budget level while paying less) and the state will fill in the gap. The problem is that, at the time the Act was adopted, some communities were spending well under the foundation budget amount.

The state could have simply required these towns to increase their contributions to meet the new standard. But in many cases Proposition 2 ½ would have prohibited them from doing this. They could put it to a local vote, but if the voters were to reject a property tax increase, the state would be faced with either paying the difference or allowing the students in those towns to attend schools that would not be adequately funded. The Supreme Judicial Court probably would have

prohibited the latter outcome. The other option would have been to force those communities to cut police, fire, and other essential services to pay for education – and nobody wanted that.

The solution was something called overburden aid: extra aid to (low- and moderate-wealth) communities that had historically spent less than the required amount on their schools. Depending upon the wealth of the community, the state provided extra aid to these communities to offset a portion of the increased contributions that they would otherwise have to pay for by raising local taxes or cutting other municipal services.

The theory of this aid is that these communities were probably overburdened with so many other costs that they couldn't afford to increase dramatically their spending on education. Nonetheless, it is somewhat unfair that communities which were doing the right thing before 1993 don't receive a type of aid which others do. The original law would have required low-spending districts to ratchet up their spending and would have phased out this overburden aid as they did so, but the requirements for low-spending districts to boost local education funding were ultimately not implemented. While in recent years the state has not explicitly distributed overburden aid, it has implicitly been incorporated into the funding system. Thus, the state still provides historically low-spending districts with the aid needed to reach foundation.

Another related problem is that similar communities often receive very different amounts of local aid outside of their education aid. Since the education funding formula permits local communities to use any available revenue for their contribution towards their schools, those communities that receive more unrestricted local aid don't have to rely as much on their local property taxes to fund their schools as do communities that receive relatively small amounts of unrestricted local aid.

In some cases these two problems could cancel each other out: if communities that receive overburden aid receive that aid because they do not receive as much unrestricted local aid as other communities, then the result is reasonably equitable. But to determine whether this is the case – or whether this element of education aid should be abolished or reformed – the state would have to examine local aid and municipal finance in general. It could be valuable for the state to work with local communities to examine the real costs of operating a municipal government for various types of communities and then examine both education aid and unrestricted local aid as part of a comprehensive revenue sharing plan that provides appropriate levels of assistance to each type of community. This could allow the state to move away from a system where historic local spending levels are a major factor in setting current requirements and towards a system where deliberate measures of need and capacity play a larger role.

Should the state provide more funding for education?

The final step in the education funding formula is for the state to fill the gap between the required local contribution and the cost of educating all the students in a district (the foundation budget amount). Any policy change that increases the foundation budget amount (for example, to fund smaller class sizes) or that decreases local contributions would require additional state funding.

During the 1990s the state steadily and substantially increased funding and by the end of that period our schools had become among the most effective in the nation. Between 2002 and 2004, however, Massachusetts led the nation in cutting per student state funding for education. Besides cutting unrestricted state aid for education, the state cut targeted aid including cuts of up to 80 percent in the funding of extra help for students at risk of failing the MCAS test. In many cases, the state has seen the steady progress in the number of children passing that test slow, and in some instances stop, after the funding cuts.

As the tables in this report show, Massachusetts spends a smaller share of our total income on public education than most states do. We are fortunate that as a high income state, we can spend a smaller portion of our income on education and still have more to spend per student than less wealthy states are able to spend. Yet we spend far less per pupil on our public schools than elite private schools spend to educate, for the most part, very privileged children. Those schools don't spend more because their students are harder to teach. Perhaps smaller classes, longer school days, better facilities and equipment, and the other things that they spend money on allow them to provide educational opportunities that typical public schools can't afford to provide.

It is unlikely that public schools will ever have the resources that private schools have. But if Massachusetts were to spend the same share of its income on public education as the average state spends – that is, 5.1 percent of its roughly \$250 billion in personal income rather than the current 4.4 percent – then our schools could have an additional \$1.5 billion a year to reduce class sizes, extend the school day and invest in other school improvements to give more of our children the secure future that a great education can provide.

Financing Trends since FY 1993

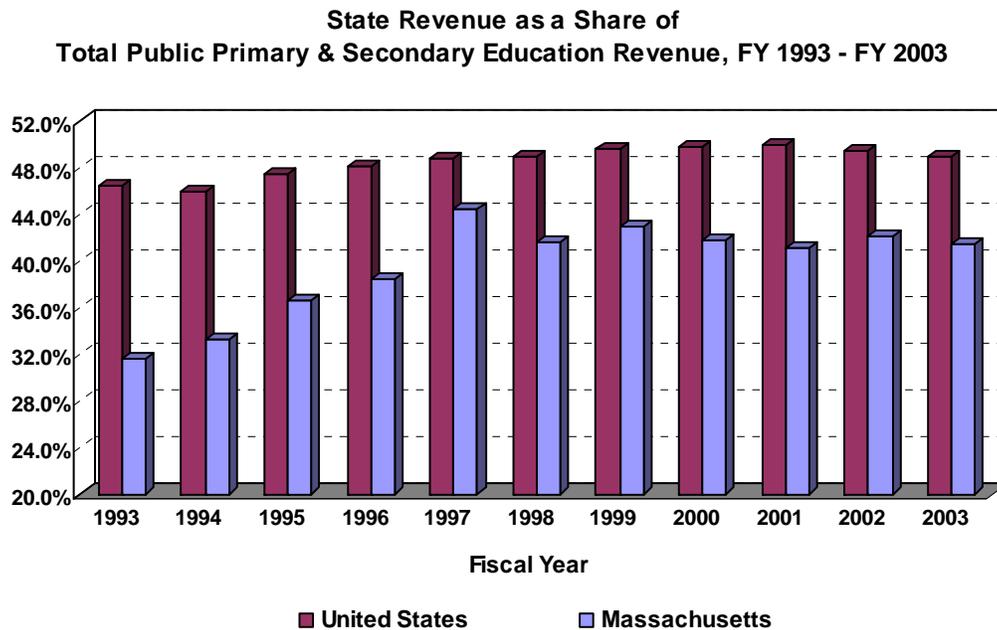
As the preceding section notes, during the 1990s, Massachusetts steadily and substantially increased funding for primary and secondary schools. This paper uses data from the U.S. Census Bureau for fiscal years 1993 through 2003 – the most recent year for which such data are available – to calculate three key measures and, in turn, to illustrate this trend: (1) the share of overall primary and secondary education revenue derived from state sources (as opposed to federal or local ones); (2) spending on primary and secondary education as a share of personal income; and (3) cost-adjusted spending per pupil.⁶ The first measure attempts to quantify the extent to which the Commonwealth has assumed responsibility for providing adequate funding across local districts; the second measure gauges the share of total economic resources within the

⁶ Data on public primary and secondary education spending were taken from U.S. Census Bureau, Governments Division, *Public Education Finances*, downloaded from <http://www.census.gov/govs/www/school.html>, October 2005. Data on state personal income is compiled by the U.S. Commerce Department, Bureau of Economic Analysis and can be obtained at <http://www.bea.doc.gov/bea/regional/statelocal.htm>; these data have been adjusted to reflect state fiscal years. Finally, cost-adjusted per pupil spending is derived by using the revised 2004 version of the Berry-Fording-Hanson state cost of living index originally found in Berry, William, D., Richard C. Fording, and Russell L. Hanson, "An Annual Cost of Living Index for the American States, 1960-95," *Journal of Politics*, vol. 60, no. 2, May 2000: 550-67. The revised version of the index is available at <http://webapp.icpsr.umich.edu/cocoon/ICPSR-PRA/01275.xml>. The index is set so that the cost of living in each state is measured as a percentage of the cost of living in the two median states – Kansas and Indiana – in 2003. Please note that this index is different from the one used in prior editions of this report; consequently, figures regarding cost adjusted per pupil spending on primary and secondary education can not be compared across reports.

state that is dedicated to primary and secondary education; and the third measure adjusts nominal per pupil spending figures to account for interstate cost-of-living differences. If such an adjustment were not made, Massachusetts' spending per pupil would appear artificially high – particularly in relation to other states – since the cost of providing goods and services here – education included – is greater than just about anywhere else in the country. These data show that:

- In FY 1993, cities and towns in Massachusetts provided 63.5 percent of all revenue for primary and secondary education, far in excess of the 47.0 percent of education revenue that cities and towns provided nationwide. Indeed, in FY 1993, cities and towns in just two states – New Hampshire and Michigan – were responsible for a larger share of public education funding than those in Massachusetts.
- Between FY 1993 and FY 2003, the share of primary and secondary education funded from the state's coffers grew from 31.5 percent to 41.4 percent. This nearly one-third increase was the seventh largest increase of its kind among the 50 states.

Figure 1.⁷

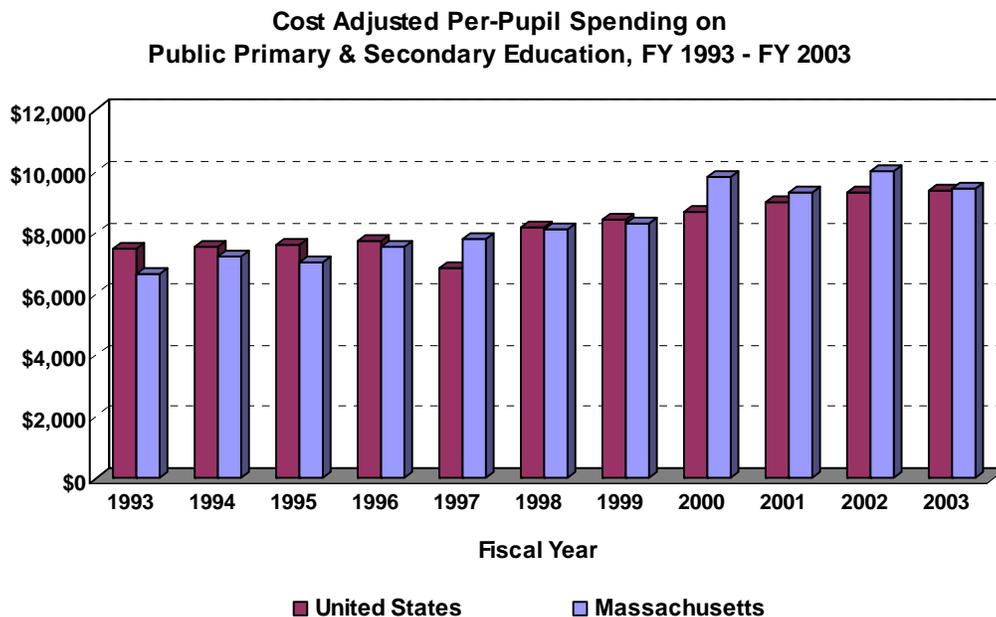


⁷ Figure 1 shows a spike in state revenue as a share of total public and primary secondary education revenue in FY 1997, when that form of revenue comprised 44.4 percent of total revenue. However, in that year, the Census Bureau's data include a value of \$727.8 million for a subcategory of state revenue listed as "other and nonspecified state aid." This is at least \$400 million above the values listed for the same subcategory in either FY 1996 or FY 1998. If this \$400 million spike were excluded, Figure 1 would show a much smoother progression between FY 1996 and FY 1998.

This growth in the Commonwealth’s responsibility was accompanied by a sizable increase in the resources available for primary and secondary education.

- In FY 1993, state and local spending on primary and secondary education in Massachusetts totaled 3.35 percent of state personal income; by FY 2003, that figure was 4.16 percent of state personal income. This change amounts to the largest increase of its kind among the fifty states; as a result, Massachusetts’ national ranking improved from 49th to 34th by this measure.
- Overall spending grew between FY 1993 and FY 2003 when measured on a cost-adjusted, per-pupil basis as well. In FY 1993, total per pupil spending for primary and secondary education was \$6,666, once interstate cost-of-living differences are taken into account. That figure grew to \$9,431 by FY 2003. Consequently, Massachusetts’ national ranking for total cost-adjusted per-pupil spending (among the 48 states for which such data are available) climbed from 33rd to 19th.⁸

Figure 2.



⁸ The state cost of living index developed by Berry, Fording, and Hanson and used in this report does not include data for Alaska and Hawaii; consequently, all rankings contained in this paper based on cost-adjusted per pupil spending are out of a possible 48 states rather than out of the complete 50 states. It also does not include a value for the United States in the aggregate; consequently, the values for the United States in Figure 2 – and in subsequent discussions of cost-adjusted spending – are based on a weighted average of the cost of living for each of the 48 states in the index.

Massachusetts' Standing in FY 2003

Despite these advances, Massachusetts still lags behind other states in two key respects: its reliance on local governments to finance public primary and secondary education and the share of available economic resources it devotes to such purposes. It does, however, tend to dedicate a larger proportion of education spending directly to instruction than most states.

Total Spending

Under the Census Bureau's system of classification, total spending on education is made up of current spending and capital spending. Current spending includes all those expenditures necessary for day-to-day operations – pencils, books, teacher salaries, etc. Capital spending is defined as “direct expenditure for construction of buildings ... and other improvements” as well as “for purchases of equipment, land, and existing structures...” It does not include building maintenance or repairs – those expenses are categorized as current spending.

- When operating and capital costs are combined and adjusted for state cost-of-living differences, total spending per pupil in Massachusetts was \$9,431 in FY 2003, leaving the Commonwealth 19th in the country and modestly above the overall U.S. mark of \$9,388 per pupil.
- However, when personal income is taken into account, Massachusetts' total education spending was considerably less than the majority of states. In FY 2003, total spending on public primary and secondary education in Massachusetts amounted to 4.4 percent of personal income, earning the Commonwealth a rank of 44th. Nationally, total spending on public primary and secondary education constituted 5.1 percent of personal income in FY03, roughly 16 percent more than in Massachusetts.
- If one were to exclude the amount of spending enabled by federal education aid to the states from total spending – and, thus, to examine state and local spending on public primary and secondary education in isolation – Massachusetts' relative standing does improve slightly. That is, in FY 2003, state and local spending on public primary and secondary education in Massachusetts equaled 4.2 percent, putting Massachusetts in 34th place.⁹

⁹ This measure is derived by reducing total state and local spending on public primary and secondary education spending as a share of personal income by the share of total revenue that federal funds comprise in each state. For instance, in FY 2003, 6.2 percent of total public primary and secondary education revenue in Massachusetts came from federal sources, while total public primary and secondary education spending as a share of personal income was 4.44 percent of personal income. Thus, 93.8 percent of 4.44 percent is 4.16 percent.

Current Spending

- On a per pupil basis, when adjusted for cost-of-living differences, current spending in Massachusetts was the 11th highest in the country in FY 2003. The Commonwealth spent \$8,763 per pupil or 7.1 percent more than the comparable national amount.
- Nevertheless, when measured as a share of income, current spending for public elementary and secondary education in Massachusetts ranked 35th in the nation in FY 2003. A total of 4.1 percent of personal income was devoted to this expenditure category that year.
- Approximately 63 percent of current spending in Massachusetts in FY 2003 was used for instruction. Just seven states – led by New York with 69 percent – dedicated a larger share of current spending to teaching that year. Almost all remaining current spending in Massachusetts – roughly one-third – went to support services. By comparison, the fifty states, when taken together, devoted 60.5 percent of current spending to instruction and 34.1 percent to support services.
- Cost-adjusted per pupil spending on instruction in Massachusetts totaled \$5,537 in FY 2003, putting it in 8th place.

Capital Spending

The Census data show that capital spending for primary and secondary education in Massachusetts ranked in the lower tenth of states in FY 2003. All capital projects performed by state and local entities are included in the capital outlay figures.

- Massachusetts allocated a cost-adjusted amount of \$360 per pupil to capital outlays in FY 2003, leaving it 46th out of the 48 states for which cost-adjusted data are available.
- Measured as a share of income, Massachusetts was 48th in the country in spending for capital outlays, allocating 0.17 percent of personal income to such outlays in FY03. The national average for capital spending – 0.56 percent of personal income – was more than three times that of Massachusetts.

State and Local Contributions

The Census Bureau's data also offer some insight into the way in which primary and secondary education spending is financed in Massachusetts relative to other states. Of note:

- Local governments provided the largest share of revenue for public elementary and secondary education in Massachusetts for FY 2003 – 52.4 percent. State government provided 41.4 percent of such revenue, while the federal government supplied just 6.2 percent.

- Consequently, Massachusetts continues to rely more than most states on local governments to generate revenue for public primary and secondary education. Among local governments, those in Massachusetts produced the 8th largest share of total public elementary and secondary education revenue. Local governments across the United States provided 42.7 percent of revenue for public primary and secondary education in FY 2003.
- In addition, Massachusetts depends less on federal aid than the vast majority of states – the share of total revenue that federal aid comprised in Massachusetts in FY 2001 was 44th in the country. This is most likely attributable to the manner in which federal education aid is distributed. Funds available under Title I, “the largest federal program supporting elementary and secondary education,” are “generally targeted based on numbers and percentages of poor children.”¹⁰ According to data from the US Census Bureau’s American Community Survey, in 2003, only 8 states had a lower child poverty rate than Massachusetts, where it was 12.5 percent.

Postscript – State Spending on Education since FY 2003

Although fiscal year 2003 is the most recent year for which Census Bureau data on public primary and secondary education spending for the entire United States are available, data on state appropriations since that time provide some insight into how that type of spending has fared in Massachusetts since the depths of the Commonwealth’s fiscal crisis. Most notably, Chapter 70 education aid, the principal form of financial assistance that the Commonwealth provides to cities and towns for primary and secondary education, fell from \$3.26 billion in FY 2003 to \$3.11 billion in FY 2004, held steady at that level in the FY 2005 General Appropriations Act (GAA) and finally rebounded to \$3.29 billion in the FY 2006 GAA. After adjusting for inflation, however, Chapter 70 aid in FY 2006 will remain some \$200 million below its FY 2003 level.¹¹

In the years following FY 2003, other primary and secondary education funding, largely in the form of grants from the Commonwealth to local school districts, initially continued the downward trend it began in FY 2001, before rebounding somewhat in the last two budgets. More specifically, primary and secondary education grant programs totaled \$500.3 million in FY 2001; by FY 2003, they had declined to \$371.1 million and had dropped to \$309.1 million by FY 2004. Since FY 2004, this type of spending appears to have grown substantially, reaching \$486.9 million in FY 2006, an increase of roughly \$115 million – or about 31 percent – over

¹⁰ *Title I Funding: Poor Children Benefit Though Funding Per Poor Child Differs*, United States General Accounting Office, January 2002, p. 1-3.

¹¹ This comparison uses the Consumer Price Index for All Urban Consumers (CPI-U), US City Average, to adjust for inflation. Alternative measures of inflation could be used; for instance, the U.S. Commerce Department, as part of the National Income and Product Accounts, calculates an implicit price deflator for state and local government expenditures, which is based on the set of goods and services that state and local governments typically purchase. Using this measure of inflation yields a decline in Chapter 70 funding between FY 2003 and FY 2005 of \$318.5 million in constant FY05 dollars – or 9.1 percent. In contrast, using the CPI-U yields a real decline of \$247.1 million – or 7.2 percent – over the same period.

FY 2003 levels. However, the full amount of the increase in primary and secondary education grants programs between FY03 and FY06 is exceeded by the growth in appropriations for one particular program – the special education “circuit breaker”, intended to reimburse school districts for the costs of educating special needs students. Funding for the circuit breaker was \$70.6 million in FY03 and \$201.6 million in FY06, a difference of \$130 million. Thus, excluding this particular appropriation reveals a net cut to primary and secondary education funding other than Chapter 70 since FY03. Moreover, overall spending on grant programs is still approximately \$76 million – or more than 13 percent – below its FY01 levels in real terms.¹²

Indeed, several critical education programs continue to suffer from exceptionally sharp reductions in spending over the last few years. For instance, after accounting for inflation, support for early literacy has declined 46 percent since FY 2003 and funding for programs designed to provide remedial assistance to students who perform poorly on the MCAS has plummeted 71 percent. A program designed to reduce class sizes in kindergarten through the third grade has been completely eliminated.

¹² Again, using a different measure of inflation may yield different results. If the nominal decline in overall spending on education grant programs between FY01 and FY05 is adjusted for inflation using the CPI-U, the result is a drop of \$84.5 million or 15.4 percent. If the implicit price deflator for state and local government expenditures is used instead, the decline is \$105.3 million or 18.5 percent.

Table 1.

Spending on Public Primary and Secondary Education as a Share of Personal Income, FY 2003

Total Spending		State and Local Spending		Current Spending		Capital Spending	
	United States 5.1%		United States 4.6%		United States 4.3%		United States 0.56%
1	Alaska 7.6%	Alaska 6.2%		Alaska 6.3%		Alaska 1.17%	
2	Michigan 6.1%	New York 5.7%		Vermont 5.6%		New Mexico 0.88%	
3	New York 6.1%	Michigan 5.6%		West Virginia 5.4%		Nevada 0.84%	
4	Texas 5.9%	New Jersey 5.5%		New York 5.3%		South Carolina 0.81%	
5	Vermont 5.9%	Vermont 5.5%		New Jersey 5.1%		Utah 0.80%	
6	New Mexico 5.8%	Texas 5.3%		Maine 5.1%		Michigan 0.79%	
7	West Virginia 5.8%	Wyoming 5.3%		Michigan 5.1%		Texas 0.76%	
8	Wyoming 5.8%	Ohio 5.2%		Wyoming 5.0%		Minnesota 0.71%	
9	New Jersey 5.7%	West Virginia 5.2%		Montana 4.9%		Wyoming 0.70%	
10	South Carolina 5.7%	Maine 5.2%		New Mexico 4.9%		Georgia 0.69%	
11	Maine 5.6%	Wisconsin 5.2%		Wisconsin 4.8%		Ohio 0.69%	
12	Ohio 5.5%	South Carolina 5.1%		Texas 4.8%		Illinois 0.66%	
13	Wisconsin 5.5%	Indiana 5.1%		Georgia 4.7%		New York 0.66%	
14	Georgia 5.5%	Georgia 5.0%		Ohio 4.7%		Nebraska 0.65%	
15	Indiana 5.5%	New Mexico 5.0%		South Carolina 4.7%		Delaware 0.63%	
16	Montana 5.3%	Minnesota 4.8%		Rhode Island 4.6%		California 0.63%	
17	Minnesota 5.1%	Iowa 4.7%		Indiana 4.6%		Oregon 0.60%	
18	Nebraska 5.1%	Nebraska 4.7%		Arkansas 4.5%		Washington 0.59%	
19	Iowa 5.1%	Pennsylvania 4.6%		Iowa 4.4%		Arizona 0.59%	
20	Illinois 5.1%	Illinois 4.6%		Oklahoma 4.4%		Florida 0.58%	
21	Utah 5.0%	Utah 4.6%		Mississippi 4.4%		South Dakota 0.58%	
22	Pennsylvania 5.0%	Montana 4.5%		Nebraska 4.4%		Iowa 0.56%	
23	Arkansas 5.0%	Rhode Island 4.5%		Kansas 4.3%		Idaho 0.53%	
24	Idaho 5.0%	Idaho 4.5%		Idaho 4.3%		Colorado 0.53%	
25	California 4.9%	Oregon 4.5%		Pennsylvania 4.3%		Indiana 0.49%	
26	Oregon 4.9%	Kansas 4.5%		Louisiana 4.3%		New Jersey 0.48%	
27	Mississippi 4.9%	California 4.4%		North Dakota 4.3%		New Hampshire 0.48%	
28	Kansas 4.8%	Arkansas 4.4%		Illinois 4.2%		Pennsylvania 0.48%	
29	Rhode Island 4.8%	Missouri 4.4%		California 4.2%		Missouri 0.46%	
30	North Dakota 4.8%	Delaware 4.4%		Minnesota 4.2%		North Dakota 0.46%	
31	Oklahoma 4.8%	New Hampshire 4.3%		Missouri 4.2%		Wisconsin 0.44%	
32	Louisiana 4.8%	Connecticut 4.2%		Kentucky 4.1%		Virginia 0.44%	
33	Missouri 4.7%	Oklahoma 4.2%		Oregon 4.1%		Mississippi 0.41%	
34	Delaware 4.7%	Massachusetts 4.2%		Hawaii 4.1%		North Carolina 0.41%	
35	South Dakota 4.6%	Mississippi 4.1%		Massachusetts 4.1%		Tennessee 0.39%	
36	New Hampshire 4.5%	Louisiana 4.1%		Utah 4.1%		Arkansas 0.38%	
37	Alabama 4.5%	Nevada 4.1%		Delaware 4.0%		West Virginia 0.38%	
38	Connecticut 4.5%	Virginia 4.1%		Alabama 4.0%		Maine 0.37%	
39	Massachusetts 4.4%	North Dakota 4.1%		Connecticut 4.0%		Alabama 0.37%	
40	Kentucky 4.4%	Washington 4.0%		South Dakota 4.0%		Connecticut 0.37%	
41	Washington 4.4%	Colorado 4.0%		New Hampshire 3.9%		Louisiana 0.35%	
42	Nevada 4.4%	Alabama 4.0%		Maryland 3.8%		Oklahoma 0.34%	
43	Virginia 4.4%	Hawaii 4.0%		Virginia 3.8%		Maryland 0.33%	
44	North Carolina 4.3%	Maryland 3.9%		North Carolina 3.8%		Montana 0.33%	
45	Hawaii 4.3%	Kentucky 3.9%		Washington 3.6%		Kansas 0.30%	
46	Colorado 4.3%	North Carolina 3.9%		Colorado 3.6%		Vermont 0.25%	
47	Maryland 4.2%	South Dakota 3.9%		Tennessee 3.5%		Hawaii 0.17%	
48	Arizona 4.2%	Arizona 3.7%		Arizona 3.4%		Massachusetts 0.17%	
49	Florida 4.0%	Florida 3.6%		Florida 3.4%		Kentucky 0.12%	
50	Tennessee 4.0%	Tennessee 3.6%		Nevada 3.3%		Rhode Island 0.09%	

Figure 3.

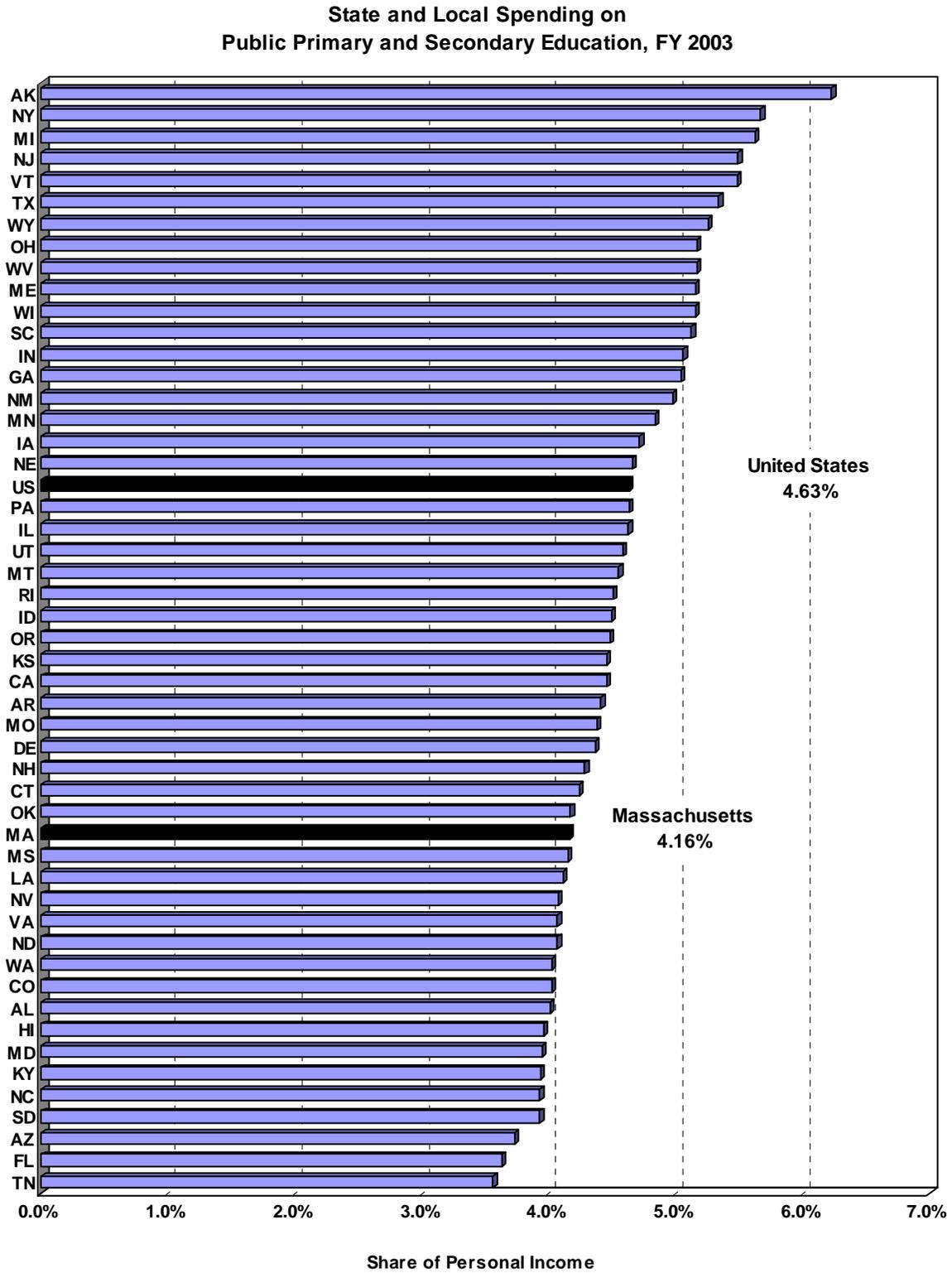


Table 2.

Spending Per Pupil on Public Primary and Secondary Education, FY 2003
(in dollars; adjusted for interstate cost-of-living differences)

Total Spending		Current Spending		Capital Spending		
	United States	9,388	United States	8,070	United States	1,045
1	New York	12,499	New York	10,892	Delaware	1,549
2	New Jersey	11,907	New Jersey	10,684	Nevada	1,539
3	Delaware	11,565	Delaware	9,908	Minnesota	1,373
4	Wyoming	10,958	Vermont	9,648	South Carolina	1,367
5	Michigan	10,299	Wyoming	9,549	New York	1,360
6	Pennsylvania	10,291	West Virginia	9,343	Michigan	1,338
7	Ohio	10,237	Maryland	8,960	Wyoming	1,328
8	Vermont	10,221	Connecticut	8,896	New Mexico	1,306
9	West Virginia	10,041	Pennsylvania	8,879	Texas	1,280
10	Wisconsin	10,014	Wisconsin	8,806	Ohio	1,277
11	Texas	9,995	Massachusetts	8,763	Illinois	1,260
12	Connecticut	9,917	Ohio	8,712	Florida	1,251
13	Minnesota	9,881	Rhode Island	8,641	Georgia	1,220
14	Maryland	9,845	Michigan	8,572	Nebraska	1,145
15	Georgia	9,658	Maine	8,389	Washington	1,122
16	Illinois	9,601	Georgia	8,311	California	1,088
17	Indiana	9,537	Virginia	8,195	Oregon	1,074
18	South Carolina	9,486	Illinois	8,063	Colorado	1,043
19	Massachusetts	9,431	Texas	8,061	Arizona	1,011
20	Virginia	9,372	Minnesota	8,057	New Jersey	1,006
21	Maine	9,178	Indiana	8,004	Pennsylvania	981
22	Nebraska	9,007	Montana	7,868	Utah	964
23	Rhode Island	8,977	South Carolina	7,809	Iowa	957
24	Oregon	8,794	Nebraska	7,672	South Dakota	951
25	Iowa	8,702	Louisiana	7,660	Virginia	945
26	New Mexico	8,693	Iowa	7,611	New Hampshire	916
27	Florida	8,636	New Hampshire	7,462	Indiana	858
28	New Hampshire	8,555	Missouri	7,453	Missouri	832
29	California	8,510	Kentucky	7,434	Wisconsin	812
30	Missouri	8,485	Oregon	7,411	Connecticut	811
31	Montana	8,483	Kansas	7,314	Idaho	782
32	Louisiana	8,457	Arkansas	7,293	Maryland	780
33	Colorado	8,439	California	7,290	North Dakota	780
34	Washington	8,278	New Mexico	7,268	North Carolina	770
35	North Carolina	8,181	Alabama	7,256	Tennessee	769
36	Kansas	8,107	Oklahoma	7,255	West Virginia	662
37	Arkansas	8,091	North Dakota	7,199	Alabama	659
38	North Dakota	8,080	Florida	7,184	Louisiana	629
39	Alabama	8,068	North Carolina	7,180	Arkansas	619
40	Nevada	8,029	Colorado	7,056	Mississippi	616
41	Oklahoma	7,900	Tennessee	6,870	Maine	607
42	Kentucky	7,861	Washington	6,830	Oklahoma	555
43	Tennessee	7,815	Mississippi	6,616	Montana	534
44	South Dakota	7,646	South Dakota	6,519	Kansas	502
45	Mississippi	7,386	Idaho	6,328	Vermont	430
46	Idaho	7,265	Nevada	6,040	Massachusetts	360
47	Arizona	7,258	Arizona	5,936	Kentucky	212
48	Utah	6,078	Utah	4,970	Rhode Island	174
49	Alaska	N/A	Alaska	N/A	Alaska	N/A
50	Hawaii	N/A	Hawaii	N/A	Hawaii	N/A

Figure 4.

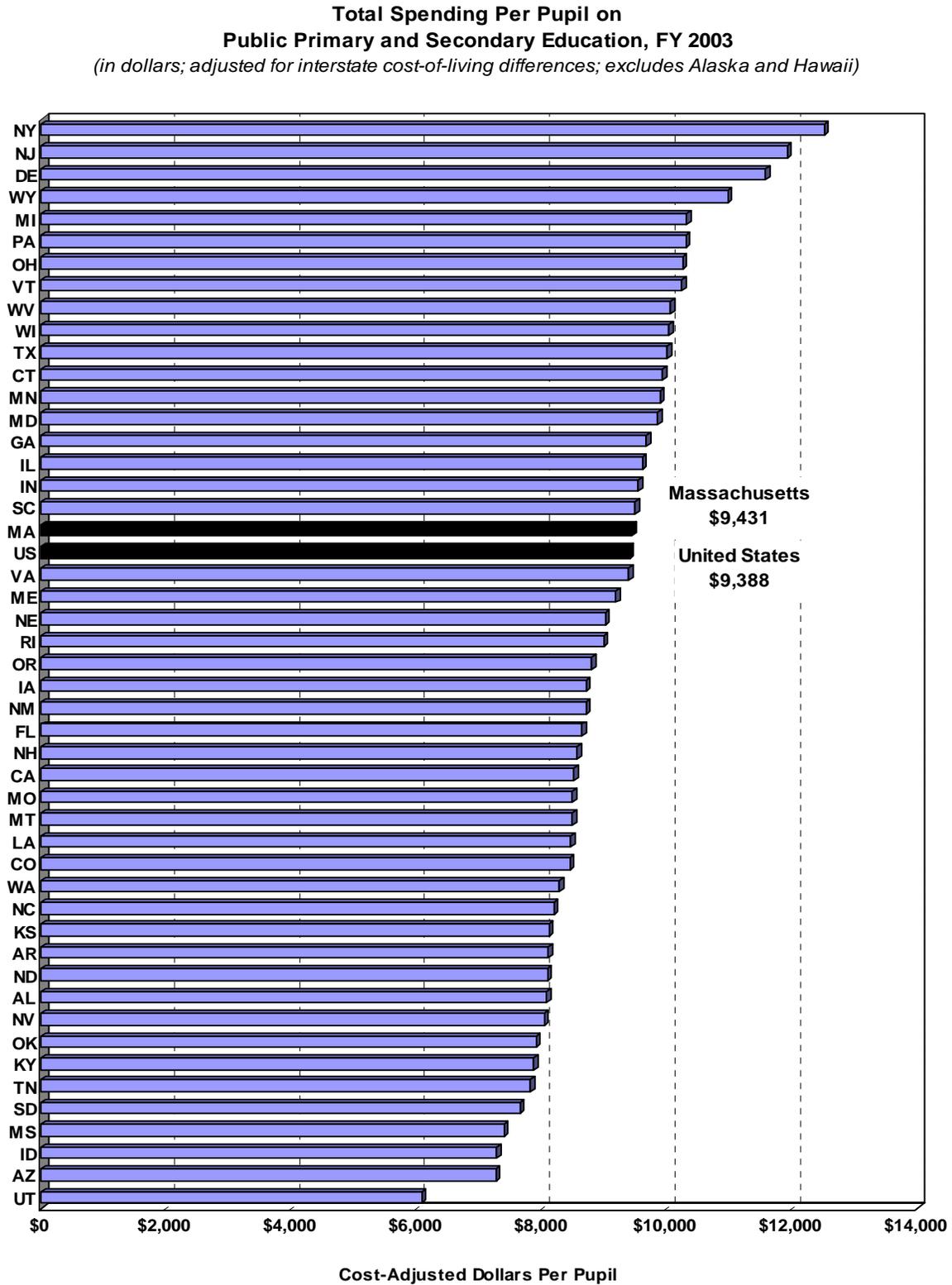


Table 3.

Composition of Public Primary and Secondary Education Revenue, FY 2003

	<u>Federal Revenue</u>		<u>State Revenue</u>		<u>Local Revenue</u>	
	<u>Share of Total Revenue</u>	<u>Rank</u>	<u>Share of Total Revenue</u>	<u>Rank</u>	<u>Share of Total Revenue</u>	<u>Rank</u>
United States	8.4%		49.0%		42.7%	
Alabama	10.9%	11	57.1%	16	31.9%	36
Alaska	18.2%	1	57.0%	18	24.8%	45
Arizona	11.4%	10	44.9%	33	43.7%	23
Arkansas	11.8%	9	74.2%	2	14.1%	48
California	10.0%	16	58.0%	15	32.0%	35
Colorado	6.4%	42	43.4%	37	50.2%	12
Connecticut	5.1%	49	36.3%	47	58.6%	1
Delaware	7.6%	32	65.8%	6	26.6%	44
Florida	10.0%	15	44.5%	34	45.5%	20
Georgia	7.8%	29	48.5%	26	43.8%	22
Hawaii	8.2%	27	90.1%	1	1.7%	50
Idaho	9.6%	17	59.0%	13	31.4%	37
Illinois	8.5%	25	35.6%	48	55.9%	3
Indiana	7.3%	35	57.1%	17	35.6%	31
Iowa	7.2%	36	46.8%	29	46.0%	18
Kansas	7.7%	30	59.0%	14	33.4%	33
Kentucky	10.3%	13	59.6%	12	30.0%	40
Louisiana	13.5%	7	48.2%	28	38.3%	29
Maine	7.9%	28	42.1%	39	50.0%	13
Maryland	6.6%	41	38.2%	44	55.3%	5
Massachusetts	6.2%	44	41.4%	41	52.4%	8
Michigan	7.6%	31	63.2%	7	29.2%	42
Minnesota	5.6%	47	73.7%	3	20.7%	47
Mississippi	14.8%	4	53.9%	21	31.3%	38
Missouri	7.4%	34	45.4%	32	47.2%	16
Montana	14.4%	6	46.2%	31	39.4%	27
Nebraska	8.9%	23	34.5%	49	56.6%	2
Nevada	6.9%	38	59.9%	11	33.1%	34
New Hampshire	5.2%	48	49.0%	25	45.8%	19
New Jersey	4.2%	50	42.5%	38	53.3%	7
New Mexico	14.6%	5	72.6%	4	12.8%	49
New York	6.8%	39	46.2%	30	46.9%	17
North Carolina	9.0%	21	60.3%	10	30.8%	39
North Dakota	15.0%	3	36.5%	46	48.5%	15
Ohio	6.2%	45	44.1%	36	49.7%	14
Oklahoma	12.7%	8	51.4%	22	35.9%	30
Oregon	8.9%	22	51.3%	23	39.8%	26
Pennsylvania	7.5%	33	36.7%	45	55.8%	4
Rhode Island	6.3%	43	41.5%	40	52.2%	9
South Carolina	9.4%	19	48.4%	27	42.2%	24
South Dakota	15.4%	2	34.1%	50	50.4%	11
Tennessee	10.2%	14	44.4%	35	45.4%	21
Texas	9.6%	18	39.1%	43	51.3%	10
Utah	9.1%	20	55.9%	19	34.9%	32
Vermont	7.1%	37	69.3%	5	23.5%	46
Virginia	6.8%	40	39.6%	42	53.7%	6
Washington	8.2%	26	62.4%	8	29.3%	41
West Virginia	10.7%	12	60.9%	9	28.4%	43
Wisconsin	6.0%	46	54.8%	20	39.2%	28
Wyoming	8.8%	24	50.9%	24	40.3%	25

Figure 5.

Composition of Public Primary and Secondary Education Revenue, FY 2003

States ranked by state revenue as share of total revenue

