Bond Case Briefs

Municipal Finance Law Since 1971

After Nearly a Decade, School Investments Still Way Down in Some States.

Public investment in K-12 schools — crucial for communities to thrive and the U.S. economy to offer broad opportunity — has declined dramatically in a number of states over the last decade. Worse, most of the deepest-cutting states have also cut income tax rates, weakening their main revenue source for supporting schools.

At least 23 states will provide less “general” or “formula” funding — the primary form of state support for elementary and secondary schools — in the current school year (2017) than when the Great Recession took hold in 2008, our survey of state budget documents finds. Eight states have cut general funding per student by about 10 percent or more over this period. Five of those eight — Arizona, Kansas, North Carolina, Oklahoma, and Wisconsin — enacted income tax rate cuts costing tens or hundreds of millions of dollars each year rather than restore education funding.

Most states raised general funding per student this year, but 19 states imposed new cuts, even as the national economy continues to improve. Some of these states, including Oklahoma, Kansas, and North Carolina, already were among the deepest-cutting states since the recession hit.

Our country’s future depends heavily on the quality of its schools. Increasing financial support can help K-12 schools implement proven reforms such as hiring and retaining excellent teachers, reducing class sizes, and expanding the availability of high-quality early education. So it’s problematic that so many states have headed in the opposite direction over the last decade. These cuts risk undermining schools’ capacity to develop the intelligence and creativity of the next generation of workers and entrepreneurs.

Download the brief.

Center On Budget and Policy Priorities

By Michael Leachman, Kathleen Masterson & Marlana Wallace

October 20, 2016