

# Policy Analysis

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## *They Spend WHAT? The Real Cost of Public Schools*

by Adam Schaeffer

### Executive Summary

Although public schools are usually the biggest item in state and local budgets, spending figures provided by public school officials and reported in the media often leave out major costs of education and thus understate what is actually spent.

To document the phenomenon, this paper reviews district budgets and state records for the nation's five largest metro areas and the District of Columbia. It reveals that, on average, per-pupil spending in these areas is 44 percent higher than officially reported.

Real spending per pupil ranges from a low of nearly \$12,000 in the Phoenix area schools to a high of nearly \$27,000 in the New York metro area. The gap between real and reported per-pupil spending ranges from a low of 23 percent in the Chicago area to a high of 90 percent in the Los Angeles metro region.

To put public school spending in perspective, we compare it to estimated total expenditures in local private schools. We find that, in the areas studied, public schools are spending 93 percent more than the estimated median private school.

Citizens drastically underestimate current per-student spending and are misled by official figures. Taxpayers cannot make informed decisions about public school funding unless they know how much districts currently spend. And with state budgets stretched thin, it is more crucial than ever to carefully allocate every tax dollar.

This paper therefore presents model legislation that would bring transparency to school district budgets and enable citizens and legislators to hold the K-12 public education system accountable.

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**A sobering  
27 cents of every  
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## **Introduction: Why Education Spending is THE State Budget Issue**

State and local budgets are in sorry shape. Collectively, the states came up more than \$158 billion short of projected tax revenue when planning their budgets for 2010 in 2009.<sup>1</sup> In response, more than 30 states raised taxes and 43 reduced services.<sup>2</sup> As the economy deteriorated and tax revenue plummeted more quickly than expected, 39 states discovered additional budget shortfalls of nearly \$34 billion.<sup>3</sup> Together, these shortfalls add up to the largest gap on record, 28 percent of the general fund budgets for 2010.<sup>4</sup>

The near future looks even bleaker than the present. As unemployment remains high and home prices fall or stagnate, states are facing an even larger estimated shortfall of \$180 billion for 2011 and another \$120 billion for 2012.<sup>5</sup> Compounding the growing problems at the state and local levels, federal stimulus funds used this year and next year to close shortfalls will evaporate, and most states' reserves were tapped long ago. The worst, in other words, is yet to come.

So what is to be done? Where can we cut unnecessary programs or increase efficiency in core services? Where can we save the most money? The answer is education.

K-12 schooling is the biggest item on state and local budgets. How big? Based on the 2005-2006 totals from the National Center for Education Statistics updated to 2009 dollars, state and local governments are spending well over \$500 billion on public K-12 education. The Bush and Obama administrations have overseen a startling increase in the federal involvement in and funding of K-12 education, but state and local governments still provide the vast majority of funds. The federal government provides just 9 percent of education funds, compared to 44 percent from local sources and 47 percent from states.<sup>6</sup>

The National Association of State Budget Officers reports that state governments spent 35 percent of their general funds on K-12 edu-

cation in 2007.<sup>7</sup> In contrast, Medicaid, continually singled out as a problematic state budget item, accounted for just 17 percent of general-fund expenditures.<sup>8</sup> The majority of Medicaid funds, however, come from the federal government. Looking at all state-derived funds, we find 25 percent devoted to K-12 education and 13 percent going to Medicaid.<sup>9</sup> The comparison is even more dramatic when we consider local funds in the equation. A sobering 27 cents of every dollar collected at the state or local level is consumed by the government-run K-12 education system, while only 8 cents support Medicaid.<sup>10</sup>

The amount we spend on education has increased dramatically and consistently over the past century, with a 25 percent increase in per-pupil expenditures, in constant dollars, between 1995 and 2005.<sup>11</sup> This upward trajectory shows no sign of flagging, with total state education spending increasing even during this serious recession and amidst plummeting tax revenue, with the assistance of federal stimulus funds. The White House reports that elementary and secondary education spending at the state level increased from over \$228 billion in 2007-2008 to \$236 billion the next, leveling off at \$235 billion for 2009-2010.<sup>12</sup> Education spending is the single most serious burden on state budgets, and it will remain the most delicate and important state spending item with which tax and budget reformers must contend.

As this fiscal crisis continues to unfold, revenues continue to decline, federal stimulus funds run dry, and state and local governments will find themselves at the bottom of a deep financial hole. Local governments, already hit with huge declines in tax revenue from property taxes and other sources, will add to the state burden by falling short on their close to equal share of education funding, leading to calls for even more state aid. Since runaway education spending is a major cause of current and future budget problems, it is the best place to look in state and local budgets for serious savings.

But it is currently far too difficult for taxpayers and political representatives to get a

handle on school finances. Without a clear idea of current spending levels in public and private schools, it is hard for the public and policymakers to know whether the current system is cost-effective or to assess the fiscal impact of expanding families' options with private school choice programs. To redress that knowledge gap, the final section of this paper presents model legislation requiring districts to publish up-to-date spending figures, fully inclusive of every dollar spent on behalf of K-12 education.

## Step One for Saving Money: Know How Much You Spend

It's so simple as to seem trivial. To get control of a budget, you need to know how much you make, how much you spend, and what you're spending it on. Every financial planner starts with these basics, which provide the keys to fiscal responsibility. If you're not able to afford the rent that consumes half of your income, you can reap savings from renting a cheaper apartment. We know that K-12 education is the biggest single cost to state and local governments, eating up close to a third of their revenues. And yet most citizens and politicians have little or no idea how much we are spending on education at a per-pupil level.

Each year, the National Center for Education Statistics publishes public-school spending data for the nation. However, the data they publish is three or four years out of date. More recent national data are unavailable. To make matters worse, many education analysts pay less attention to the *total* spending figures than to what are called "current" expenditures. In this context, "current" has nothing to do with the timeliness of the data. Instead, it refers to a subset of school spending that excludes whole categories of expenditures that are necessary for schools to function, such as capital costs, debt service, and employee benefits. Knowledge of what is spent at the local level tends to be even more skewed and less widespread, even among "experts." And

the general public is, according to national surveys, completely in the dark about such facts.

Most citizens don't have any idea how much is spent per child in public schools. When asked how much was spent in their state, only about 7 percent of Floridians guessed a figure that was close to or higher than the NCES figure of about \$9,800 for that year. *Sixty-three percent* thought their state was spending \$6,000 or less.

This information gap isn't limited to citizens of the Sunshine State. In Idaho, only 26 percent of citizens picked the answer closest to or higher than the NCES figure of about \$7,800; in Illinois, only 11 percent answered close to or higher than the NCES figure of about \$10,600; and in Maryland, only 8 percent answered close to or higher than the NCES figure of about \$13,000.<sup>13</sup>

So the public doesn't know how much is spent to educate children in their state. And for good reason: it's very difficult to find good, up-to-date information on how much public school systems are spending per child. And it's most difficult at the district level.

States collect information on district expenditures, but the level of detail, clarity, and availability varies widely from state to state. The federal government collects information as well, but it doesn't provide timely or well-publicized data on individual districts, the most important level of information for taxpayers to know about. And as noted above, the out-of-date "current" spending figures from official federal and local sources do not represent the total spending per child.

The best place to look for timely information on *total* spending at the district level is in individual school district budget documents. Unfortunately, these documents suffer from many of the same problems found in state and federal data, while adding a few of their own. Some district budgets are not published online, and hard copies are usually difficult to secure. The budgets are complex and often confusing, and it can be a time-consuming challenge to find an official who is both capable and willing to help decode them.

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**Table 1**  
**Arlington County Public School District Expenditures for 2008, as Reported by the District, State, and Regional Organizations**

	District	State	Regional
Total Expenditures	\$425,864,361	\$436,223,759	\$444,105,215

Source: Arlington Public Schools, “School Board’s Adopted Budget Fiscal Year 2009,” FY2008 School Board’s Appropriated Budget, p. 5, [http://www.apsva.us/15401081151845893/lib/15401081151845893/FY\\_2009\\_Final\\_Adopted\\_Budget\\_FINAL.pdf](http://www.apsva.us/15401081151845893/lib/15401081151845893/FY_2009_Final_Adopted_Budget_FINAL.pdf); Virginia Department of Education, “2007-08 Superintendent’s Annual Report,” Table 15: State figure, <http://www.doe.virginia.gov/VDOE/Publications/asrstat/2007-08/asrbook.html>; Washington Area Board of Education, “WABE Guide FY2008,” November 2007 Chart: FY2008 Approved Fund Expenditures, pp. 23, 24. Regional figure, Fairfax County Public Schools, “WABE Guide 2008,” Washington Area Board of Education, November 2007, <http://www.fcps.edu/fs/budget/wabe/2008.pdf>.

Sometimes it’s necessary to triangulate the correct number by comparing district, state, and even regional budget figures for a district. Typically, each level of government and department will use slightly different formulas for tallying “funds” (i.e., budget categories), including or excluding different expenses for different reasons.

For instance, Table 1 displays the reported total actual spending figures for Arlington, Virginia, in 2008 according to the school district’s own budget document, a state document on total district spending, and a document on D.C. metro districts published by the Washington Area Boards of Education. There is more than a \$10 million increase from the district to the state spending figure, and an approximately \$8 million additional increase to the regional total spending figure for Arlington. In other words, there’s an \$18 million difference between regional and district figures.

School districts typically account for funds and spending differently than you and I account for our household budget or the way that a business keeps its books. What is most important to school budget directors is accounting for and tracking the kaleidoscope of revenue streams and program funds, *not* the total amount that is spent in a given year. From a district administrator’s perspective, she just needs to know if the funding streams

and individual program budgets line up. Do we have enough money coming in from grants and transfers for remedial reading programs to cover the expected budget for this year? Is the health and retirement fund receiving the amount of operating fund revenue required by statute? These are important things to know. But this is not all that the public, or, for that matter, school bureaucrats, *should* know.

Citizens need to know how much is being spent per child, regardless of where the dollars come from or are going to, in order to judge whether the district has enough money to educate a child. If a district is spending \$30,000 per child, surely that is enough to ensure a high-quality education. If the school buildings are nonetheless in disrepair and the kids can’t read, then there is good reason to suspect that a massive share of that money is being wasted.

Discovering the real cost of education requires a significant time commitment for each individual school district. That presents an even bigger problem: there are 13,862 regular school districts in the United States. That’s about 277 per state. Even if one were able to fully document the real per-pupil spending for each district with just one day of work—which is typically *not* the case—it would mean that determining real costs for each state would take more than a full year of

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work days. And documenting spending for every district in the country would take 50 *work-years*. Needless to say, that's prohibitive.

Since it is impractical to calculate real, up-to-date per-student spending for every district, this paper focuses on five of the nation's largest metropolitan areas, looking at their central city districts as well as two other districts in their immediate vicinities.<sup>14</sup> We looked at the five biggest metro areas, plus Washington, D.C., and then at the closest K-12 districts with the highest and lowest per-capita income levels according to the census, for a total of 18 public school districts.<sup>15</sup>

Through these examples, we demonstrate that the most widely reported per-pupil spending figures give a grossly inaccurate impression of the resources that Americans devote to public education. The low-income Lawrence Union Free School District in New York, for instance, spends about \$30,000 per student. That certainly seems like far more money than is needed to provide a child with a good K-12 education.

Citizens respond to new information, and even moderately accurate information on education spending changes their policy preferences significantly. A survey by *Education Next* and the Program on Education Policy and Governance at Harvard University found that support for increased education spending dropped by 8 percentage points (46 to 38) for respondents who were told what their district's per-pupil spending figure was compared to respondents who were not given the spending figure. Among African American respondents, support fell dramatically, from 82 to 48 percent. And these drops occurred *despite* the fact that the per-pupil spending figure given to respondents was from 2005-2006 and counted only *current*, rather than *total* expenditures.<sup>16</sup>

Total expenditures per pupil run about 16 percent higher on average than current expenditures, which don't include things like transportation, capital expenses, and debt service. Correcting commonly cited spending figures to represent total expenditures and current-year dollars raises the average per-pupil spending figure by nearly 25 percent.<sup>17</sup>

American citizens are being kept in the dark on education spending, and this imposed ignorance affects the policy and political environment.

## Findings

In this section, we turn to our findings for the five largest metro areas and the nation's capital. A few of the 18 school districts report information in a relatively accessible form, and one even reports an up-to-date total spending per-pupil figure that comes fairly close to the real value (real spending is a mere 3 percent higher than its reported figure, a modest difference compared to other districts). Most, however, fall far short of the mark. The overviews below illustrate how misleading are the most widely available spending figures for school districts, and demonstrate the need for a clearer, more transparent system.

We also review the financial situation in each state and metropolitan area in order to provide additional context for the district spending figures and to demonstrate the urgent need for increased budget transparency. A comparison of public per-pupil spending with an estimate of what a median private school spends in each metro area is also provided.

### Phoenix, Arizona, Metro Area

Although the Phoenix area schools spend less than many other big-city districts, the average real per-pupil spending figure of \$11,800 is 27 percent higher than the average \$9,300 the Phoenix districts claim to spend.<sup>18</sup> In addition, real public school spending is more than 75 percent higher than the estimated median private school spending of just under \$7,000.<sup>19</sup>

Cave Creek, with per-pupil spending just shy of \$14,000 (Figure 1), has the highest spending of the three Phoenix-area districts we examined. This real spending figure is 54 percent higher than the official figure—the largest gap of the three districts in this metro area. Paradise Valley comes in second place, spending over \$12,300 per student. And Deer

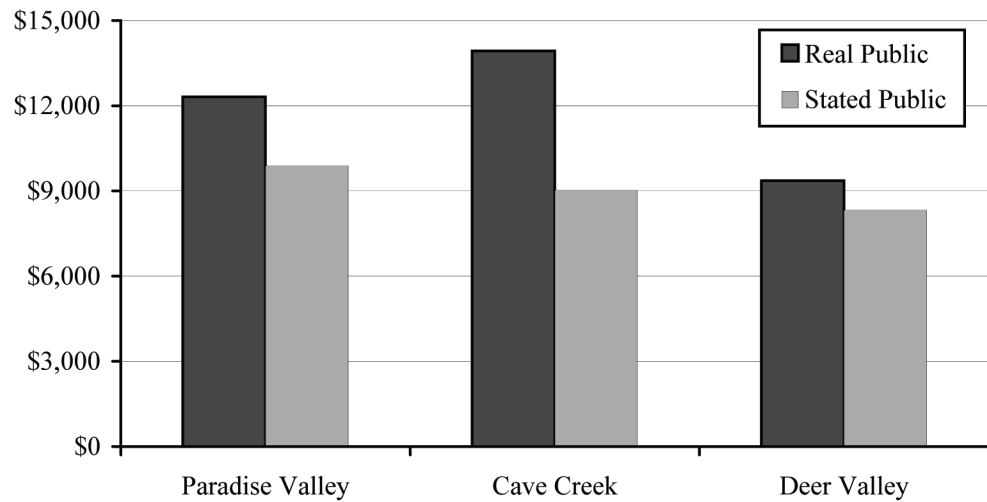
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Valley spends the least of the three, at over \$9,300 per pupil (Table 2).

This fiscal year, Arizona has grappled with a budget that fell \$4.7 billion short—nearly

50 percent of the total general fund. Next year looks difficult as well, with projected revenues falling short of projected spending by \$2.5 billion.<sup>20</sup>

**Figure 1**  
**Real Spending Per Pupil Compared with Figure Provided by Public Schools**



Source: Notes for the figure are in Table 2 below, and full references are in Appendix A.

**Table 2**  
**Per-Pupil Spending in the Phoenix, Arizona Metro Area**

District	Real Public	Stated Public	NCES	Estimated Private	Higher than Stated	Higher than NCES	Higher than Private
Paradise Valley (city district)	\$12,312	\$9,883	\$8,777	\$6,770	25%	40%	82%
Cave Creek (high-income district)	\$13,929	\$9,024	\$7,895	\$6,770	54%	76%	106%
Deer Valley (low-income district)	\$9,365	\$8,323	\$7,515	\$6,770	13%	25%	38%

Source: Cave Creek and Deer Valley budget information is from fiscal year 2008, and Paradise Valley budget information is from fiscal year 2009. National Center for Education Studies (NCES) figures are from the most recent year available, the 2005–2006 total expenditures per pupil. The stated public school expenditure is taken from figures posted on the district website or budget documents if available, from state websites or documents if not available from the district, or directly from district officials if not available to the public in print or on an official website. All budget figures are in unadjusted dollars for the year in which the information was reported, as these unadjusted figures are what reporters and officials use. Full citations for district calculations are detailed in Appendix A. The private school spending figure is an estimate of FY2009 total spending per student based on NCES median highest private school tuition for 2003–2004, updated for cost trends per year and inflation, and adjusted for relative per-capita income in the metro area.

On the heels of a \$270 million, 22 percent budget cut, Phoenix still faces an almost \$100 million shortfall this year and possible tax hikes on top of service cuts.<sup>21</sup> “We have to ask residents: Do they want these draconian cuts?” said Mayor Phil Gordon. “Do they want to be understaffed in fire and police? I, for one, think our residents would want to continue the way of life in this city.”<sup>22</sup> Like most of the country, the Phoenix area is facing another year of seriously constrained revenue and continuing budget pressures.

**Los Angeles, California, Metro Area**

Although California is considered a relatively low-spending state when it comes to education, the Los Angeles metro area comes in third place for average real spending in our study.<sup>23</sup> The average real per-pupil spending figure of \$19,000 is a stunning 90 percent higher than the \$10,000 the districts claim to spend. In addition, real public school spending is 127 percent higher than the estimated median private school spending of \$8,400.

Los Angeles, spending just over \$25,000 per student, is the highest spending of the three LA-area districts we examined (Figure 2). This

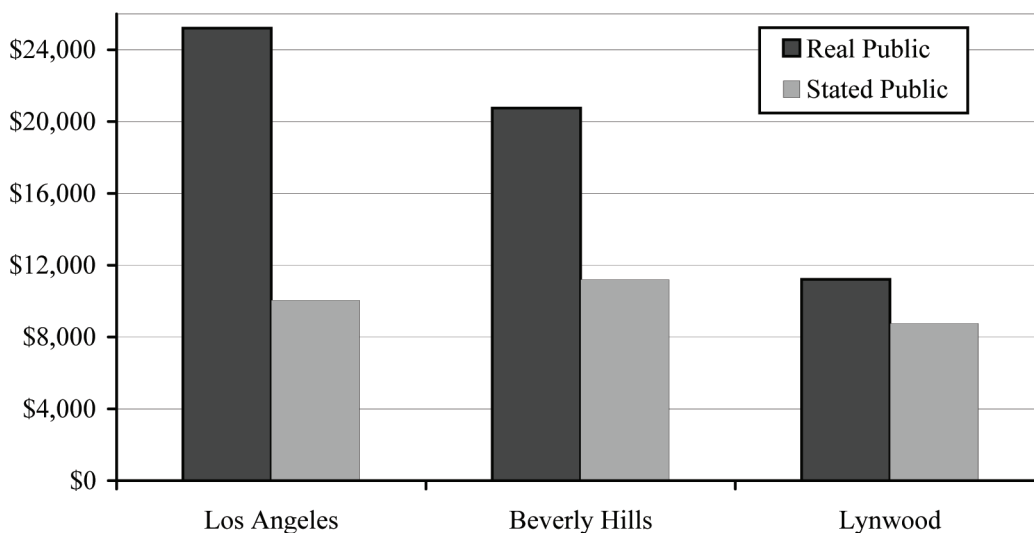
real spending figure is 151 percent higher than the official figure—the largest gap of any district in this metro area and the largest gap of any district in our study. Beverly Hills comes in second place, spending over \$20,500 per student. And Lynwood spends the least of the three, at just over \$11,000 per pupil (Table 3).

The California budget has been the focus of much media attention, with the state actually running out of cash and issuing scrip to some businesses in lieu of payment this summer.<sup>24</sup> In fiscal year 2010 California has continued to wrestle with a shocking \$46.6 billion gap in its budget, a sum that is over 50 percent of the total general fund budget. Next year looks difficult as well, with the state \$7.4 billion off in revenues for projected spending in FY2011—and the revenue environment likely to worsen.<sup>25</sup>

Los Angeles has also been hit with significantly decreased tax revenue by the economic downturn, with battles erupting over tax hikes and cuts to services such as the police. The city is still grappling with a \$405 million shortfall in this year’s budget, and the next year is unlikely to bring any relief from the pressure.<sup>26</sup>

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**Figure 2**  
Real Spending Per Pupil Compared with Figure Provided by Public Schools



Source: Notes for the figure are in Table 3 below, and full references are in Appendix A.

**Table 3**  
**Per-Pupil Spending in the Los Angeles, California, Metro Area**

District	Real Public	Stated Public	NCES	Estimated Private	Higher than Stated	Higher than NCES	Higher than Private
Los Angeles (city district)	\$25,208	\$10,053	\$13,341	\$8,378	151%	89%	201%
Beverly Hills (high-income district)	\$20,751	\$11,205	\$18,394	\$8,378	85%	13%	148%
Lynwood (low-income district)	\$11,215	\$8,761	\$10,816	\$8,378	28%	4%	34%

Source: Los Angeles and Lynwood budget information is from fiscal year 2008. Beverly Hills budget information is from fiscal year 2007. National Center for Education Studies figures are from the most recent year available, the 2005–2006 total expenditures per pupil. The stated public school expenditure is taken from figures posted on the District website or budget documents if available, from state websites or documents if not available from the district, or directly from district officials if not available to the public in print or on an official website. All budget figures are in unadjusted dollars for the year in which the information was reported, as these unadjusted figures are what reporters and officials use. Full citations for district calculations are detailed in Appendix A. The private school spending figure is an estimate of FY2009 total spending per student based on NCES median highest private school tuition for 2003–2004, updated for cost trends per year and inflation, and adjusted for relative per-capita income in the metro area.

**Washington, DC, Metro Area<sup>27</sup>**

The Washington metro area comes in second highest in spending for our study at an average \$22,400 per pupil (Figure 3). Only New York tops that figure.<sup>28</sup> This real per-pupil spending figure is 34 percent higher than the average of \$16,700 stated by the school districts. Real public school spending is also more than double the estimated median private school spending of \$11,000.

The District of Columbia, at over \$28,000 per student, has the highest spending of the three DC-area districts we examined. This real spending figure is 61 percent higher than the official one—the largest gap of any district in the area. Arlington comes in second place, spending just under \$24,000 per student. And Prince George’s spends the least of the three, at just over \$15,000 per pupil (Table 4).

Washington, DC and the surrounding metro area were spared the depths of the economic downturn that many other regions suffered in 2009, but revenues have dropped nonetheless and local and state governments

in Virginia and Maryland have struggled with cuts to their planned budgets as a result.

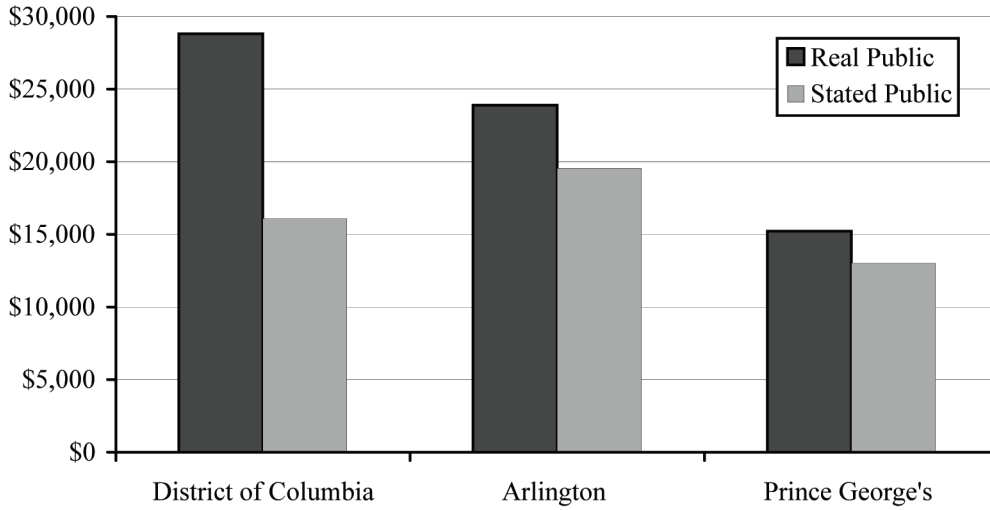
In Washington, mid-year revenue projection revisions exposed a \$190 million gap in the 2009 budget after already closing an \$800 million shortfall earlier in the year, a \$150 million shortfall for 2010, and a total of \$340 million shortfall over the next two years. “The recession we have is the deepest, widest, in 70 years,” Chief Financial Officer of the District of Columbia Natwar M. Gandhi, said. “It’s an economic tsunami out there, and it has caught up with us.” Gandhi expected the economic situation to remain grim through at least 2012.<sup>29</sup>

Virginia is also wrestling with budget problems, with \$5.6 billion in revenue shortfalls addressed after the 2010 budget took effect, and another \$1 billion in shortfalls appearing soon thereafter.<sup>30</sup> In Arlington, officials have announced that cuts in services and tax increases are on the table to close to an \$80 million to \$100 million gap in the 2010 budget.<sup>31</sup> And in Maryland’s Prince George’s

**The Washington metro area comes in second highest in spending for our study, at an average \$22,400 per pupil.**



**Figure 3**  
**Real Spending Per Pupil Compared with Figure Provided by Public Schools**



Source: Notes for the figure are in Table 4 below, and the full references in Appendix A.

**Table 4**  
**Per-Pupil Spending in the Washington, DC, Metro Area**

District	Real Public	Stated Public	NCES	Estimated Private	Higher than Stated	Higher than NCES	Higher than Private
District of Columbia (city district)	\$28,170	\$17,542	\$15,847	\$11,032	61%	78%	155%
Arlington County (high-income district)	\$23,752	\$19,538	\$19,892	\$11,032	22%	19%	115%
Prince George's County (low-income district)	\$15,225	\$13,025	\$11,818	\$11,032	17%	29%	38%

Source: District of Columbia, Arlington, and Prince George's County budget information is from fiscal year 2009. National Center for Education Studies figures are from the most recent year available, the 2005–2006 total expenditures per pupil. The stated public school expenditure is taken from figures posted on the District website or budget documents if available, from state websites or documents if not available from the district, or directly from district officials if not available to the public in print or on an official website. All budget figures are in unadjusted dollars for the year in which the information was reported, as these unadjusted figures are what reporters and officials use. Full citations for district calculations are detailed in Appendix A. The private school spending figure is an estimate of FY2009 total spending per student based on NCES median highest private school tuition for 2003–2004, updated for cost trends per year and inflation, and adjusted for relative per-capita income in the metro area.

County, budget shortfalls led to a prolonged battle over a hiring freeze, layoffs, a furlough plan that a federal judge ruled unconstitutional, and calls for tapping into the reserve

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fund.<sup>32</sup> Despite the relative good fortune of the DC metro area, it is clear that budget issues are likely to cause significant problems in the years ahead.

**Chicago, Illinois, Metro Area**

The Chicago metro area comes in fourth in average per-pupil spending, and, although it is still quite misleading, has the most accurately reported per-pupil spending figures in our study.<sup>33</sup> The average real per-pupil spending figure of nearly \$14,800 is about 23 percent higher than the metro average of \$12,000 that the districts claim to spend. In addition, real public school spending is about 67 percent higher than the estimated median private school spending of just under \$9,000.

The City of Chicago, which spends over \$15,800 per student, has the highest spending of the three Chicago-area districts we examined (Figure 4). This is 38 percent higher than the official spending figure—the largest gap of any district we examined. Elmhurst comes in a close second, spending about \$15,200 per student and 30 percent more than the stated figure. North Chicago spends the least of the three districts, at over \$13,300 per pupil,

which is just 3 percent higher than the official spending figure. This 3 percent disparity is the smallest difference we found in any metro-area district in this study (Table 5).

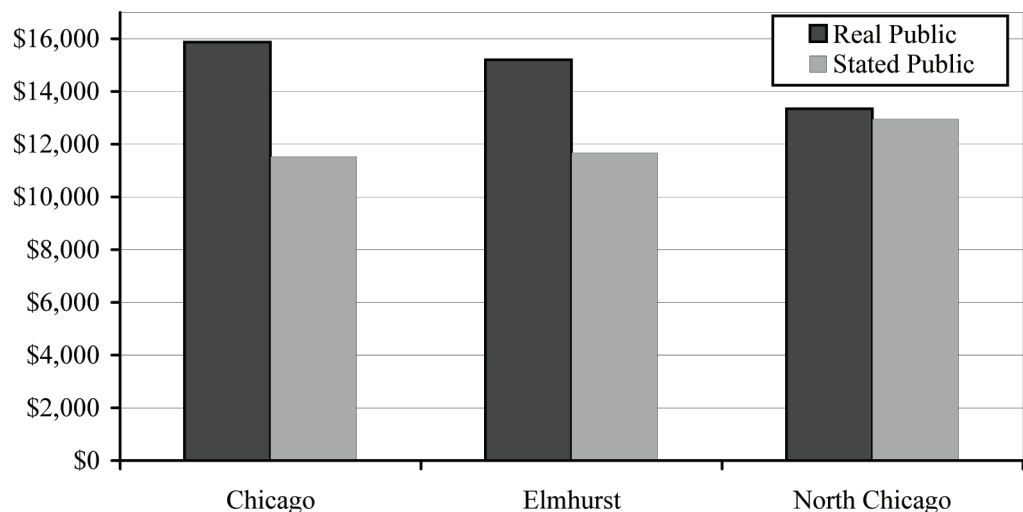
This fiscal year 2010, Illinois has grappled with a budget that fell \$13.2 billion short, nearly 38 percent of the total general fund budget. Next year looks extremely difficult as well, with another \$11.7 billion deficit based on projected revenues and spending.<sup>34</sup>

Chicago Mayor Richard Daley has been looking for ways to avoid tax and fee increases amid a worsening budget climate and economy. Facing a \$520 million budget gap, the mayor has proposed raiding the city’s reserve fund created by selling long-term leases on its parking meters and the Chicago Skyway.<sup>35</sup>

**New York, New York, Metro Area**

The New York metro area has the highest average real per-pupil spending among the metro areas in this study, and the average real per-pupil spending figure of more than \$26,900 is 44 percent higher than the average of \$18,700 that the districts claim to spend (Figure 5).<sup>36</sup> Real public school spending is almost 155 percent higher than the estimated

**Figure 4  
Real Spending Per Pupil Compared with Figure Provided by Public Schools**



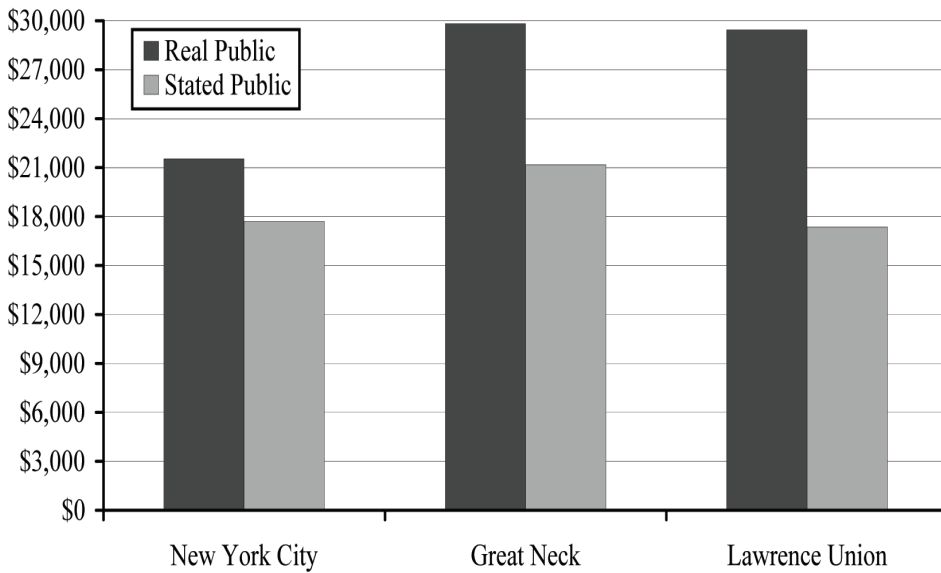
Source: Notes for the figure are in Table 5 below, and the full references are in Appendix A.

**Table 5**  
**Per-Pupil Spending in the Chicago, Illinois, Metro Area**

District	Real Public	Stated Public	NCES	Estimated Private	Higher than Stated	Higher than NCES	Higher than Private
Chicago (city district)	\$15,875	\$11,536	\$11,051	\$8,849	38%	44%	79%
Elmhurst (high-income district)	\$15,205	\$11,679	\$14,191	\$8,849	30%	7%	72%
North Chicago (low-income district)	\$13,348	\$12,959	\$12,163	\$8,849	3%	10%	51%

Source: Chicago, North Chicago, and Elmhurst budget information is from fiscal year 2008. National Center for Education Studies (NCES) figures are from the most recent year available, the 2005–2006 total expenditures per pupil. The stated public school expenditure is taken from figures posted on the district website or budget documents if available, from state websites or documents if not available from the district, or directly from district officials if not available to the public in print or on an official website. All budget figures are in unadjusted dollars for the year in which the information was reported, as these unadjusted figures are what reporters and officials use. Full citations for district calculations are detailed in Appendix A. The private school spending figure is an estimate of FY2009 total spending per student based on NCES median highest private school tuition for 2003–2004, updated for cost trends per year and inflation, and adjusted for relative per-capita income in the metro area.

**Figure 5**  
**Real Spending Per Pupil Compared with Figure Provided by Public Schools**



Source: Notes for the figure are in Table 6 below, and the full references are in Appendix A.

median private school spending average of just over \$10,600—the largest difference by far in our study.

Great Neck, at more than \$29,800 per student, has the highest spending of the three New York-area districts we examined. This

**Table 6**  
**Per-Pupil Spending in the New York, New York, Metro Area**

District	Real Public	Stated Public	NCES	Estimated Private	Higher than Stated	Higher than NCES	Higher than Private
New York City (city district)	\$21,543	\$17,696	\$19,497	\$10,586	22%	10%	104%
Great Neck (high-income district)	\$29,836	\$21,183	\$25,659	\$10,586	41%	16%	182%
Lawrence Union (low-income district)	\$29,451	\$17,359	\$27,278	\$10,586	70%	8%	178%

Source: New York City budget information is from fiscal year 2008 and Great Neck is from FY2009. Lawrence budget information is from 2009, though stated spending is from 2007 (see Appendix A for details). NCES figures are from the most recent year available, the 2005–2006 total expenditures per pupil. The stated public school expenditure is taken from figures posted on the district website or budget documents if available, from state websites or documents if not available from the district, or directly from district officials if not available to the public in print or on an official website. All budget figures are in unadjusted dollars for the year in which the information was reported, as these unadjusted figures are what reporters and officials use. Full citations for district calculations are detailed in Appendix A. The private school spending figure is an estimate of FY2009 total spending per student based on NCES median highest private school tuition for 2003–2004, updated for cost trends per year and inflation, and adjusted for relative per-capita income in the metro area.

real spending figure is 41 percent higher than the district’s stated figure. Lawrence, however, spends nearly the same amount at just over \$29,400. This is 70 percent higher than the stated figure and the largest gap of any district examined in this area. New York City spends the least of the three, at about \$21,500 per pupil, 22 percent higher than stated (Table 6).

New York state has been through prolonged budget turmoil this year, struggling to close a \$21 billion budget gap, which is nearly 38 percent of the total general fund budget. Nonetheless, Governor David Paterson announced in November that the state could go bankrupt by Christmas without an additional \$3.2 billion cut.<sup>37</sup> New York is facing another budget gap of \$6.8 billion for the next fiscal year, and if past is prologue, it stands to be even larger.<sup>38</sup>

In New York City, the economic downturn and increased taxes have ravaged the tax base and created huge budget pressures. Mayor Michael Bloomberg has discussed cuts to the police department and other ser-

vices to deal with the \$1.3 billion shortfall this year and the city’s projected \$5 billion gap for next year.<sup>39</sup> Like other cities, the problem of falling local revenue is compounded by cuts in funding from a state government facing the same declines in tax revenue.<sup>40</sup>

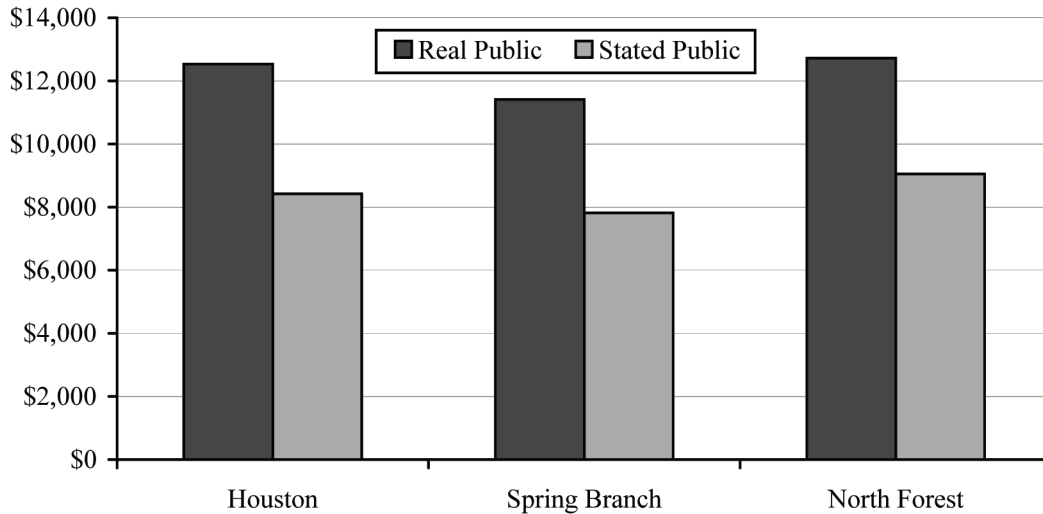
#### **Houston, Texas, Metro Area**

The Houston metro area comes in second-lowest in average, real per-pupil spending, although its per capita income level is much higher than lowest-spending Phoenix.<sup>41</sup> Nonetheless, the average real per-pupil spending figure of over \$12,200 is 49 percent higher than the \$8,200 the districts claim to spend. Real public school spending is 30 percent higher than the estimated median private school spending average of \$9,400 (Figure 6).

North Forest spends about \$12,700 per student, the highest spending of the three Houston-area districts we examined. This real spending figure is 41 percent higher than the official figure. Houston comes in second place, spending over \$12,500 per student, 49 percent higher than the stated district figure

**The average real per-pupil spending figure of over \$12,200 is 49 percent higher than the \$8,200 the districts claim to spend.**

**Figure 6**  
**Real Spending Per Pupil Compared with Figure Provided by Public Schools**



Source: Notes for the figure are in Table 7 below, and the full references are in Appendix A.

**Table 7**  
**Per-Pupil Spending in the Houston, Texas, Metro Area**

District	Real Public	Stated Public	NCES	Estimated Private	Higher than Stated	Higher than NCES	Higher than Private
Houston (city district)	\$12,534	\$8,418	\$9,829	\$9,421	49%	28%	33%
Spring Branch (high-income district)	\$11,412	\$7,816	\$10,032	\$9,421	46%	14%	21%
North Forest (low-income district)	\$12,719	\$9,050	\$10,891	\$9,421	41%	17%	35%

Source: All budget information is from fiscal year 2009. National Center for Education Studies (NCES) figures are from the most recent year available, the 2005–2006 total expenditures per pupil. The stated public school expenditure is taken from figures posted on the district website or budget documents if available, from state websites or documents if not available from the district, or directly from district officials if not available to the public in print or on an official website. All budget figures are in unadjusted dollars for the year in which the information was reported, as these unadjusted figures are what reporters and officials use. Full citations for district calculations are detailed in Appendix A. The private school spending figure is an estimate of FY2009 total spending per student based on NCES median highest private school tuition for 2003–2004, updated for cost trends per year and inflation, and adjusted for relative per-capita income in the metro area.

and the largest difference among the three districts. Spring Branch spends the least of the three, at about \$11,400 per pupil (Table 7).

This fiscal year, Texas has done well relative

to other states, closing a budget gap of just \$3.5 billion, about 10 percent of the total general fund budget. There is no projected budget gap for next year, although with unemploy-

**This disconnect raises troubling questions regarding democratic control of public institutions and whether or not citizens are getting what they are paying for.**

ment still growing and many states finding their forecasts too optimistic, this does not rule out continuing trouble.<sup>42</sup>

Like Texas overall, Houston is doing better than much of the country during this recession. It is, however, facing declining revenue and economic realities that are worse than previously projected, finding an estimated \$103 million shortfall for this year.<sup>43</sup>

## Conclusion

Public K-12 education consumes a larger chunk of each state and local taxpayer dollar than any other expense. More than one out of four tax dollars collected goes to the government-run K-12 education system. However, despite the importance of educating children and the huge expense it currently entails, there is a troubling lack of transparency in school budgets.

A typical citizen, even a relatively engaged and determined one, will have a difficult time discovering how much his local school district spends to educate each child under its care. Most school districts do not publish readily accessible information on per-pupil spending. And if a taxpayer is lucky enough to find a section on the school district website that states what is spent per child, it is likely that the figure will be misleading in the extreme.

We found that real per-pupil spending was on average 44 percent higher than the figure obtained from district publications or personnel. On average, the districts we studied spent nearly \$18,000 per student, and yet claimed to spend just \$12,500.

This disconnect between official accounting and reality raises troubling questions regarding democratic control of public insti-

tutions and the ability of citizens to determine whether or not they are getting what they are paying for. Especially during times of economic hardship, we must ensure that every dollar is accounted for and used efficiently. Citizens are losing their jobs and their homes, government services are being cut, and taxes are being raised. This is no time to lose track of how more than one-quarter of all state and local tax dollars are spent. There is no excuse for opaque and unaccountable public institutions in times of plenty, but our current economy makes this issue urgent.

We must demand a significant increase in school district budget transparency. Citizens and politicians deserve up-to-date access to basic information on school district spending. That might sound like a simple thing to achieve. But determining such basic facts as the total spending per-pupil in a district for the most recent school year often takes days or even weeks of persistent digging, calling, and calculating. Identifying fraud and general mismanagement of funds is even more difficult given the complexity of district budgets and the profusion of funds, funding sources, and programs.

We can, however, easily ensure that citizens and politicians have access to all the financial information necessary to ensure that government schools are financially accountable to the public. We can bring more light and clarity to district school budgets and provide the raw material for oversight, and empower citizens and their representatives, by mandating that school financial information be made clearer and more accessible via a standardized, searchable database at the level of every district and every state.

Toward that end, Appendix B presents model legislation for fiscal transparency in public K-12 education.

## Appendix A: Notes on the Per-Pupil Spending Calculations

This section provides the sources and method used to obtain a figure for the stated and real total expenditures per pupil in each district. The “stated” figure is the one that a citizen, journalist, or politician is most likely to find (or be officially presented with) at the district level. Often, school districts publish per-pupil expenditure figures in one of their financial documents, available either online or in hard copy from the district. Many times, however, there are no published per-pupil spending figures at all, and district personnel must be asked to provide an official number. We have indicated below how we obtained the figure for each district in the subsections that follow.

Ascertaining the real spending figure is more challenging. Districts publish financial material in very different formats with different labels and categories. Since there is no common standard for reporting expenditures at the district level, our real expenditure calculations could not be uniform across districts. In every case, however, we closely examined district budget documents, tallying fund totals or using reported summary figures, subtracting expenses for adult education and community services and backing out fund transfers when required. Where possible, we also eliminated both preschool expenses and

enrollment from our calculations. Sometimes this was not possible, however, because either preschool spending was not itemized, enrollment was not itemized, or both. In these cases, we left both preschool expenses and enrollment in the calculation of total expenditures per student. This will result in a more conservative (lower) per-pupil spending figure, as per-student spending for preschool tends to be much lower than for K-12. We have used the most recent, comprehensive, official budget documents available for matching real and stated district spending.

District spending documents are often confusing and difficult to decipher, and we have therefore often relied on the assistance of district budget officials. We have taken every reasonable precaution to ensure that we have correctly tallied total expenditures. However, district officials often object to total expenditure calculations—not due to mistakes in calculation, but because they believe certain expenditure categories should not “count” toward the total per-pupil figure. As noted in the paper, such categories often include capital expenses, debt service, and health and retirement benefits. We argue that these are expenses borne by the taxpayer that are used to support the K-12 education system, and as such must be included, by definition, in a *total* spending calculation. In fact, the identification and inclusion of these often-hidden expenses is a key purpose of our calculations.

### Phoenix, Arizona, Metro Area Data Sources and Notes

**Table A1**  
**Paradise Valley**

Stated Spending	Published pre-K–12 per-pupil spending is 2009 All Funds Expenditure per Pupil, from “Summary of School District Annual Financial Report,” provided by e-mail from Vanessa Shapiro, Paradise Valley Unified School District, November 13, 2009, <a href="http://cmweb.pvschools.net/siteweb/pdfs/BudgetSummary0910.pdf">http://cmweb.pvschools.net/siteweb/pdfs/BudgetSummary0910.pdf</a> .
Real Spending	Total FY2009 budgeted pre-K–12 expenditures calculated as the sum of all accounting funds from “Summary of School District Proposed Expenditure Budget,” p. 2, <a href="http://cmweb.pvschools.net/siteweb/pdfs/BudgetSummary0910.pdf">http://cmweb.pvschools.net/siteweb/pdfs/BudgetSummary0910.pdf</a> .
Enrollment	2009 pre-K–12 enrollment is 2009 Average Daily Membership—Attending from “Summary of School District Proposed Expenditure Budget,” p. 1.

**Table A2**  
**Cave Creek**

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Stated Spending	Published pre-K–12 per pupil spending is 2008 Total Expenditures per Average Daily Membership from “Fiscal Year 2007–2008 Annual Report for the Arizona Department of Education,” p. III-9, <a href="http://ade.az.gov/AnnualReport/AnnualReport2008/Vol1.pdf">http://ade.az.gov/AnnualReport/AnnualReport2008/Vol1.pdf</a> .
Real Spending	Total 2008 pre-K–12 budgeted expenditures calculated as the sum of appropriations for every accounting fund except Community Education, from “07–08 All Funds Summary,” <a href="http://www.ccusd93.org/education/sctemp/dc7d2f64681f6bfdcc77fcec3b23e0ad/1257805240/All_Funds_Summary.pdf">http://www.ccusd93.org/education/sctemp/dc7d2f64681f6bfdcc77fcec3b23e0ad/1257805240/All_Funds_Summary.pdf</a> .
Enrollment	2008 pre-K–12 enrollment is Average Daily Membership, from “Fiscal Year 2007–2008 Annual Report for the Arizona Department of Education,” p. III-9, <a href="http://ade.az.gov/AnnualReport/AnnualReport2008/Vol1.pdf">http://ade.az.gov/AnnualReport/AnnualReport2008/Vol1.pdf</a> .

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Note: 2008 information was used because our contact in the district finance department said that she did not know of a published 2009 per-pupil spending figure and seemed to think that the district does not publish such a figure.

**Table A3**  
**Deer Valley**

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Stated Spending	Published 2008 Pre-K–12 per-pupil spending is Total Expenditures per Average Daily Membership from “Fiscal Year 2007–2008 Annual Report for the Arizona Department of Education,” p. III-9, <a href="http://ade.az.gov/AnnualReport/AnnualReport2008/Vol1.pdf">http://ade.az.gov/AnnualReport/AnnualReport2008/Vol1.pdf</a> .
Real Spending	Total FY2008 budgeted pre-K–12 expenditures calculated as the sum of budgeted expenditures for all accounting funds, from “Budget Summary 2009-09.pdf,” p. 2, <a href="https://www.dvusd.org/budget411/Budget_Summary_2008-09.pdf">https://www.dvusd.org/budget411/Budget_Summary_2008-09.pdf</a> .
Enrollment	FY2008 pre-K–12 enrollment is Average Daily Membership from “Fiscal Year 2007–2008 Annual Report for the Arizona Department of Education,” p. III-9, <a href="http://ade.az.gov/AnnualReport/AnnualReport2008/Vol1.pdf">http://ade.az.gov/AnnualReport/AnnualReport2008/Vol1.pdf</a> .

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Note: FY2008 information was used because we were directed by Paulette Roberts of the district office to the 2008 state annual report for the published per-pupil spending figure.

**Los Angeles, California, Metro Area Data Sources and Notes**

**Table A4**  
**Los Angeles**

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Stated Spending	Published K–12 per-pupil spending is FY2008 Current Expense per Average Daily Membership from “Comprehensive Annual Financial Report for Fiscal Year Ended June 2008,” p. 126, <a href="http://notebook.lausd.net/pls/ptl/docs/PAGE/CA_LAUSD/LAUSDNET/OFFICES/CFO_HOME/LAUSD%20CAFR%20FY2007-2008WO.PDF">http://notebook.lausd.net/pls/ptl/docs/PAGE/CA_LAUSD/LAUSDNET/OFFICES/CFO_HOME/LAUSD%20CAFR%20FY2007-2008WO.PDF</a> .
Real Spending	Total FY2009 K–12 budgeted expenditures calculated as the sum of expenditures for every accounting fund minus Adult Education from “Superintendent’s 2008–2009 Final Budget,” p. I 53 (sic), <a href="http://notebook.lausd.net/pls/ptl/docs/PAGE/CA_LAUSD/LAUSDNET/OFFICES/CFO_HOME/ALL%20SECTIONS%20091108.PDF">http://notebook.lausd.net/pls/ptl/docs/PAGE/CA_LAUSD/LAUSDNET/OFFICES/CFO_HOME/ALL%20SECTIONS%20091108.PDF</a> .
Enrollment	FY2009 K–12 enrollment is Average Daily Attendance from “Superintendent’s 2008–2009 Final Budget,” p. VII 13, <a href="http://notebook.lausd.net/pls/ptl/docs/PAGE/CA_LAUSD/LAUSDNET/OFFICES/CFO_HOME/ALL%20SECTIONS%20091108.PDF">http://notebook.lausd.net/pls/ptl/docs/PAGE/CA_LAUSD/LAUSDNET/OFFICES/CFO_HOME/ALL%20SECTIONS%20091108.PDF</a> .

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**Table A5**  
**Beverly Hills**

Stated Spending	Published K–12 per pupil spending is 2006–2007 Current Expense of Education per Pupil Total Unrestricted and Restricted spending plus per pupil spending for categorical, special education, and support programs for the district as a whole, reported in “Beverly Hills Unified School District El Rodeo School 2007–2008 Annual School Accountability Report Card,” p. 8, <a href="http://www.beverlyhills.k12.ca.us/ourpages/accountability/el_rodeo/2007-2008.pdf?m=2879456">http://www.beverlyhills.k12.ca.us/ourpages/accountability/el_rodeo/2007-2008.pdf?m=2879456</a> .
Real Spending	Total 2007 budgeted pre-K–12 expenditures calculated as the sum of expenditures for every accounting fund except the Adult Education fund from “Beverly Hills Unified School District Annual Financial Report, June 30, 2007,” p. 10, <a href="http://www.beverlyhills.k12.ca.us/ourpages/departments/ESD-BS/Fiscal%20Services/Annual_Financial_Report_June_30_2007.pdf?m=1595781">http://www.beverlyhills.k12.ca.us/ourpages/departments/ESD-BS/Fiscal%20Services/Annual_Financial_Report_June_30_2007.pdf?m=1595781</a> .
Enrollment	2007 K–12 enrollment is Revised Annual Report Average Daily Attendance from “Beverly Hills Unified School District Annual Financial Report, June 30, 2007,” p. 50.

Note: 2007 information was used because we were not able to reach a school district employee with the authority to provide more recent information than that available on the website.

**Table A6**  
**Lynwood**

Stated Spending	Published K–12 per-pupil spending is Expenses per Student from “Lynwood Unified School District: District Accountability Report, 2007–2008,” p. 20, <a href="http://lynwood.school.wisepress.com/reports/2008/pdf/lynwood/DARC_en_Lynwood.pdf">http://lynwood.school.wisepress.com/reports/2008/pdf/lynwood/DARC_en_Lynwood.pdf</a> .
Real Spending	Total 2008 estimated actual K–12 expenditures calculated as the sum of Total Expenditures of each accounting fund in FY2009 from “July 1 Budget (Single Adoption)” PDFs provided in an August 4, 2009 e-mail from Crystal Heggins, Fiscal Services Department, Lynwood Unified School District.
Enrollment	2008 K–12 enrollment is Total, K–12 Annual Average Daily Attendance from FY2009 “July 1 Budget (Single Adoption)” PDFs provided in an August 4, 2009, e-mail from Crystal Heggins, Fiscal Services Department, Lynwood USD.

Note: 2008 information was used because the e-mail request to Crystal Heggins for a 2009 published per-pupil spending figure was unanswered.

**Washington, DC, Metro Area Budget Calculations**

**Table A7**  
**Washington, DC**

Stated Spending	Stated pre-K–12 per-pupil spending is taken directly from a calculation made by district personnel in an excel file e-mailed by Rita Gibson, Executive Assistant, Office of the CFO for DC Public Schools, on November 13, 2009. File available on request.
Real Spending	Total 2009 budgeted K–12 expenditures calculated as the sum of Gross FY2009 Appropriated Funds for District of Columbia Public Schools minus line items related to early childhood education and intra-district transfers from the Office of the State Superintendent

*Continued next page*

**Table A7 Continued**

of Education; FY2009 Proposed Operating Budget of the Office of the State Superintendent of Education, minus line items related to adult and career education, DC Tag, early childhood and pre-kindergarten education, and charter schools; FY2009 Proposed Operating Budget for the Office of the Deputy Mayor for Education; FY2009 Proposed Operating Budget for the Office of Public Education Facilities Modernization; FY2009 Proposed Operating Budget for Non-Public Tuition; and FY2009 Proposed Operating Budget for Special Education Transportation from “Government of the District of Columbia FY2009 Proposed Budget and Financial Plan Agency Budget Chapters Part 2,” [which is also the Adopted Budget], pp. D-1–D-78; [http://cfo.dc.gov/cfo/frames.asp?doc=/cfo/lib/cfo/budget/2009/agency\\_budget\\_chapters\\_-\\_part\\_2\\_of\\_2.pdf](http://cfo.dc.gov/cfo/frames.asp?doc=/cfo/lib/cfo/budget/2009/agency_budget_chapters_-_part_2_of_2.pdf). To this total was added the FY2009 Proposed Total Funding for capital expenditures for DCPS, OSSE, and the Office of Public Education Facilities Modernization from “Government of the District of Columbia FY2009 Proposed Budget and Financial Plan FY2009–FY2014 Capital Appendices,” p. GA0-1, GD0-1, and GM0-1; [http://cfo.dc.gov/cfo/frames.asp?doc=/cfo/lib/cfo/budget/2009/fy\\_2009\\_-\\_fy\\_2014\\_capital\\_appendices\\_-\\_part\\_2\\_of\\_2\\_revised.pdf](http://cfo.dc.gov/cfo/frames.asp?doc=/cfo/lib/cfo/budget/2009/fy_2009_-_fy_2014_capital_appendices_-_part_2_of_2_revised.pdf).

**Enrollment** 2009 pre-K–12 enrollment is the sum of Audited Enrollment Totals for noncharter school types minus preschool (n.b.: not the same as pre-K) and adult enrollment from “Attachment 1 Summary of Audited Enrollment by School Type and Grade.pdf,” <http://www.osse.dc.gov/seo/frames.asp?doc=/seo/lib/seo/Package1-4.pdf>. To this figure is added the number of students placed in county and non-public schools from “District of Columbia Public Schools and Public Charter Schools Enrollment Census Report October 6, 2008,” p.4, [http://www.osse.dc.gov/seo/frames.asp?doc=/seo/lib/seo/Final\\_report\\_Oct\\_6\\_2008.pdf](http://www.osse.dc.gov/seo/frames.asp?doc=/seo/lib/seo/Final_report_Oct_6_2008.pdf).

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Note: The DC Public Schools was contacted multiple times with a request for more detailed information regarding the grades and programs included in their official per-pupil expenditure figure, which appears to include preschool and possibly adult program enrollment and may include expenditures for these programs as well. No response to our inquiries has been received as of publication.

**Table A8  
Arlington**

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**Stated Spending** Published K–12 per pupil spending is FY2009 adopted cost per pupil, Washington Area Boards of Education methodology from “School Board’s Adopted Budget, Fiscal Year 2009,” p. 53, [http://www.apsva.us/15401081151845893/lib/15401081151845893/FY\\_2009\\_Final\\_Adopted\\_Budget\\_FINAL.pdf](http://www.apsva.us/15401081151845893/lib/15401081151845893/FY_2009_Final_Adopted_Budget_FINAL.pdf).

**Real Spending** Total 2009 budgeted K–12 expenditures calculated as the total expenditures for all funds from “School Board’s Adopted Budget, Fiscal Year 2009,” p. 41; minus the sum of budgeted expenditures related to preschool and adult education, from “School Board’s Adopted Budget, Fiscal Year 2009,” pp. 269, 429, and 430.

**Enrollment** 2009 K–12 enrollment is FY2009 projected enrollment from “School Board’s Adopted Budget, Fiscal Year 2009,” p. 116.

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**Table A9  
Prince George’s County**

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**Stated Spending** Published K–12 per-pupil spending is FY2009 Projected Cost Per Pupil from “Superintendent’s PROPOSED Annual Operating Budget for Fiscal Year 2010,” p. 20.

*Continued next page*

**Table A9 Continued**

Real Spending	Total 2009 budgeted K–12 expenditures calculated as the sum of appropriations for operating and non-operating expenses from “Superintendent’s PROPOSED Annual Operating Budget for Fiscal Year 2010,” p. 27, <a href="http://www1.pgcps.org/uploadedFiles/Offices/Business_Management_Services/Budget/FY_2010_Proposed_Budget/FY%202010%20Superintendents%20PROPOSED.pdf">http://www1.pgcps.org/uploadedFiles/Offices/Business_Management_Services/Budget/FY_2010_Proposed_Budget/FY%202010%20Superintendents%20PROPOSED.pdf</a> and approved capital improvement program funding from “Board of Education Approved FY-2009 Annual Operating Budget,” p. 43, <a href="http://www1.pgcps.org/WorkArea/showcontent.aspx?id=70198">http://www1.pgcps.org/WorkArea/showcontent.aspx?id=70198</a> ), minus the sum of budgeted expenditures related to early childhood education from “Board of Education Approved FY–2009 Annual Operating Budget,” pp. 107, 116, and 257, <a href="http://www1.pgcps.org/WorkArea/showcontent.aspx?id=70200">http://www1.pgcps.org/WorkArea/showcontent.aspx?id=70200</a> ; alternative education from “Board of Education Approved FY-2009 Annual Operating Budget,” pp. 94, 107, and 267, <a href="http://www1.pgcps.org/WorkArea/showcontent.aspx?id=70200">http://www1.pgcps.org/WorkArea/showcontent.aspx?id=70200</a> ; and community services from “Superintendent’s PROPOSED Annual Operating Budget for Fiscal Year 2010,” p. 22.
Enrollment	2009 K–12 enrollment is FY2009 Actual headcount on September 30, 2008, from “Board of Education Approved FY–2009 Annual Operating Budget,” p. 36, <a href="http://www1.pgcps.org/WorkArea/showcontent.aspx?id=70200">http://www1.pgcps.org/WorkArea/showcontent.aspx?id=70200</a> .

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**Chicago, Illinois, Metro Area Budget Calculations**

**Table A10  
Chicago**

Stated Spending	Published K–12 per-pupil spending is FY2008 Per Capita Cost for Actual Operating Expense, from “Chicago Public Schools FY2010 Budget Book,” p. 74, <a href="http://www.cps.edu/About_CPS/Financial_information/Documents/0910ProposedBudget/0910_Budget.pdf">http://www.cps.edu/About_CPS/Financial_information/Documents/0910ProposedBudget/0910_Budget.pdf</a> .
Real Spending	Total 2008 budgeted K–12 expenditures calculated as total for FY2008 Resource Summary by Governmental Fund Type, from “The Chicago Public Schools FY2008 Budget Book,” p. 14, <a href="http://www.cps.edu/About_CPS/Financial_information/Documents/FY08_Online_Budget_Book.pdf">http://www.cps.edu/About_CPS/Financial_information/Documents/FY08_Online_Budget_Book.pdf</a> , minus the sum of budgeted expenditures related to early childhood and adult education (pp.18, 21).
Enrollment	2008 K–12 enrollment is FY2008 Average Daily Attendance, from “Chicago Public Schools FY2010 Budget Book,” p. 102, <a href="http://www.cps.edu/About_CPS/Financial_information/Documents/0910ProposedBudget/0910_Budget.pdf">http://www.cps.edu/About_CPS/Financial_information/Documents/0910ProposedBudget/0910_Budget.pdf</a> .

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**Table A11  
North Chicago**

Stated Spending	Published pre-K–12 per-pupil spending is 2008 Operating Expenditure per Pupil, from “Interactive Illinois Report Card,” District Finances, <a href="http://iirc.niu.edu/District.aspx?source=Finances&amp;districtID=34049187026&amp;level=D">http://iirc.niu.edu/District.aspx?source=Finances&amp;districtID=34049187026&amp;level=D</a> .
Real Spending	Total 2008 budgeted pre-K–12 expenditures calculated as the sum of Total Disbursements/Expenditures of each accounting fund, minus line item expenditures for Adult Education and Community Services, from “School District Budget Form July 1, 2007–June 30, 2008,” pp. 2, 11, 12, and 17, <a href="http://www.nchi.lfc.edu/about/budgets/SDB2008FORM.pdf">http://www.nchi.lfc.edu/about/budgets/SDB2008FORM.pdf</a> .
Enrollment	2008 pre-K–12 enrollment is 2008 District Enrollment from “Interactive Illinois Report

*Continued next page*

**Table A11 Continued**

Card,” About Students, Enrollments, [http://iirc.niu.edu/District.aspx?source>About\\_Students&source2=Enrollments&districtID=34049187026&level=D](http://iirc.niu.edu/District.aspx?source>About_Students&source2=Enrollments&districtID=34049187026&level=D).

Note: 2008 information was used because the district official consulted said that the most recent published per-pupil figure available would be for 2008 in the district’s 2009 state report card.

**Table A12  
Elmhurst**

Stated Spending	Published K–12 per-pupil spending is 2009 Estimated Operating Expense Per Pupil from “2009 Annual Financial Report,” p. 28.
Real Spending	Total 2009 budgeted K–12 expenditures calculated as the sum of expenditures of every accounting fund, minus line items for pre-K and Adult Education, from “2009 Annual Financial Report,” pp. 15–22, <a href="http://links.schoolloop.com/link/rd?href=736c5f6c696e6b6666303163633065623266687474703a2f2f656c6d6875727374637573643230352d696c2e7363686f6f6c6c6f6f702e636f6d2f66696c652f313233393638363233373638372f313233373038303131353530372f323639383930303730373935313833353734312e706466">http://links.schoolloop.com/link/rd?href=736c5f6c696e6b6666303163633065623266687474703a2f2f656c6d6875727374637573643230352d696c2e7363686f6f6c6c6f6f702e636f6d2f66696c652f313233393638363233373638372f313233373038303131353530372f323639383930303730373935313833353734312e706466</a> .
Enrollment	2009 K–12 enrollment is 9-Month Average Daily Attendance, from “2009 Annual Financial Report,” p. 28.

**New York, New York, Metro Area Budget Calculations**

**Table A13  
New York**

Stated Spending	Published K–12 per-pupil spending is Actual FY2008 Average expenditure per student, from “Mayor’s Management Report,” FY2009 Department of Education section, p. 17, <a href="http://www.nyc.gov/html/ops/downloads/pdf/_mmr/dae.pdf">http://www.nyc.gov/html/ops/downloads/pdf/_mmr/dae.pdf</a> .
Real Spending	Total 2008 budgeted pre-K–12 expenditures calculated as the sum of the Current Modified Budget for FY2008 Total Department of Education appropriations, from “The City of New York Adopted Budget Fiscal Year 2009: Expense, Revenue, Contract,” p. 55E, <a href="http://www.nyc.gov/html/omb/downloads/pdf/erc6_08.pdf">http://www.nyc.gov/html/omb/downloads/pdf/erc6_08.pdf</a> ; and appropriations for fringe benefits, judgment and claims, and legal services from “The City of New York Adopted Budget Fiscal Year 2008: Expense, Revenue, Contract,” p. 55E, <a href="http://www.nyc.gov/html/omb/downloads/pdf/erc6_07.pdf">http://www.nyc.gov/html/omb/downloads/pdf/erc6_07.pdf</a> ; and appropriations for GO and Lease Debt Service, GO Debt Service, Pensions, TFA debt services, and TFA BARBS (figures in Department of Education budget document provided in an October 22, 2009 e-mail from Marc Alterman, Assistant Director for Revenue Budget Preparation and Analysis, NYC Department of Education Division of Revenue Operations; and Capital Project Fund Total Expenses for the New York City School Construction Authority for 2008 (provided October 27, 2009 by John Hepburn, Controller for the School Construction Authority), minus the FY2008 Current Modified Budget appropriations for Charter/Contract/Foster Care and Non-Public Schools and the Fashion Institute of Technology, from “The City of New York Adopted Budget Fiscal Year 2009: Expense, Revenue, Contract,” p. 54E and p. 55E, <a href="http://www.nyc.gov/html/omb/downloads/pdf/erc6_08.pdf">http://www.nyc.gov/html/omb/downloads/pdf/erc6_08.pdf</a> .
Enrollment	2008 pre-K–12 enrollment is the FY2008 Total Enrollment from “Mayor’s Management

*Continued next page*

**Table A13 Continued**

Report,” FY2009 Department of Education section, p. 15, [http://www.nyc.gov/html/ops/downloads/pdf/\\_mmr/doe.pdf](http://www.nyc.gov/html/ops/downloads/pdf/_mmr/doe.pdf).

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**Table A14  
Great Neck**

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Stated Spending	Stated total K–12 per-pupil spending is for FY2009, as reported over the phone by district official Jessica Vega, Office of Public Relations.
Real Spending	Total FY2009 budgeted K–12 expenditures calculated as the sum of expenditures for the 3-Part Budget (p. 11), plus Prop 3 (p. 115), Building (p. 115), and Capital Projects (p. 112); minus Community Services, pre-K, and Adult Education, from “Great Neck Union Free School District Final Budget Book 2008–2009,” received in printed form from district official Diana O’Connell.
Enrollment	2009 K–12 enrollment is the projected total enrollment from “Great Neck Union Free School District Final Budget Book 2008–2009,” p. 93, received in printed form from district official, Diana O’Connell.

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**Table A15  
Lawrence**

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Stated Spending	Published K–12 per-pupil spending is calculated as the weighted average of 2007 Instructional Expenditures per Pupil for General Education students and for Special Education students, from “Lawrence Union Free School District 2009–2010 Budget Statement,” p. 26.
Real Spending	Total 2009 budgeted K–12 expenditures calculated as Adopted BUDGET 2008–09 Total, minus budgeted expenditures for Evening School and pre-K, from “Lawrence Union Free School District 2009–2010 Budget Statement, pp. 5, 11, 12, and 16, <a href="http://www.lawrence.org/Assets/District/budget_statement2009_2010.pdf">http://www.lawrence.org/Assets/District/budget_statement2009_2010.pdf</a> .
Enrollment	2009 pre-K–12 enrollment is Enrollment as of March 2009, from “2009–2010 Proposed Budget March 24, 2009,” slide 6, <a href="http://www.lawrence.org/Assets/District/2009-10BudgetFor5-6-09_BOE_.ppt">http://www.lawrence.org/Assets/District/2009-10BudgetFor5-6-09_BOE_.ppt</a> .

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Note: 2007 information was used for the published per-pupil spending figure because the official consulted in the district business office said that the district did not publish a per-pupil spending figure, and said that we would have to file a Freedom of Information Act (FOIA) request to obtain older budgets.

**Houston, Texas, Metro Area Budget Calculations**

**Table A16  
Houston**

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Stated Spending	Published pre-K–12 per-pupil spending is Total Expenditures Per Pupil, from “2009 Facts and Figures about HISD,” General Fund Summary, <a href="http://www.hisd.org/HISDConnectDS/v/in">http://www.hisd.org/HISDConnectDS/v/in</a>
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**Table A16 Continued**

dex.jsp?vnextoid=62c6757761efc010VgnVCM10000052147fa6RCRD&vnextchannel=2e2b2f796138c010VgnVCM10000052147fa6RCRD.

Real Spending	Total 2009 budgeted pre-K–12 expenditures are Total expenditures for All Governmental and Proprietary Funds, from “Houston Independent School District District Budget Adopted 2008–2009,” p. 65, <a href="http://www.hisd.org/BudgetingFinancialPlanning/Home/District%20Budget%20Books/2008-2009_Financial_Section.pdf">http://www.hisd.org/BudgetingFinancialPlanning/Home/District%20Budget%20Books/2008-2009_Financial_Section.pdf</a> .
Enrollment	2009 pre-K–12 enrollment is Total Enrollment from “Houston Independent School District District and School Profiles,” p. 17, <a href="http://dept.houstonisd.org/profiles/2008-2009%20HISD%20District%20and%20School%20Profiles_reduced.pdf">http://dept.houstonisd.org/profiles/2008-2009%20HISD%20District%20and%20School%20Profiles_reduced.pdf</a> .

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**Table A17  
Spring Branch**

Stated Spending	Published pre-K–12 per-pupil spending is 2009 Cost per Student from “Financial Overview and Budget Summary,” p. A-1.
Real Spending	Total 2009 budgeted pre-K–12 expenditures were calculated as the sum of expenditures for each accounting fund minus expenditures for community services, from “Financial Overview and Budget Summary,” p. B-12, <a href="http://www.springbranchisd.com/admin/finance/budget/BUDGET-FY2009.pdf">http://www.springbranchisd.com/admin/finance/budget/BUDGET-FY2009.pdf</a> .
Enrollment	2009 pre-K–12 enrollment is 2009 Peak Enrollment, from “Financial Overview and Budget Summary,” p. A-1.

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**Table A18  
North Forest**

Stated Spending	Published 2009 pre-K–12 per-pupil spending is the sum of Per Pupil Expenditures for Instruction, Instructional Support, Central Administration, District Operations, Debt Service, and Other funds from “1-Budgets summary0910.pdf”; provided in an October 15, 2009 e-mail from Tangela Boyd, Budget Specialist, North Forest Independent School District.
Real Spending	Total 2009 budgeted pre-K–12 expenditures were calculated as the sum of expenditures of all accounting funds, from “08-09 FYExpense 08-31-09.pdf,” provided in a September 2, 2009 e-mail from Tangela Boyd, Budget Specialist, North Forest Independent School District.
Enrollment	2009 pre-K–12 enrollment is Average Daily Attendance, provided September 3, 2009 by Dr. Veronica Sharp, North Forest Independent School District.

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**Calculation of Median Private School Expenditure Estimates**

The most recent estimates of national private school tuition come from the National Center for Education Statistics Schools and Staffing Survey, National Median Highest

Tuition Paid in Private Schools 2003–2004.

Because the average is skewed by the existence of elite schools with often lavish and extensive grounds and facilities, as well as extremely expensive schools offering exceptional services to children with severe disabili-

ties, I use the median rather than the average private school tuition figure: \$3,500. Adjusting the median highest tuition figure of \$3,500 to 2009 dollars brings the figure to \$4,100. Since no historical median data are available to establish a median tuition trend over time, I use a trend in the inflation-adjusted average tuition and apply that to the inflation-adjusted median tuition value (calculated by Andrew Coulson).<sup>44</sup>

Average tuition has been rising by roughly

\$347 per year in constant 2009 dollars. The national median private school tuition of \$7,728 is then adjusted upward by a likely overestimate of 25 percent, based on findings in Arizona that tuition covers approximately 80 percent of private school expenditures (determined by Andrew Coulson).<sup>45</sup> This figure is then adjusted using metro-area-specific, per-capita personal income data from the Census to obtain a localized estimate of median private school costs in each metro area.

**Table A19**  
**Full Data Table**

State	District	Real Public	Stated Public	NCES	Estimated Private	Higher than Stated	Higher than NCES	Higher than Private
AZ	Paradise Valley Unified	\$12,321	\$10,734	\$8,777	\$6,770	15%	40%	82%
AZ	Cave Creek Unified	\$13,929	\$9,024	\$7,895	\$6,770	54%	76%	106%
AZ	Deer Valley Unified	\$9,365	\$8,323	\$7,515	\$6,770	13%	25%	38%
CA	Los Angeles Unified	\$25,208	\$10,053	\$13,341	\$8,378	151%	89%	201%
CA	Beverly Hills Unified	\$20,751	\$11,205	\$18,394	\$8,378	85%	13%	148%
CA	Lynwood Unified	\$11,215	\$8,761	\$10,816	\$8,378	28%	4%	34%
DC	District of Columbia	\$28,170	\$17,542	\$15,847	\$11,032	61%	78%	155%
VA	Arlington County	\$23,892	\$19,538	\$19,892	\$11,032	22%	20%	117%
MD	Prince George's County	\$15,225	\$13,025	\$11,818	\$11,032	17%	29%	38%
IL	City of Chicago, District 299	\$15,875	\$11,536	\$11,051	\$8,849	38%	44%	79%
IL	Elmhurst, District 205	\$15,205	\$11,679	\$14,191	\$8,849	30%	7%	72%
IL	North Chicago, District 187	\$13,348	\$12,959	\$12,163	\$8,849	3%	10%	51%
NY	NYC-Chancellor's	\$21,543	\$17,696	\$19,497	\$10,586	22%	10%	104%
NY	Great Neck Union	\$29,836	\$21,183	\$25,659	\$10,586	41%	16%	182%
NY	Lawrence Union	\$29,451	\$17,359	\$27,278	\$10,586	70%	8%	178%
TX	Houston Independent	\$12,534	\$8,418	\$9,829	\$9,421	49%	28%	33%
TX	Spring Branch Independent	\$11,412	\$7,816	\$10,032	\$9,421	46%	14%	21%
TX	North Forest Independent	\$12,719	\$9,050	\$10,891	\$9,421	41%	17%	35%
	City Average	\$19,275	\$12,663	\$13,057	\$9,173	56%	48%	109%
	High-Income Average	\$19,171	\$13,408	\$16,011	\$9,173	46%	24%	107%
	Low-Income Average	\$15,221	\$11,580	\$13,414	\$9,173	28%	15%	62%
	Overall Average	\$17,889	\$12,550	\$14,160	\$9,173	44%	29%	93%

## Appendix B: Financial Transparency in Education Act<sup>46</sup>

### Summary

The Financial Transparency in Education Act would require each local education provider in the state to create and maintain a searchable expenditure and revenue website that includes detailed data on revenues and expenditures. It also would require each local education provider to maintain the data in a format that is easily accessible, searchable, and downloadable, and to prominently post comprehensive figures on total expenditures and per-pupil spending. The Act also requires that each local education provider submit the summary data to the state to be aggregated and made available online by the state.

### Model Legislation

**Section 1. {Title}** The Financial Transparency in Education Act

#### Section 2. {Legislative Declaration}

(A) The Legislature finds that:

- (1) Taxpayers should have easy access to the details of public school district spending; and that
- (2) Easier access to and storage of electronic data would increase transparency in public school financial matters; and that
- (3) It is neither difficult nor prohibitively expensive to make such data available to the public via the Internet

(B) Therefore, it is the intent of the Legislature to direct all local education providers to create and maintain a searchable expenditure and revenue website database detailing financial activities.<sup>47</sup>

**Section 3. {Definitions}** As used in this Act, unless the context otherwise requires:

(A)

(1) “Entity” means a corporation, association, union, limited liability company, limited liability partnership, grantee, contractor, local government, other legal entity including a nonprofit corporation, or an employee of the local education provider.

(2) “Entity” shall not include an individual recipient of public assistance.

(B) “Local education provider”<sup>48</sup> means:

(1) a school district organized and existing pursuant to law;

(2) a board of cooperative services or intermediate school district;

(3) a publicly funded agency established by the state for the express purpose of authorizing charter schools;<sup>49</sup> or

(4) a public charter school authorized pursuant to state statutes.

(C) “Public record” shall have the same meaning as set forth in state open records laws.

#### Section 4. {Creation of Searchable Expenditure and Revenue Website Databases}

(A) No later than one year<sup>50</sup> from the enactment of this legislation, each local education provider shall develop, maintain, and make publicly available a single, searchable expenditure and revenue website database that allows the public, at no cost, to review information concerning moneys collected and expended by the local education provider.

(B)

(1) The website shall include the following data for each fiscal year, using budgeted numbers no more than one week following the adoption of a budget for the most recent fiscal year, and actual audited spending figures no more than one week after official figures have been accepted, concerning all expenditures made by the local education provider:



- (a) A comprehensive total for all moneys expended directly by the local education provider and any subsidiary under its direction, as well as all expenditures made on behalf or for the benefit of the local education provider or any subsidiary by any governmental or non-governmental entity;
  - (b) A total for all moneys expended on adult education programs, not including expenses for GED or alternative high school diploma programs;
  - (c) A total for all moneys expended on community services, which are defined as expenditures used exclusively for non-K-12 purposes;
  - (d) A total for all moneys expended on preschool and early childhood services, defined as all services provided to children younger than the age required by the local education provider for enrollment in kindergarten;
  - (e) The name and principal location or address of the entity receiving moneys, except that information concerning a payment to an employee of the local education provider shall identify the individual employee by name and business address or location only;
  - (f) The amount of expended moneys;
  - (g) The funding source(s) of the expended moneys;<sup>51</sup>
  - (h) The date of the expenditure;
  - (i) The name of the budget program, activity, or category supporting the expenditure;
  - (j) A description of the purpose for the expenditure;<sup>52</sup>
  - (k) A unique identifier for each expenditure on adult education as described in (b) and community services in (c) of this section, and for all other expenditures to the extent possible;<sup>53</sup>
  - (l) Copies of all credit card statements, identified by department responsible for each credit card; and
  - (m) The database will include and retain both the budgeted and audited actual expenditure figures for each fiscal year and ensure each set of figures can be identified as budgeted or audited figures.
- (2) The expenditure data shall be provided in an open structured data format<sup>54</sup> that:
- (a) May be downloaded by the user; and
  - (b) Allows the user to systematically sort, search, and access all data.<sup>55</sup>
  - (3) The website shall contain only information that is a public record or that is not confidential or otherwise protected from public disclosure pursuant to state or federal law.
- (C) The local education provider shall:
- (1) Update the financial data contained on the website at least monthly;<sup>56</sup>
  - (2) Archive the financial data, which shall remain accessible and searchable on the website;
  - (3) Post total expenditures as defined in Section 4(B)(1)(a), (b), (c), and (d) on the home page of the local education provider's website no more than one week after the official budget is adopted for the latest fiscal year and no more than one week after final, audited actual expenditure figures are produced. In the same section, post the estimated K-12 and pre-K if applicable average daily attendance figure for the most recent fiscal year budget and the audit actual K-12 and pre-K average daily attendance for the most recently audited fiscal year. Finally the per-pupil spending figure will be posted, as derived by the following formula, using figures, both the budgeted and audited, described in Section 4 (B)(1)(a), (b), (c), and (d): (Total Expenditures - Adult Expenditures - Community Services - Preschool Services) / K-12 Average Daily Attendance;

- (4) Make the website easily accessible from the main page of the local education provider's website; and
- (5) Create and make easily accessible an automated Really Simple Syndication (RSS) feed to which users of the Website database may subscribe for notification of updates to the website database.<sup>57</sup>

## Notes

1. Elizabeth McNichol and Nicholas Johnson, "Recession Continues to Batter State Budgets; State Responses Could Slow Recovery," Center on Budget and Policy Priorities, December 18, 2009, p. 5, <http://www.cbpp.org/files/9-8-08sfp.pdf>.
2. Ibid., p. 7.
3. Ibid., p. 3.
4. Ibid., p. 3.
5. Ibid., p. 4.
6. Thomas D. Snyder, Sally A. Dillow, and Charlene M. Hoffman, "Table 171: Revenues for Public Elementary and Secondary Schools, by Source of Funds: Selected Years, 1919–20 through 2005–06," *Digest of Education Statistics 2008*, March 18, 2009, [http://nces.ed.gov/programs/digest/d08/tables/dt08\\_171.asp?referrer=list](http://nces.ed.gov/programs/digest/d08/tables/dt08_171.asp?referrer=list).
7. National Association of State Budget Officers, "2007 State Expenditure Report," Figure 6, p. 5, <http://www.nasbo.org/Publications/PDFs/FY07%20State%20Expenditure%20Report.pdf>.
8. Ibid.
9. U.S. Census Bureau, Government Divisions, "State and Local Government Finances by Level of Government and by State, Table 1, July 1, 2008, [http://www.census.gov/govs/estimate/0600ussl\\_1.html](http://www.census.gov/govs/estimate/0600ussl_1.html).
10. U.S. Census Bureau, Government Divisions, "State and Local-Government Finances by Level of Government and by State, Table 1, July 1, 2008, [http://www.census.gov/govs/estimate/0600ussl\\_1.html](http://www.census.gov/govs/estimate/0600ussl_1.html).
11. U.S. Department of Education, National Center for Education Statistics, Common Core of Data, "State Nonfiscal Survey of Public Elementary/Secondary Education," 1993–94 through 2006–07; "National Public Education Financial Survey," 1993–94 through 2005–06; National Elementary and Secondary Enrollment Model, 1972–2006; and Elementary and Secondary Education Current Expenditures Model, 1969–70 through 2005–06, [http://nces.ed.gov/programs/projections/projections2018/xls/table\\_34.xls](http://nces.ed.gov/programs/projections/projections2018/xls/table_34.xls) (this table was prepared December 2008).
12. Domestic Policy Council, Executive Office of the President in cooperation with the U.S. Department of Education, "Educational Impact of the American Recovery and Reinvestment Act," October 19, 2009, p. 8, [http://www.whitehouse.gov/assets/documents/DPC\\_Education\\_Report.pdf](http://www.whitehouse.gov/assets/documents/DPC_Education_Report.pdf).
13. Greg Forster, "Florida's Opinion on K–12 Public Education Spending," Friedman Foundation, January 2006, <http://www.friedmanfoundation.org/research/ShowResearchItem.do?id=10073>; Paul DiPerna, "Idaho's Opinion on K–12 Education and School Choice," Friedman Foundation, March 2008, <http://www.friedmanfoundation.org/research/ShowResearchItem.do?id=10093>; unattributed, "Illinois' Opinion on K–12 Education and School Choice," Friedman Foundation, December 2007, <http://www.friedmanfoundation.org/research/ShowResearchItem.do?id=10086>; Paul DiPerna, "Maryland's Opinion on K–12 Education and School Choice," Friedman Foundation, September 2008, <http://www.friedmanfoundation.org/research/ShowResearchItem.do?id=10098>. As education spending typically increases at a rate much higher than inflation, this should produce conservative estimates of contemporary spending.
14. Where possible, we have calculated the K–12 per-pupil spending figure alone. Sometimes, however, school district records do not separate either preschool enrollment, preschool spending, or both. In those cases, where we were unable to back out both preschool spending and enrollment, we have left both in, resulting in a preschool–12 spending figure. Preschool spending is invariably far less per-pupil than K–12 spending, so the figure obtained in these cases will be lower than K–12 spending alone.
15. U.S. Department of Education, NCES Map Viewer, <http://nces.ed.gov/surveys/sdds/#>.
16. William Howell, Martin West, and Paul Peterson, "The Persuadable Public," *Education Next* (Fall 2009), p. 27, <http://educationnext.org/files/fall09-persuadable-public.pdf>.
17. Thomas D. Snyder, Sally A. Dillow, and Charlene M. Hoffman, "Table 181, Total and Current Expenditures per Pupil in Public Elementary and Secondary Schools: Selected Years, 1919–20 through 2005–06," *Digest of Education Statistics 2008*, March 18, 2009, [http://nces.ed.gov/programs/digest/d08/tables/dt08\\_181.asp](http://nces.ed.gov/programs/digest/d08/tables/dt08_181.asp).

18. Full citations for the budget calculations are in Appendix A.
19. A full explanation of the method used to estimate this figure, along with citations, is found in Appendix A.
20. Elizabeth McNichol and Nicholas Johnson, "Recession Continues to Batter State Budgets; State Responses Could Slow Recovery," Center on Budget and Policy Priorities, December 18, 2009, p. 6, <http://www.cbpp.org/files/9-8-08sfp.pdf>.
21. Ronald J. Hansen and Matt Wynn, "Stimulus Job Impact Detailed," *The Arizona Republic*, October 31, 2009, <http://www.azcentral.com/arizonaarepublic/news/articles/2009/10/31/20091031stim-arizona1031.html>.
22. Scott Wong, "Temporary Tax Hike is Floated by Major Gordon," *The Arizona Republic*, October 30, 2009, <http://www.azcentral.com/arizonarepublic/local/articles/2009/10/30/20091030phoenixtax1030.html>.
23. Full citations for the budget calculations are in Appendix A.
24. Stephanie Simon, "Cash-Strapped California's IOU's: Just the Latest Sub for Dollars," *Wall Street Journal*, July 25, 2009, <http://online.wsj.com/article/SB124846739587579877.html>.
25. McNichol and Johnson.
26. David Zahniser, "Accord Will Keep LAPD Staffing at Current Levels, Villaraigosa Says," *LA Times*, October 30, 2009, <http://www.latimes.com/news/local/crime/la-me-cops13-2009oct13,0,1600478.story>.
27. Our estimate of median private school spending per pupil in the DC area is 12 percent lower than the \$12,500 that Andrew Coulson estimated from private school data collected by the *Washingtonian* for private schools in the metro area (<http://www.cato-at-liberty.org/2008/04/07/the-real-cost-of-public-schools/>). We should expect that two different methods of estimating total private school expenditures per pupil for a metro area will differ, and we should be encouraged that the two estimates, utilizing very different approaches, are as close as they are to each other. Furthermore, both estimates use conservative assumptions that lean toward inflation of estimated expenses and, therefore, should provide figures more likely to overstate the actual median expenses.
28. Full citations for the budget calculations are in Appendix A.
29. Tim Craig, "One-Two Punch for D.C. Budget," *Washington Post*, June 23, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/06/22/AR2009062202861.html>.
30. Bob Lewis, "Population, Inflation Fuel Virginia Budget Growth," *Washington Post*, November 10, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/11/10/AR2009111012758.html>.
31. Yamiche Alcindor, "Arlington Tax Bill Might Grow Heftier," *Washington Post*, November 1, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/10/31/AR2009103101700.html>.
32. Jonathan Mummolo, "Pr. George's Cuts Stir Debate: When to Break the Piggy Bank?" *Washington Post*, September 25, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/09/25/AR2009092502306.html>.
33. Full citations for the budget calculations are in Appendix A.
34. McNichol and Johnson.
35. Fran Spielman, "Daley Rules Out Property Tax Increase to Close Budget Gap," *Chicago Sun-Times*, October 14, 2009, <http://www.suntimes.com/news/cityhall/1823078,CST-NWS-prop tax14web.article>.
36. Full citations for the budget calculations are in Appendix A.
37. Marcia Kramer, "Paterson: NYS Will Be Broke Before Christmas," *CBS 2 News This Morning*, November 10, 2009, <http://wcbstv.com/cbs2crew/david.paterson.special.2.1300362.html>.
38. McNichol and Johnson.
39. James Doran, "New York Fears Return to Dark Days of Seventies as Financial Crisis Bites," *Observer* (London), November 23, 2008, <http://www.guardian.co.uk/world/2008/nov/23/new-york-crime-rates>.
40. Associated Press, "Paterson Pitches \$5 Billion Reduction Plan," *New York Post*, October 15, 2009, [http://www.nypost.com/p/news/local/paterson\\_pitches\\_billion\\_deficit\\_HyLsi2GkWB8IOMryK5WebN](http://www.nypost.com/p/news/local/paterson_pitches_billion_deficit_HyLsi2GkWB8IOMryK5WebN).
41. Full citations for the budget calculations are in Appendix A.
42. McNichol and Johnson.
43. Bradley Olson, "Budget Shortfall has City Hall Looking for Cuts," *Houston Chronicle*, August 31, 2009, <http://www.chron.com/disp/story.mpl/me>

tropolitan/6595746.html.

44. Andrew J. Coulson, "Choosing to Save: The Fiscal Impact of Education Tax Credits on the State of Nevada," Nevada Policy Research Institute, research report, January, 2009, [http://www.npri.org/docLib/20090113\\_Choosing\\_to\\_Save.pdf](http://www.npri.org/docLib/20090113_Choosing_to_Save.pdf).

45. Andrew J. Coulson, "Arizona Public and Private Schools: A Statistical Analysis," Goldwater Institute, Policy Report no. 213, October 17, 2006, <http://www.goldwaterinstitute.org/file/3258/download/3258>.

46. This model legislation has taken as its base state and education fiscal transparency model legislation adopted by the American Legislative Exchange Council. We would like to thank them for their work on this issue and generosity in sharing their materials and ideas.

47. As an alternative, states may consider the adoption of a single central database with the state department of education, to which local education providers would submit revenue and expenditure data.

48. All local education providers should be covered by the mandate. However, exemptions could be considered for smaller providers that allow them to not maintain a full-scale, comprehensive, searchable database, but instead use the district webpage to grant complete and unrestricted access to internal financial data as used by the provider itself, so long as it is accompanied by a plain-language description of all terminology and codes used in said financial documents. Website technology is sufficiently advanced in ease of use and sufficiently modest in cost to ensure that the simple maintenance of a website is not beyond the means and abilities of even a single, small, and modestly funded school. It is suggested that school district personnel intimidated by this modest mandate might turn to its students for assistance rather than incurring the more substantial costs of Internet technology professionals.

49. Sponsoring lawmakers also may consider including other specific charter school authorizing agencies under the definition of "local education provider." Some states permit municipal governments, universities, or private nonprofit organizations to authorize charter schools. Only the specific department within any of these respective organizations that is responsible for charter school authorization should be subject to the mandate.

50. At the discretion of sponsoring lawmakers in their respective states, local education providers should be required to comply within a reasonable amount of time. The specified target date for com-

pliance (e.g., January 1, 2010) ideally should be included in the legislative language. A staggered system of delayed opt-in deadlines also may be considered for smaller local education providers or for providers that do not currently have a website.

51. All sources of revenue (federal, state, and local tax revenue, as well as private donations and fees) should be included.

52. If local education providers or lobbying organizations argue that providing descriptions of expenditures would be too difficult, sponsoring lawmakers may consider setting up a delayed deadline for providers to comply with Section 4 (B)(1)(e). Still, it should be pointed out that a clear description of the purpose of an expenditure works to the benefit of the local education provider by forestalling confusion that may lead to public relations difficulties.

53. A unique identifier with each expenditure would make the data more functional. However, not all local education providers may use unique identifiers in their expenditure records. Without the qualifying phrase, it could create a costly and time-consuming mandate for providers.

54. "Open" denotes that the format is accessible by users through the use of free software. Local education providers can easily comply by exporting from Microsoft Excel or Quickbooks into an XML (Extensible Markup Language) or a CSV (Comma-Separated Values) file. The removal of the word "open" would allow providers to post an Excel or Quickbooks file directly to the website. Users then would be required to have a purchased copy of that software in order to use the database.

55. As written, local education providers are given the option to build their own database interface or to allow third parties to build an interface using the provider's data. The addition of the phrase "via a web-based graphic user interface" at the end of the clause would create a costly and time-consuming mandate for providers. While the addition of the phrase would ensure each provider had its own usable interface, it also would provide no guarantee of quality in comparison to interfaces that may be created by private third-party groups or individuals.

56. Ideally, data reports should be updated at least once per month, but states should have the discretion to adjust the frequency if necessary. In many cases, technology allows for the information to be easily updated on a daily basis.

57. An RSS feed is a simple and inexpensive tool to which parents, taxpayers, and other interested groups can subscribe in order to track updates to the local education provider's website in a convenient and timely manner.

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