

Taxpayers Misled about Real Costs of Public Schools



The amount Americans spend on education has risen dramatically and consistently over the past century, with a 25% increase in per-student costs between 1995 and 2005, even after adjusting for inflation. In fact, public education spending accounted for more than a third of state general funds in 2007, according to the National Association of State Budget Officers.

Yet taxpayers are regularly asked to reach deeper into their pockets for public schools, all the while having little to no idea how much their district is already spending per child each year. A report released in March by the Cato Institute explains how figures provided by offi-

much money Americans dedicate to public education.

Cato reviewed district records and state budgets for the nation's five largest metro areas (Phoenix, Los Angeles, Chicago, New York, and Houston), and in the District of Columbia to compare real versus stated costs. Their analysis revealed that, on average, per-student spending in these areas is 44% higher than officially reported.

Real spending per student ranges from a low of nearly \$12,000 in Phoenix area schools to a high of nearly \$27,000 in the New York metro area. The gap between real and stated per-pupil expendi-

	Real Public School Cost	Stated Public School Cost	Median Private School Cost	Higher than Stated School Cost	Higher than Private School Cost
High-Income District Avg.	\$19,171	\$13,408	\$9,173	46%	107%
Low-Income District Avg.	\$15,221	\$11,580	\$9,173	28%	62%
Overall Avg.	\$17,889	\$12,550	\$9,173	44%	93%

cial and reported in the media often leave out major costs, and thus understate education spending.

Many district officials and other bureaucrats don't believe that certain costs — health and retirement benefits, building and equipment costs, transportation expenses and debt payments — ought to be counted in the annual per-student figure. They have therefore devised a formula they call "current expenditures" that leaves out those very real and very expensive outlays. As a result, the most widely reported per-pupil spending figures give a grossly inaccurate impression of how

figures ranges from a low of 23% in the Chicago area to a high of 90% in the Los Angeles metro area.

The study also compared public school outlays per student to local private school outlays. In the areas studied, public schools are spending 93% more than the estimated median private schools.

Adam Schaeffer, Cato Institute policy analyst, concluded his report by recommending legislation requiring every district and state to publish up-to-date spending figures, fully inclusive of every dollar spent on K-12 education. "Our current economy makes this issue urgent," he wrote.