

K-12 Public Education Spending in Washington

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04-06

On the November ballot, Washington voters will likely see a proposed one billion dollar initiative for education that would increase the state sales tax by 15%, raising the tax rate from 6.5% to 7.5%. Initiative 884, which is currently collecting signatures, would create a trust fund for education, annually setting aside the \$1 billion from the tax increase for preschool education, K-12 and higher education. At the same time, the state sales tax in Washington would become the highest in the nation, and would total almost 10% in certain cities when combined with local sales taxes.

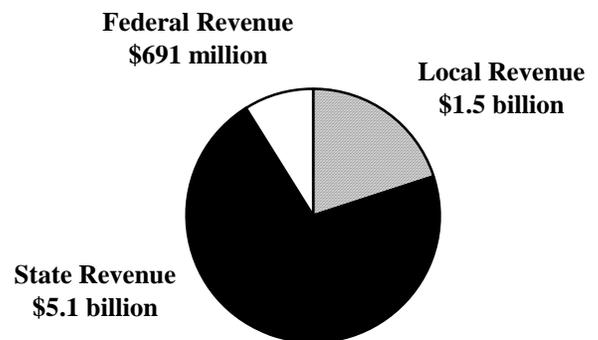
As K-12 education would receive approximately \$500 million of the proposed tax dollars each year, it is helpful to examine the state of K-12 education in Washington today. Initiative proponents are presenting private school spending and comparisons with other states as benchmarks to argue for more public education funding. This Policy Note will compare the expenditures for a K-12 public education in Washington with the costs of a private school education, and compare how Washington ranks in public school expenditures compared with other states.

Cost of Public Education in Washington

In 2003, there were just over a million (1,015,968) K-12 public school students in Washington. K-12 education is the largest expenditure in the state budget, totaling slightly over \$9 billion (\$9,216,000,000) in the 2002-03 school year. In that year, about \$7.3 billion of the education revenue came from the state's general fund. The majority of K-12 general fund revenue came from the state (\$5.1 billion), about \$1.5 billion came

from local revenue (primarily property taxes), and about \$691 million from federal grants. About \$3.9 billion of spending from the general fund went to basic education, with the rest going to special education (\$701 million), vocational (\$261 million), compensatory education (\$607 million), food services (\$244 million), and transportation (\$282 million). When all public funding sources are included, the average cost per student for a public school education in Washington was \$9,454 in the 2002-03 school year.

Sources of \$7.2 billion Washington K-12 general fund budget



Private vs. Public School Expenditures

The 80,985 K-12 private school students in Washington made up seven percent of the total K-12 students in Washington in 2003. In the Seattle school district, the largest in the state, the proportion of private school students was significantly higher – 15,190 out of 47,853 (32%).

While the administration of private schools is different from public schools, their costs per student can be one indicator to judge public education expenditures. About 36% of overall private school students in Washington

attend Catholic schools (aprox. 29,000 Catholic school students in 2002-03). The average actual cost for educating a child at a Catholic elementary or high school in Western Washington is \$7,696, about \$2,000 less than the \$9,454 spent per K-12 public school student in Washington. The average actual cost for educating a child at a Catholic school in Eastern Washington is \$4,128 and in Central Washington it is \$4,170, both about \$5,000 less than is spent for public school students.

The Washington Federation of Independent Schools surveyed 122 private and religious schools in Washington about the 2003-04 school year. The Federation found that the average private school tuition in Washington for grades 1-4 was \$5,095, the average tuition for grades 5-8 was \$6,109 and the average tuition for high school was \$8,249. The survey also asked whether the tuition covered the school's actual costs per student. Twenty-six percent of schools reported that their actual cost was at or below their tuition, 53% reported that their actual cost was between \$1 and \$1,500 more than their tuition, and 21% reported that their actual cost was more than \$1,500 higher than their tuition.

Washington Ranked with Other States

Another way of assessing Washington's education spending is comparing it with other states. This can be done by different measures, each of which divides the overall education budget by a different figure. One method is to divide K-12 education spending by the number of people in the state. In K-12 education spending per capita, Washington ranks 15th. The education budget can also be measured by dividing overall spending by each \$1,000 of personal income earned in the state. By this measure, Washington ranks 36th. Measuring spending based on income,

however, may be less reliable, as it is affected by the unusually high incomes of certain residents of the state. The amount of revenue per student is another way to measure education spending. The National Education Association rankings, on which the proponents of Initiative 884 base many of their recommendations, ranked Washington just under the national average (29th out of 50 states) in the amount of K-12 education revenue per student in 2000-01.

A more long-term view of how Washington education spending compares to other states can also be useful. Washington state and local K-12 expenditures per capita have been above the 50-state average every year between 1980 and 2000 (the last year for which the comparison is available). While the figure has gone up and down over the years, it has not dropped below the national average for two decades.

Education can also be ranked by how the amount of spending relates to better student test scores and performance. The scores of 4th and 8th grade students in Washington on the reading and math national assessment tests were above the national average in 2003. In addition, Washington ranked 2nd in the nation for academic achievement in 2001, jumping six spots from its rank of 8th in 2000, according to the "Report Card on American Education." At the time of this increase in student achievement, Washington's per student funding remained steady at a level similar to the national average.

This paper is the first of an in-depth study by the Washington Policy Center on the state of education in Washington today.

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Washington K-12 Expenditures Per Capita - State and Local

