

FLORIDA'S FINANCIAL COMMITMENT TO K-12 EDUCATION

HOW MUCH MONEY
IS ENOUGH?

FLORIDA TAXWATCH
CENTER FOR EDUCATIONAL PERFORMANCE & ACCOUNTABILITY

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About The Center for Educational Performance and Accountability

The Florida TaxWatch Center for Educational Performance and Accountability produces research and makes recommendations regarding issues pertaining to educational policies/practices and fiscal accountability toward improved financial and student performance in Florida's pre-K-12 schools.

About Florida TaxWatch

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◆ Integrity

◆ Productivity

◆ Accountability

◆ Independence

◆ Quality Research



FLORIDA'S FINANCIAL COMMITMENT TO K-12 EDUCATION

How Much Money Is Enough?*

Florida's future depends upon the children who are now in our schools to deliver our health care, teach our children, and manage our industries. It is, therefore, critical that we adequately fund public education and that we demand solid results. In this report, Florida TaxWatch examines the state's financial commitment to education to that of other states and the nation as a whole.

Executive Summary

For decades states have attempted to measure and compare educational quality. They have done so using isolated elements, such as per pupil expenditure and teacher salary data. There has been an assumption that these input indicators would somehow collectively reflect the output of student achievement.

For example, in 1986 Florida TaxWatch reported that Florida increased per pupil expenditures (adjusting for inflation) by an average of 6.5% per year between 1982 and 1986. The report states that Florida had "moved from the back of the class...to among the top 13 states in per pupil spending." In the succeeding years, Florida spending moved again to the back of the class. For 2000-2001, Florida's per student expenditure was \$6143—only 81.6% of the U.S. average of \$7532. The report also notes that "Florida ranked higher among the states in per pupil spending than in per capita personal income of all its citizens." As of 2000-2001 that was reversed; Florida ranked higher in per capita income (22nd) than in per student spending (43rd).

In the nearly 20 years that has passed since that 1986 report, the field of educational measurement has grown in sophistication. Today, more data is available—particularly about student achievement levels, and Florida and the nation are intensely focused on raising student academic proficiency. It is with the availability of this new data in mind that this report examines the link between educational spending and educational achievement and the need to increase funding accountability. Florida has many unique challenges that must be surmounted in order to ensure the state's future economic viability.

Linking Financial Investment with Student Achievement: Fiscal Efficiency and Fiscal Effectiveness

In the quest for higher student achievement it is often assumed that the greater the financial investment in education, the greater will be the rewards in elevated student learning. While common sense dictates that a foundational level of financial support is critical, increased educational spending per student does not necessarily result in higher student performance.

The exact relationship between educational spending and student achievement remains elusive. While Florida is in the bottom quartile according to most measures of educational funding, in academic performance the state surpasses several states that outspend us.

*This report is the second in a series of Florida TaxWatch reports on the status of education in Florida. The first report in the series, *Student Achievement in Florida*, May 2004, can be accessed at www.floridatxwatch.org.



Consider the following examples (See Tables 4-7, pages 14-16) which are based on an average performance ranking (APR) of scores on the 2003 National Assessment of Educational Progress (NAEP):

- Of the six most populous states, Florida spends the least but demonstrates higher student achievement than both California and Texas.
- Five of seven southeastern states outspend Florida, yet Florida's students outperform the students in these states.
- Florida's student achievement levels surpass Rhode Island's performance levels even though Rhode Island spends \$3251 more *per student* than does Florida.

Disparities between the highest and lowest spending states and the highest and lowest academically performing states invite important questions about how much spending for K-12 education is enough and where educational appropriations can have the greatest impact on raising student achievement.

State policymakers should vigorously pursue the answers to the difficult questions of fiscal efficiency in educational spending.

Educational Funding Accountability: Directing Dollars to Teaching and Learning

Fiscal efficiency and fiscal effectiveness demand that Florida maximize the proportion of educational dollars that are spent in ways that can result in the greatest student achievement gains. For example, Florida's average beginning teachers' salary ranks 13th among the states in the nation (See Table 16, page 33). This reflects the state's commitment to recruit quality teachers to Florida's classrooms. However, other indicators suggest that Florida still has much work to be done.

- Florida spends relatively more of its educational dollars on support and non-instructional services and less on instruction than the national average (See Table 15, page 31, and Figure 13, page 32).
- Florida's average teacher salary ranks 32nd among the states. Although Florida may succeed in recruiting quality beginning teachers to the state's classrooms, once these teachers gain experience, the state could lose them to Florida's higher paying border states (See Table 16, page 33).

State policymakers must assure that Florida's educational spending reflects a strong commitment to classroom resources and that Florida's limited resources are directed to those programs and practices proven to increase student achievement.

The Imperative of Student Success

Florida educates one of every 20 students in the nation. Therefore, what happens in Florida's classrooms is important not just to Florida's economic future but to the economic viability of the nation as well. Education has a direct influence on labor-force quality economic growth. A poorly educated workforce—characterized by unemployment and low-wage jobs—obstructs economic progress.



Florida's Unique Challenges

Florida ranks last among all the states in the percent of its population that is workforce-age. This relatively small workforce must support the needs of a population that is growing in size and diversity as the following statistics indicate:

- Florida ranks first among the states in the percent of population 65 and older.
- Florida ranks 17th in the percent of children under age five and will begin implementation of a voluntary universal pre-k program in fall of 2005. The Office of Economic & Demographic Research estimates the annual cost to the state for the UPK program to be between \$425 million and \$650 million in 2002 dollars.
- From 2000 to 2003 Florida's average annual growth in student population was 53,000 students¹. Based on the per student expenditure of \$6143 this growth rate requires an annual statewide increased expenditure of \$325,579,000. This figure does not include the capital costs of building classrooms to accommodate this student growth.
- Florida's schools serve an extremely diverse student population, such as students in poverty, non-English-speaking students, and students in exceptional student education (ESE) programs. These students are more costly to educate.
- The 2002 constitutional amendment mandating class size reduction will cost between \$20 billion and \$27.5 billion through 2010. After 2010 annual operating costs are estimated at \$2.5 billion in 2002 dollars.

Florida's policymakers must guarantee funding sufficient to educate Florida's diverse student population to the high standards of Florida's A+ Plan and the No Child Left Behind Act in order to deliver on the promise of Florida's future economic viability. This will require fiscal discipline, fiscal accountability, fiscal effectiveness, and fiscal efficiency.

Introduction

Education has a direct and powerful influence on the way-of-life for all citizens of the state. A quality education system signals a highly skilled workforce and therefore the state's economic viability—Florida's ability to attract high skilled jobs impacts the business climate and the standard of living. Labor-force quality is directly related to economic growth, and education is the strongest proven influence on the quality of the labor-force.² Quality education provides returns to economic development through improved productivity, increased labor pools, learned skills, technology, and worker's average earnings. On the other hand, a poorly educated workforce—characterized by unemployment and low-wage jobs—obstructs economic progress.

Florida's future depends upon the children who are now in our schools to deliver our health care, teach their children, and manage our industries. Our public education system must produce students who are academically prepared for postsecondary education or career and technical training.

¹ *Pocket Digest of Florida Education Data*, August 2003, Florida Department of Education

² *Schooling, Labor-Force Quality, and the Growth of Nations*. The American Economic Review 2000 Hanushek, E. and Kimko, D.



In order to meet these needs, Florida has established rigorous academic performance standards for all students at every grade level. Primary efforts have been directed at the elementary school level, particularly in the area of reading, and the results have been encouraging: The 2004 Florida Comprehensive Assessment Test (FCAT) results indicate that 68 percent of third and fourth grade students are reading at or above grade level, compared to 55 percent in 2001. Overall statewide results for grades 3-10 are also encouraging.³

- **In reading**, 51 percent of all students performed at or above grade level, compared to 46 percent in 2001.
- **In math**, 56 percent of all students performed at or above grade level, compared to 48 percent in 2001.

When these results are disaggregated by race it can be seen that, in particular, African American students and Hispanic students are making great gains.

In reading:

- 32 percent of African American students performed at or above grade level, compared to 25 percent in 2001
- 42 percent of Hispanic students performed at or above grade level, compared to 35 percent in 2001
- 63 percent of white students performed at or above grade level compared to 59 percent in 2001

In math:

- 34 percent of African American students performed at or above grade level, compared to 25 percent in 2001
- 49 percent of Hispanic students performed at or above grade level, compared to 39 percent in 2001
- 68 percent of white students performed at or above grade level, compared to 60 percent in 2001

In spite of such progress, the challenges are great.

Through 2010, nine of the top ten fastest growing jobs in Florida will require an associate's degree or a postsecondary vocational certificate.⁴

Yet Florida ranks last among all states in high school graduation rate: The state graduates 80% of Asian students, 61% of White students, 48% of Hispanic students, and 47% of Black students.⁵

The federal No Child Left Behind (NCLB) Act of 2001 requires that states raise their respective student achievement bar over the next decade until, by the year 2014, **all** students reach the "proficient" level in reading and math. In Florida, proficiency will be measured by Florida's Comprehensive Achievement Test (FCAT).

- In the 2002-03 school year, on the FCAT, of students in the tenth grade, 60% met the math standard but only 36% were able to do so in reading.⁶
- A disproportionate percentage of Black and Hispanic students overall fail to perform at grade level.
- There are wide variations between Florida's lowest and highest performing districts and students.

³ http://www.fldoe.org/news/2004/2004_05_10-1.asp

⁴ Council for Education Policy, Research and Improvement December 2003 Volume 1 Issue 2 Insight *Career Education: Florida's Forgotten Economic Development Programs*.

⁵ Manhattan Institute for Policy Research, September 2003. Data for 2001.

⁶ *Pocket Digest of Florida Education Data*, August 2003, Florida Department of Education



- When Florida's student achievement is measured on the National Assessment of Educational Progress (NAEP), the state's students historically score well below the national average (See Table 1, page 10). The most recent results (2003) indicate Florida has made some gains: 4th grade reading scores—slightly surpassed the national average for the first time, and Florida was the only state that made significant gains over the preceding year; 4th grade math scores—finally reached the national average for the first time although the state was not among the 41 states that made significant gains over the preceding year; 8th grade reading and math scores—remained below the U.S. average and Florida was not one of the 17 states that made significant gains in 8th grade math.
- The NAEP also shows substantial gaps between the achievement of Whites and Blacks and between Whites and Hispanics.

Florida faces a significant challenge in raising student achievement to levels demanded by NCLB.

This report, second in the series, examines Florida's financial commitment to K-12 education as it compares to other states in the nation. The report also examines the link between educational spending and student performance among the states (See Tables 2-7, pages 13-16).

The next report in this series will examine the link between student achievement and educational funding in Florida's counties to identify how public education allocations can be directed to raise **all** students to levels of proficiency in reading and math.

Highlights

Florida has many unique demographics.

Florida depends upon a relatively small workforce to care for a large percentage of the nation's elderly and for educating one of every 20 students in the nation.

Florida is the fourth most populous state in the nation and educates one of every 20 students in the nation. Florida is first among the states in the percent of population 65 and older, 17th in the percent of children under age five, and last in the size of its workforce age population. This means that Florida's

relatively small workforce must care for a large percentage of the nation's elderly and educate a large percentage of the nation's children.

- Of the five most populous states, Florida ranks number one in both the percent of population 65-74 and the percent of population 75 and older.⁷ Analyses of Florida's 65-and-over population indicate that, of this number, 49.5% are over 75, and 12.2% are over 85.⁸ It is projected that between now and 2020 the population growth of the 85+ age group will outpace the 0-59-year-old age group **and** the 60-84-year-old age group. It is also estimated that 19% of the 65+ populations live in poverty and an additional 33% are near poverty.⁹

Fifty-two percent of those 65 years of age and older are living at or near poverty level.

⁷ Pepper Institute on Aging and Public Policy, <http://www.pepperinstitute.org/images/agingpopulationweb.pdf>

⁸ <http://elderaffairs.state.fl.us/doea/english/Stats/Florida2003.html>

⁹ Florida Department of Elder Affairs, *Aging in Florida*, November 2003
http://www.elderaffairs.state.fl.us/doea/english/pdfs/Florida_trends_in_aging.pdf



Florida's large under-five population, ranked 17th in the nation, assures steady growth in our public schools. Florida's schools serve an extremely diverse student population. One recent study found that only seven states had higher rates of disadvantaged students than did Florida¹⁰. These subpopulations of students, more costly to educate, include students in poverty, non-English-speaking students, and students in exceptional student education (ESE) programs.

- The number of students enrolled in Limited English Proficiency programs more than doubled from 1992-1993 to 2001-2002.¹¹
- Eligibility for free and reduced lunch, often used as a measure of poverty, increased by 6.1%, from a statewide average of 37.6% in 1992-1993 to 43.7% in 2001-2002.¹²
- Since 1976, minority student enrollment has increased by 172%.¹³
- Between 1983-1984 and 2002-2003, total public school enrollment increased by 70% while program enrollment in exceptional student education programs increased 167%.¹⁴

Florida's ability to meet the state's unique needs and challenges, including funding public education and other government services, depends on the state's taxable resources and the state's willingness to tax these resources (tax effort). Relative to other states in the nation, Florida has a wealth of resources.

- Florida's per capita income (PCI) of \$29,048 ranks 22nd among the states in the nation and is 95.5% of the national average PCI of \$30,413 (See Table 9, page 21).
- Florida's personal income per pupil enrolled (total personal income divided by the number of students enrolled in the state's public school system) ranks 14th among the states and exceeds the national average (See Table 9, page 21).
- Among the six most populous states, Florida's personal income per student enrolled in the public schools outranks all six states by a wide margin (See Figure 7, page 23).

However, Florida's families are relatively poor. Florida's median family income (MFI)¹⁵ is only 89.5% of the U.S. average of \$43,052. One half of Florida's families earn less than \$38,533. Thirty-six states have a higher MFI than Florida, and Florida's MFI ranks last among the six most populous states (See Figure 5, page 22 and Figure 9, page 23).

Florida's tax effort—the amount of revenue state and local governments generate through taxation of the state's resources—is below the U.S. average: Florida ranks 42nd in state and local taxes as a percent of personal income (See Table 11, page 25) and 37th in per capita combined state and local taxes (See Table 12, page 25).

- Florida's tax effort is born more by localities than by the state: Florida ranks 44th in per capita state taxes but 22nd in per capita local taxes (See Table 12, page 25).

¹⁰ *The Teachability Index: Can Disadvantaged Students Learn?* Jay Greene and Greg Forster, Manhattan Institute, September 2004.

¹¹ <http://www.state.fl.us/edr/conferences/studentenrollment/03-02006min.pdf>

¹² Askew Institute, 2004, *Confronting the Public Education in Florida and the Nation*

¹³ Florida Department of Education, *Growth of Minority Student Populations in Florida's Public Schools*

¹⁴ <http://www.oppaga.state.fl.us/reports/pdf/0340rpt.pdf>

¹⁵ (MFI is based on the distribution of the total number of families, including those with no income. It divides income distribution into two equal parts: one-half below the median income and one-half above).



Florida spends disproportionately more of its state and local dollars on corrections, police and fire protection, and health and hospitals than on public schools and public welfare—Florida ranks 9th in state and local spending per capita for corrections, 11th for police and fire protection, and 16th for health and hospitals. But Florida ranks 45th in state and local spending per capita for public schools and 45th for public welfare. Florida even spends proportionately more on highways (rank of 41) than on public schools and public welfare (See Table 13, page 26).

It is ultimately a state's responsibility to assure the effective and efficient operation of its schools, therefore, state governments generally provide the largest share of public school funding. Seventeen states receive less from state coffers than does Florida (See Table 14, page 28).

- The Florida Lottery was instituted in 1986 to increase state contributions for educational enhancements. However, the proportion of each education dollar coming from state revenue has decreased since the Lottery was instituted. Florida derives 10% of its educational funding from federal sources, 45% from state sources, and 45% from local sources.
- Thirty-eight states provide additional funding for students living below the poverty line. Florida is not one of these states: In Florida, in 2001-2002, the gap between revenues available per student in the highest- and lowest-poverty districts was \$248. This gap has widened by \$178 since 1997.¹⁶
- *Only seven states spend less per student than Florida* (See Figure 1, page 11). Of the six most populous states Florida spends the least. Seven of the 12 southeastern states outspend Florida (See Tables 4 and 5, pages 14 and 15).

Furthermore, of every education dollar spent in Florida, instructional expenditures account for approximately 59 cents (below the U.S. average); support services account for 36 cents (above the U.S. average); and 5 cents (above the U.S. average) goes to non-instructional activities. The greatest portion of instructional expenditures is made up of teacher salaries (See Table 15, page 31 and Figure 13, page 32).

- Over the last ten years, teacher salaries, as a ratio of per capita income, declined more in Florida than in 24 other states (See Table 17, page 34).
- From 1964-1965 to 2001-2002, teacher salaries, as a percentage of education expenditures, declined more in Florida than in all but one other state (See Table 17, page 34).
- Florida ranks 32nd in teacher salaries (See Table 16, page 33). This is 93% of the U.S. average (\$41,401—adjusted for cost of living differences among states—compared to the U.S. average of \$44,367).
- Florida's ranking for beginning teachers' salaries (13th) reflects an emphasis on competitive recruitment efforts among the states. The state's average beginning teacher salary of \$31,725 exceeds the national average (See Table 16, page 33).

¹⁶ The Education Trust, *The Funding Gap* 2004, reports that the No Child Left Behind Legislation has set a standard for states to provide school districts with additional funding per low-income student equal to 40% of the average per student amount. The gap reported here is derived by using this 40% adjustment for low-income students and is reported in cost-adjusted dollars. www2.edtrust.org



Teacher quality is key to raising student achievement. Recognizing and codifying the critical relationship between student achievement and teacher quality, the federal No Child Left Behind Act of 2001 requires that all teachers must be “highly qualified” by 2006. This means that states can hire only teachers who prove subject matter competence in the field in which they teach. Schools that fail to provide a quality teacher in every classroom may lose federal funding.

Improving teacher quality among the existing teacher workforce will become critical. A recent report rated Florida’s efforts to improve teacher quality. *Quality Counts 2004* issued grades to each state in the nation: Florida received a C+ and was outscored by 15 states. There were no F grades given, and only Connecticut and South Carolina earned A grades.¹⁷

- Six-out-of-ten U.S. students have math teachers who were not trained in math as their main field of study in college.¹⁸ These potentially unqualified teachers are most often found in high poverty districts. One analysis found that, in Florida, 47% of middle- and high-school classes were taught by teachers who lacked a college major or minor in the subject they were teaching, though in fairness they may have demonstrated subject matter competence through another venue, such as passing the state certification exam. The rate was only 27% at low-poverty schools.¹⁹
- In order to attract qualified teachers, Florida will have to compete—particularly with other states in the southeast. Only three southeastern states pay less for teachers than Florida. Two bordering states present a particular threat—Alabama and Georgia outrank Florida in both beginning teacher salaries and overall teacher salaries. Georgia ranks 1st in the southeast in both average beginning and average overall teacher salaries (See Figures 14 and 15, page 35).
- The passage of Florida’s class size reduction initiative will create even more acute competition for qualified teachers and cost a great deal to implement. Estimated implementation costs for the class size amendment, **irrespective of the cost to raise teacher salaries to competitive levels**, range from \$20 billion to \$27.5 billion, with annual operating costs after 2010 of \$2.5 billion in 2002 dollars.²⁰ As a result of this amendment, Florida may well end up with many smaller classes taught by unqualified teachers, thereby ensuring ever-lower levels of student performance.
- Compounding the teacher quality problem even further, next year Florida will be required by constitutional mandate to provide a “high quality” universal pre-k program to **all** of the state’s four-year-olds. The Office of Economic and Demographic Research estimates the annual cost to the state, **irrespective of the cost to raise teacher salaries to competitive levels**, at between \$425 and \$650 million in 2002 dollars.

It is often erroneously assumed that the greater the financial investment in education, the greater the return on that investment as measured by higher student achievement. Although Florida falls into the bottom quartile of all states on many measures of educational spending, the state’s student performance exceeds that of several states that outspend it (See Tables 2-7, pages 13-16).

In spite of Florida’s low levels of educational funding, the state outperforms several states that outspend us.

Disparities between the highest and lowest spending states and the highest and lowest performing states invite important questions about how much spending for K-12 education is enough and where educational appropriations can have the greatest impact on raising student achievement. The next report in this series will examine the link between student achievement and educational funding in Florida’s counties to identify how public education allocations can be directed to raise **all** students to levels of proficiency in reading and math.

¹⁷ www.edweek.org/qc04
¹⁸ www.timss.org
¹⁹ Education Trust, *The Funding Gap 2004*, www2.edtrust.org
²⁰ Florida Revenue Estimating Conference Analysis



Index of Tables and Figures

This report examines the most recent education data available on a national level.

Tables		Page
Table 1.	NAEP 2003 Reading and Math, Percent Scoring At or Above Proficient Level/State Rank	10
Table 2.	National Assessment of Educational Progress: Performance Ranks	13
Table 3.	Expenditure-Performance Relationships	14
Table 4.	Student Achievement Relative to Per Student Expenditures for Most Populous States	14
Table 5.	Student Achievement Relative to Per Student Expenditures for Southeastern States	15
Table 6.	Student Achievement Relative to Per Student Expenditures for Top 10 Highest Achieving States	15
Table 7.	Student Achievement Relative to Per Student Expenditures for Top 10 Highest Spending States	16
Table 8.	Age Distribution of Population by States, 2001, Percent and Rank	18
Table 9.	Economic Resources of the States, 2001	21
Table 10.	State Comparison of Personal Income Spent on State Taxes FY 2002, Percent and Rank	24
Table 11.	State and Local Taxes as a Percent of Personal Income by States, FY 2002, Percent and Rank	25
Table 12.	Florida v. U.S. Taxes Per Capita, FY 2002	25
Table 13.	State and Local Expenditures by Major Function in 1999-2000, Per Capita, Rank and \$	26
Table 14.	Revenues for Public Elementary and Secondary Schools, by Source and State, 2001-02	28
Table 15.	Current Expenditures for Public Elementary and Secondary Schools, by Function and State, School Year 2001-2002	31
Table 16.	Average Teacher Salaries 2001-2002, Adjusted for Cost of Living	33
Table 17.	Teacher Salary Trends	34
Figures		
Figure 1.	Per Student Expenditures for Public K-12 Schools, 2001-2002, by State	11
Figure 2.	Total Resident Population by States, 2001 (in thousands)	17
Figure 3.	Age Distribution of Population, 2001, U.S. v. Florida	19
Figure 4.	Public School Enrollment, Fall 2002	20
Figure 5.	Median Household Income, Average of Years 2000-2002, by State	22
Figure 6.	Total Income (millions \$), 2001, Six Most Populous States	23
Figure 7.	Personal Income Per Pupil Enrolled, 2001, Six Most Populous States	23
Figure 8.	Per Capita Income, 2001, Six Most Populous States	23
Figure 9.	Median Household Income, 2000-2002, Six Most Populous States	23
Figure 10.	Per Capita Expenditures by Major Functions, 1999-2000, U.S. v. Florida	27
Figure 11.	Revenues for Public Elementary and Secondary Schools by Sources, 2000-02, U.S. v. Florida	29
Figure 12.	1991-2001: Mean Annual Rate of Change in Expenditures Per Pupil, by State	30
Figure 13.	U.S. v. Florida: Current Expenditures for Public Education by Function, School Year 2001-2002	32
Figure 14.	Average Teacher Salaries, 2001-2002, Southeastern States	35
Figure 15.	Beginning Teacher Salaries, 2001-2002, Southeastern States	35

Note: Differences in education spending among the states reflect regional cost differences, differing abilities of states to raise resources to finance public schools, differing levels of tax efforts among the states, and differing priorities for spending state and local resources. Making fair state-by-state comparisons of state and local government financial support of education requires an understanding of intricate differences between public education systems and their funding characteristics that bear upon the figures reported. Source documents should be consulted for additional information provided by states regarding reported figures. Some state education departments provide additional information that further explains the data reported for their state. These explanations can be found in the source documents cited.



How have Florida student mathematics and reading achievement scores compared to those of other states in the U.S.?

Florida's students historically score well below the national average on reading and math as measured by the National Assessment of Educational Progress (NAEP). The most recent results (2003) indicate 8th grade reading and math scores remain below the U.S. average. However, 4th grade scores improved slightly: math scores reached the national average and reading scores slightly surpass the national average (See Table 1, this page).

Table 1. NAEP 2003 Reading and Math, Percent Scoring At or Above Proficient Level/State Rank (1 is highest)

State	READING				MATH			
	4 th Grade		8 th Grade		4 th Grade		8 th Grade	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Alabama	22	44	22	44	19	48	16	48
Alaska	28	36	27	35	30	34	30	23
Arizona	23	43	25	41	25	39	21	40
Arkansas	28	37	27	36	26	38	19	45
California	21	45	22	45	25	40	22	38
Colorado	37	5	36	12	34	17	34	10
Connecticut	43	1	37	6	41	4	35	4
Delaware	33	16	31	30	31	28	26	32
District of Columbia	10	51	10	51	7	51	6	51
Florida	32	24	27	37	31	29	23	37
Georgia	27	38	26	38	27	37	22	39
Hawaii	21	46	22	46	23	43	17	46
Idaho	30	33	32	26	31	30	28	29
Illinois	31	30	35	15	32	26	29	27
Indiana	33	17	33	23	35	15	31	20
Iowa	35	9	36	13	36	10	33	12
Kansas	33	18	35	16	41	5	34	11
Kentucky	31	31	34	19	22	46	24	35
Louisiana	20	47	22	47	21	47	17	47
Maine	36	8	37	7	34	18	29	28
Maryland	32	25	31	31	31	31	30	24
Massachusetts	40	2	43	1	41	6	38	2
Michigan	32	26	32	27	34	19	28	30
Minnesota	37	6	37	8	42	2	44	1
Mississippi	18	50	21	48	17	49	12	50
Missouri	34	12	34	20	30	35	28	31
Montana	35	10	37	9	31	32	35	5
Nebraska	32	27	35	17	34	20	32	14
Nevada	20	48	21	49	23	44	20	42
New Hampshire	40	3	40	2	43	1	35	6
New Jersey	39	4	37	10	39	8	33	13
New Mexico	19	49	20	50	17	50	15	49
New York	34	13	35	18	33	23	32	15
North Carolina	33	19	29	34	41	7	32	16
North Dakota	32	28	38	5	34	21	36	3
Ohio	34	14	34	21	36	11	30	25
Oklahoma	26	40	30	32	23	45	20	43
Oregon	31	32	33	24	33	24	32	17
Pennsylvania	33	20	32	28	36	12	30	26
Rhode Island	29	34	30	33	28	36	24	36
South Carolina	26	41	24	43	32	27	26	33
South Dakota	33	21	39	3	34	22	35	7
Tennessee	26	42	26	39	24	41	21	41
Texas	27	39	26	40	33	25	25	34
Utah	32	29	32	29	31	33	31	21
Vermont	37	7	39	4	42	3	35	8
Virginia	35	11	36	14	36	13	31	22
Washington	33	22	33	25	36	14	32	18
West Virginia	29	35	25	42	24	42	20	44
Wisconsin	33	23	37	11	35	16	35	9
Wyoming	34	15	34	22	39	9	32	19
U.S.	30		30		31		27	

Source: <http://nces.ed.gov/nationsreportcard/pdf>, www.edweek.org/srepts/qc and Florida TaxWatch.



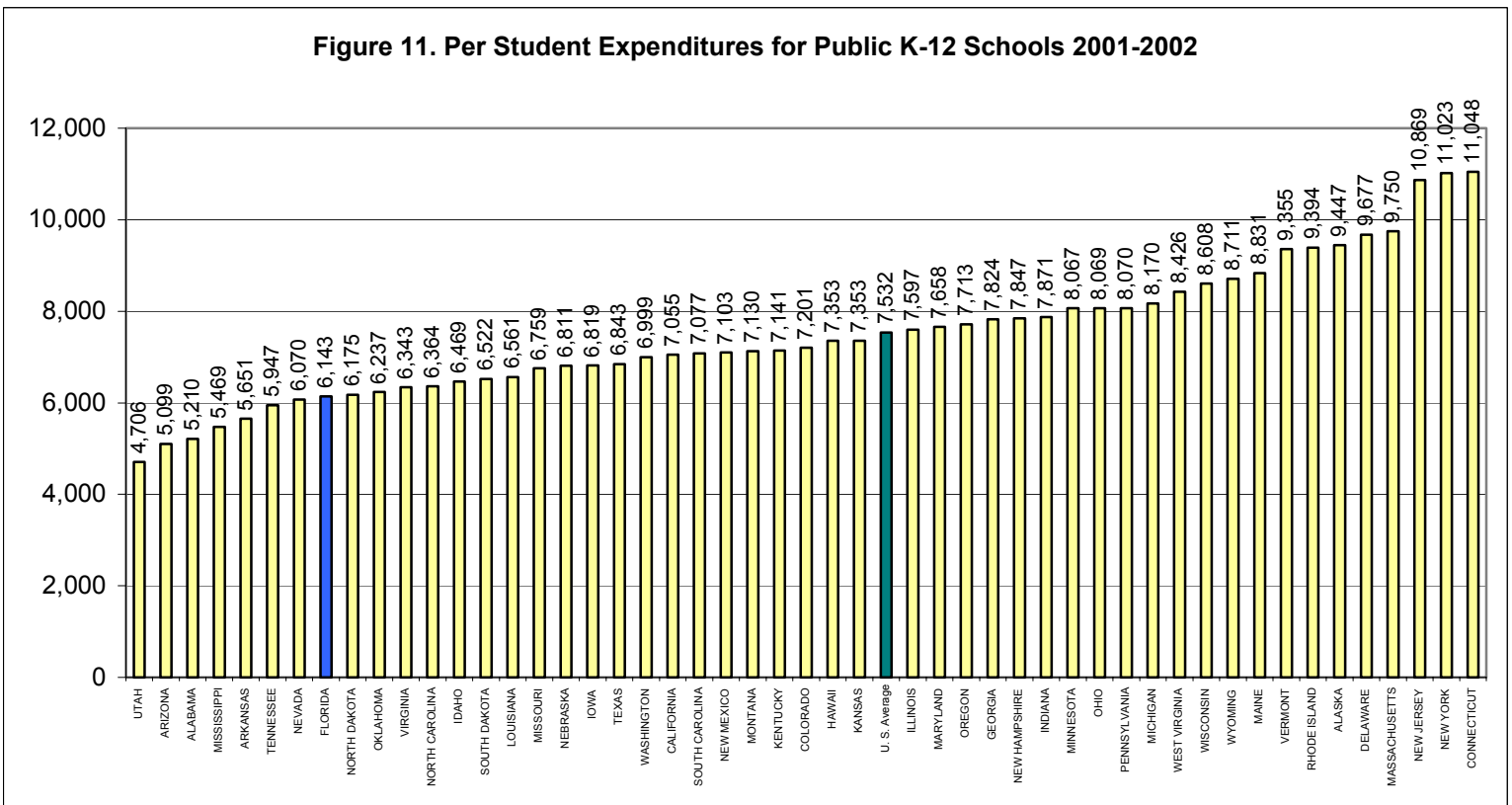
How much does Florida spend on K-12 public education?

In 1986 Florida TaxWatch reported that Florida increased per pupil expenditures (adjusting for inflation) by an average of 6.5% per year between 1982 and 1986. The report states that Florida had “moved from the back of the class...to among the top 13 states in per pupil spending.” In the succeeding years, Florida spending moved again to the back of the class. For 2000-2001, Florida’s per student expenditure was \$6143—only 81.6% of the U.S. average of \$7532.

The report also noted that “Florida ranked higher among the states in per pupil spending than in per capita personal income of all its citizens.” As of 2000-2001 that was reversed; Florida ranked higher in per capita income (22nd) than in per student spending (43rd).

All these data, however, must now be viewed through the lens of student achievement results. These data were unavailable in 1986.

See Table 9, page 21, and Figure 1, this page.



Source: <http://nea.org/edstats/images/04rankings.pdf> National Education Association, *Rankings of the States 2003*, May 2004

Only seven states spend less per pupil than Florida.



What kind of return on investment has Florida achieved? Does increased spending for education translate into increased student achievement?

Florida and the nation are intensely focused on raising student academic proficiency. In the quest for higher student achievement it is often assumed that the greater the financial investment in education, the greater the return on that investment as measured by higher student achievement. While common sense dictates that a foundational level of financial support is critical, increased educational spending per student does not necessarily correlate with higher student performance. Disparities between the highest and lowest spending states and the highest and lowest performing states invite important questions about how much spending for K-12 education is enough and where educational appropriations can have the greatest impact on raising student achievement.

To examine the relationship between student achievement on the NAEP and per student expenditures among the states, the four NAEP achievement rankings of each state have been averaged (See Table 2, page 13). This Average Performance Rank (APR) serves as an indicator of overall NAEP achievement (the lowest rankings indicate the highest achievement, therefore, **the lower the APR, the better the state's average NAEP achievement ranking**).

For purposes of characterizing the imprecise nature of the relationship between academic performance and per student expenditures, each state was placed in two categories: one based on the state's per student expenditure (PSE) and one based on the state's average performance ranking (APR).

Next each state was placed into one of nine categories representing all of the possible combinations of expenditure/performance (See Table 3, page 14).

- Intuitively, states categorized as low PSE and low APR, medium PSE and medium APR, or high PSE and high APR, perform according to expectations.
- States that fall into the categories of medium PSE and low APR or high PSE and low or medium APR provide evidence that higher expenditures do not necessarily mean higher performance.
- On the other hand, states with low PSE and medium or high APR, and states with medium PSE and high APR are performing better than traditional wisdom would predict.

Although this data indicates that Florida is not the only state that falls into the Low PSE/Medium APR category (Idaho, Missouri, Nebraska, North Carolina, and Utah also outperform other states that spend in the lowest category and perform in the medium range category), none of these states share the unique challenges that Florida faces in educating a very diverse student population. Florida's APR and PSE are also compared with states that share similarities—the most populous states and the southeastern states. These comparisons can be found in Table 4, page 14, and in Table 5, page 15.



Table 2. National Assessment of Educational Progress: Performance Ranks

State	READING		MATH		Average Performance Rank (APR)	Per Student Expenditure (PSE)	States ranked from best performing to worst performing on NAEP Average Performance Ranking (APR)	
	4 th grade	8 th grade	4 th grade	8 th grade			State	APR
Alabama	44	44	48	48	46	5,210	Massachusetts	2.75
Alaska	36	35	34	23	32	9,447	New Hampshire	3
Arizona	43	41	39	40	40.75	5,099	Connecticut	3.75
Arkansas	37	36	38	45	39	5,651	Minnesota	4.25
California	45	45	40	38	42	7,055	Vermont	5.5
Colorado	5	12	17	10	11	7,201	New Jersey	8.75
Connecticut	1	6	4	4	3.75	11,048	Colorado	11
Delaware	16	30	28	32	26.5	13,993	Iowa	11
District of Columbia	51	51	51	51	51	9,677	Kansas	12.5
Florida	24	37	29	37	31.75	6,143	South Dakota	13.25
Georgia	38	38	37	39	38	7,824	Montana	14
Hawaii	46	46	43	46	45.25	7,353	North Dakota	14.25
Idaho	33	26	30	29	29.5	6,469	Wisconsin	14.75
Illinois	30	15	26	27	24.5	7,597	Virginia	15
Indiana	17	23	15	20	18.75	7,871	Maine	15.25
Iowa	9	13	10	12	11	6,819	Wyoming	16.25
Kansas	18	16	5	11	12.5	7,353	New York	17.25
Kentucky	31	19	46	35	32.75	7,141	Ohio	17.75
Louisiana	47	47	47	47	47	6,561	Indiana	18.75
Maine	8	7	18	28	15.25	8,831	North Carolina	19
Maryland	25	31	31	24	27.75	7,658	Nebraska	19.5
Massachusetts	2	1	6	2	2.75	9,750	Washington	19.75
Michigan	26	27	19	30	25.5	8,170	Pennsylvania	21.5
Minnesota	6	8	2	1	4.25	8,067	Oregon	24.25
Mississippi	50	48	49	50	49.25	5,469	Illinois	24.5
Missouri	12	20	35	31	24.5	6,759	Missouri	24.5
Montana	10	9	32	5	14	7,130	Michigan	25.5
Nebraska	27	17	20	14	19.5	6,811	Delaware	26.5
Nevada	48	49	44	42	45.75	6,070	Maryland	27.75
New Hampshire	3	2	1	6	3	7,847	Utah	28
New Jersey	4	10	8	13	8.75	10,869	Idaho	29.5
New Mexico	49	50	50	49	49.5	7,103	Florida	31.75
New York	13	18	23	15	17.25	11,023	Alaska	32
North Carolina	19	34	7	16	19	6,364	Kentucky	32.75
North Dakota	28	5	21	3	14.25	6,175	Texas	34.5
Ohio	14	21	11	25	17.75	8,069	Rhode Island	34.75
Oklahoma	40	32	45	43	40	6,237	South Carolina	36
Oregon	32	24	24	17	24.25	7,713	Georgia	38
Pennsylvania	20	28	12	26	21.5	8,070	Arkansas	39
Rhode Island	34	33	36	36	34.75	9,394	Oklahoma	40
South Carolina	41	43	27	33	36	7,077	Arizona	40.75
South Dakota	21	3	22	7	13.25	6,522	Tennessee	40.75
Tennessee	42	39	41	41	40.75	5,947	West Virginia	40.75
Texas	39	40	25	34	34.5	6,843	California	42
Utah	29	29	33	21	28	4,706	Hawaii	45.25
Vermont	7	4	3	8	5.5	9,355	Nevada	45.75
Virginia	11	14	13	22	15	6,343	Alabama	46
Washington	22	25	14	18	19.75	6,999	Louisiana	47
West Virginia	35	42	42	44	40.75	8,426	Mississippi	49.25
Wisconsin	23	11	16	9	14.75	8,608	New Mexico	49.5
Wyoming	15	22	9	19	16.25	8,711	District of Columbia	51



Table 3. Expenditure-Performance Relationships

<p><u>Low PSE-Low APR</u></p> <p>Alabama Arizona Arkansas Louisiana Mississippi Nevada Oklahoma Tennessee</p>	<p><u>Medium PSE-Low APR</u></p> <p>California Georgia Hawaii New Mexico South Carolina Texas</p>	<p><u>High PSE-Low APR</u></p> <p>District of Columbia Rhode Island West Virginia</p>
<p><u>Low PSE-Medium APR</u></p> <p>Florida Idaho Missouri Nebraska North Carolina Utah</p>	<p><u>Medium PSE-Medium APR</u></p> <p>Illinois Indiana Kentucky Maryland Oregon Washington</p>	<p><u>High PSE-Medium APR</u></p> <p>Alaska Delaware Michigan Ohio Pennsylvania</p>
<p><u>Low PSE-High APR</u></p> <p>North Dakota South Dakota Virginia</p>	<p><u>Medium PSE-High APR</u></p> <p>Colorado Iowa Kansas Montana New Hampshire</p>	<p><u>High PSE-High APR</u></p> <p>Connecticut Maine Massachusetts Minnesota New Jersey New York Vermont Wisconsin Wyoming</p>

How does Florida’s average performance rank compare to that of the six most populous states and the 12 southeastern states?

Of the six most populous states, Florida spends the least but had a higher APR than both California and Texas—two states that spend more per student than Florida (See Table 4).

Table 4. Student Achievement Relative to Per Student Expenditures for Six Most Populous States

Six Most Populous States		Student Achievement [NAEP 2003]						Average Performance Rank* (APR)
		Per Student Expenditure 2001-2002		Reading		Math		
State	Rank [Pop.] (1=highest)	Amount	Rank (1=highest)	4th Grade Rank*	8th Grade Rank*	4th Grade Rank*	8th Grade Rank*	
New York	3	11023	1	13	18	23	15	17.25
Pennsylvania	6	8070	2	20	28	12	26	21.5
Illinois	5	7597	3	30	15	26	27	24.5
California	1	7055	4	45	45	40	38	42
Texas	2	6843	5	39	40	25	34	34.5
Florida	4	6143	6	24	37	29	37	31.75

*Lowest Numbered Rankings Indicate the Highest Student Achievement



Florida outperforms five of the seven southeastern states that outspend Florida. However, North Carolina and Virginia spend \$200 and \$221 respectively more per student than Florida and *far* outperform Florida (See Table 2b).

Table 5. Student Achievement Relative to Per Student Expenditures for Seven Southeastern States

Southeastern States		Per Student Expenditure 2001-2002		Reading		Math		Average Performance Rank* (APR)
				4th Grade	8th Grade	4th Grade	8th Grade	
State	Amount	Rank	Rank*	Rank*	Rank*	Rank*		
West Virginia	8426	1	35	42	42	44		40.75
Georgia	7824	2	38	38	37	39		38
Kentucky	7141	3	31	19	46	35		32.75
South Carolina	7077	4	41	43	27	33		36
Louisiana	6561	5	47	47	47	47		47
North Carolina	6364	6	19	34	7	16		19
Virginia	6343	7	11	14	13	22		15
Florida	6143	8	24	37	29	37		31.75
Tennessee	5947	9	42	39	41	41		40.75
Arkansas	5651	10	37	36	38	45		39
Mississippi	5469	11	50	48	49	50		49.25
Alabama	5210	12	44	44	48	48		46

*Lowest Numbered Rankings Indicate the Highest Student Achievement

Florida is not among the top 10 highest achieving states. Table 6 comprises every state that ranks in the top ten in 4th or 8th grade reading or math. North Carolina is the only southeastern state in this group, ranking 7th in 4th grade math.

Of the states that rank in the top ten for each grade level and subject area, New Hampshire appears to be getting the best return on their investment [APR=3]. Massachusetts has a slightly better APR [2.75] than New Hampshire, but outspends that state by more than \$1900 per student.

Table 6. Student Achievement Relative to Per Student Expenditures: Top 10 Highest Achieving States
Student Achievement [NAEP 2003]

Top 10 Highest Achieving States		Per Student Expenditure 2001-2002		Reading		Math		Average Performance Rank (APR)*
				4th Grade	8th Grade	4th Grade	8th Grade	
State	Amount	Rank*	Rank*	Rank*	Rank*			
Connecticut	11048	1	6	4	4			3.75
New Jersey	10869	4	10	8				
Massachusetts	9750	2	1	6	2			2.75
Vermont	9355	7	4	3	8			5.5
Maine	8831	8	7					
Wyoming	8711			9				
Wisconsin	8608				9			
Minnesota	8067	6	8	2	1			4.25
New Hampshire	7847	3	2	1	6			3
Kansas	7353			5				
Colorado	7201	5			10			
Montana	7130	10	9		5			
Iowa	6819	9		10				
South Dakota	6522		3		7			
North Carolina	6364			7				
North Dakota	6175		5		3			

*Lowest Numbered Rankings Indicate the Highest Student Achievement



Florida is not among the top ten highest spending states. Connecticut is the highest spending state but outperforms Massachusetts, which spends \$1298 per student less than Connecticut. *Florida's APR of 31.75 bests top-ten-spender Rhode Island's performance even though Rhode Island spends \$3251 more per student than Florida (See Table 7).*

Table 7. Student Achievement Relative to Per Student Expenditures: Top 10 Highest Spending States
Student Achievement [NAEP 2003]

Top 10 Highest Spending States State	Per Student Expenditure 2001-2002 Amount	Reading		Math		Average Performance Rank (APR)*
		4th Grade Rank*	8th Grade Rank*	4th Grade Rank*	8th Grade Rank*	
Connecticut	11048	1	6	4	4	3.75
New York	11023	13	18	23	15	17.25
New Jersey	10869	4	10	8	13	8.75
Massachusetts	9750	2	1	6	2	2.75
Delaware	9677	16	30	28	32	26.5
Alaska	9447	36	35	34	23	32
Rhode Island	9394	34	33	36	36	34.75
Vermont	9355	7	4	3	8	5.5
Maine	8831	8	7	18	28	15.25
Wyoming	8711	15	22	9	19	16.25

*Lowest Numbered Rankings Indicate the Highest Student Achievement

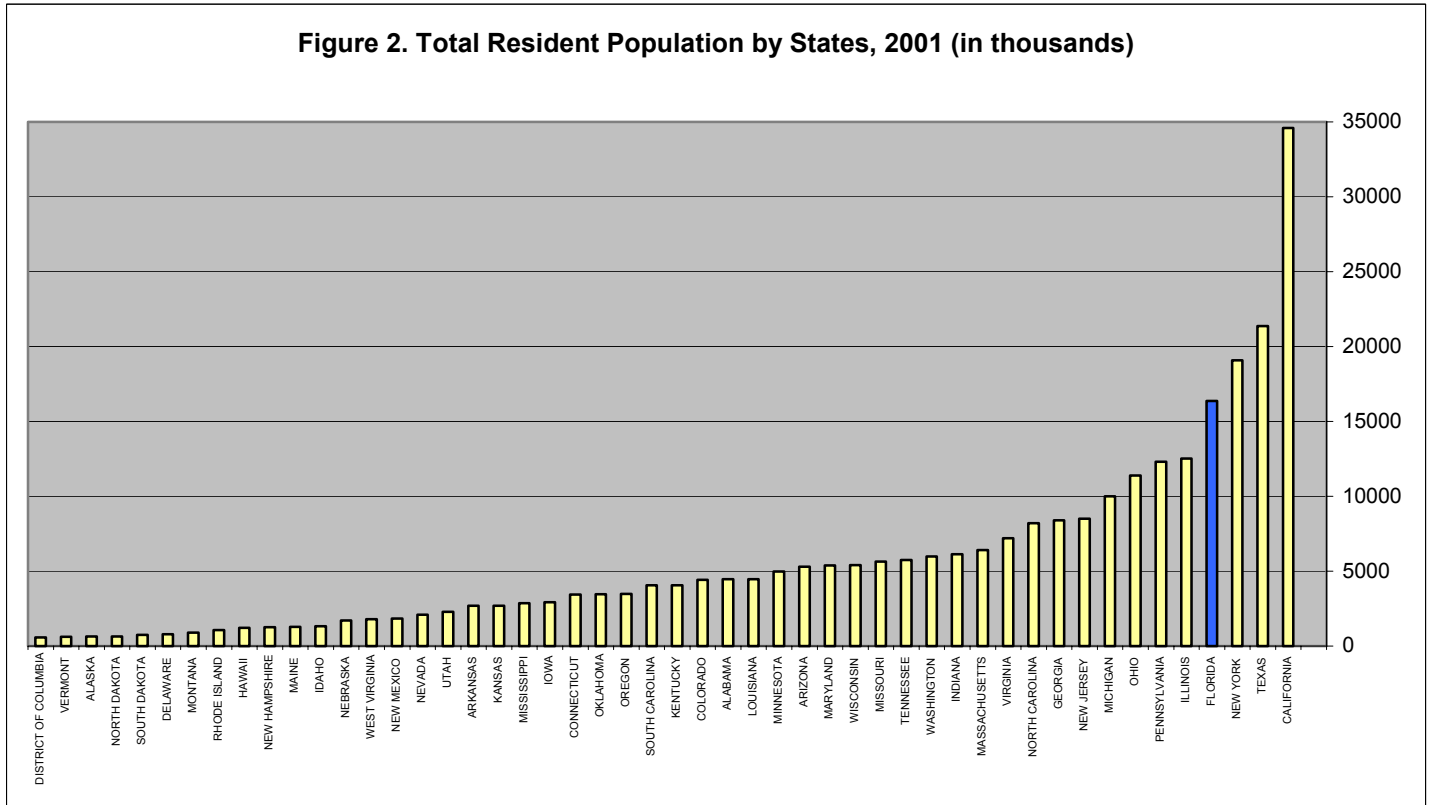
The above analyses clearly indicate that higher levels of funding do not guarantee higher student achievement. Unfortunately, most analyses of states' financial commitment to education fail to consider fiscal efficiency, fiscal effectiveness, or the unique characteristics and challenges of each state. However, it is critical for the state to determine what types of expenditures result in higher student performance.

The remainder of this report will examine how Florida compares to other states in the nation on a number of indicators and on traditional measures of financial commitment irrespective of student achievement.

The next report in this series will examine the link between student achievement and educational funding in Florida's counties to identify how public education allocations can be directed to raise all students to levels of proficiency in reading and math.



How does Florida’s population and the age distribution of that population compare to that of other states in the nation?



Florida is the fourth most populous state in the nation with a population of 16,373,000 (See Figure 2, this page). Relative to other states in the nation, Florida ranks 48th in the percent of population that is of school age (ages 5-17), last in the percent of the population of workforce age (ages 18-64), and 1st in the percent of population ages 65 and older (See Table 8, page 18).



Table 8. Age Distribution of Population by States, 2001, Percent and Rank (1 is the highest)

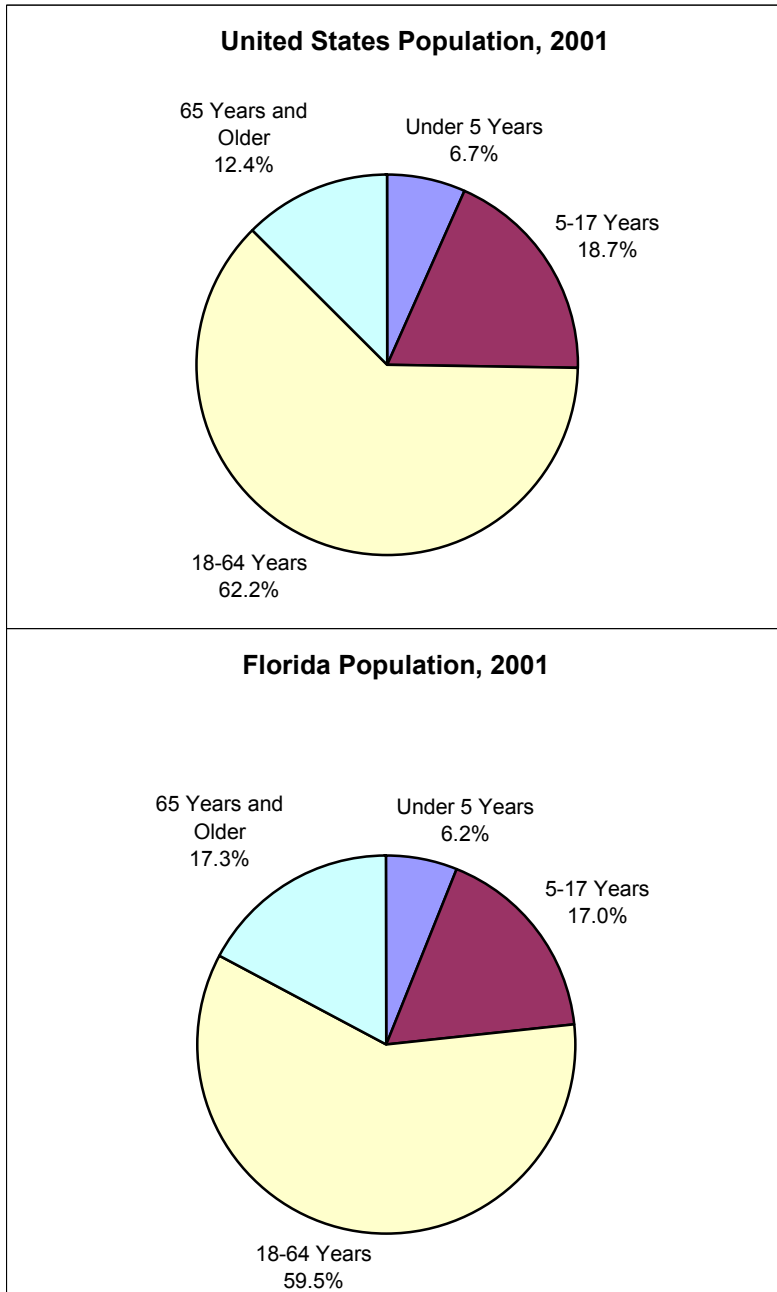
State	Under 5 Years		5-17 Years		18-64 Years		65 Years and Older	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Alabama	6.6	13	18.3	31	62	29	13.1	19
Alaska	7.6	4	22.4	1	64	5	6	51
Arizona	7.7	3	19.4	9	60	48	12.9	23
Arkansas	6.8	11	18.4	30	60.8	43	14	9
California	7.3	6	19.8	6	62.3	25	10.6	46
Colorado	7.1	8	18.6	22	64.7	2	9.6	48
Connecticut	6.5	14	18.5	27	61.3	39	13.7	10
District of Columbia	6.4	15	17.6	42	63	16	13	21
Delaware	5.6	23	13.9	51	68.5	1	12	33
Florida	6.2	17	17	48	59.5	51	17.3	1
Georgia	7.5	5	19.1	11	63.9	7	9.5	49
Hawaii	6.6	13	17.4	44	62.6	23	13.4	14
Idaho	7.5	5	20.6	3	60.6	47	11.3	41
Illinois	7.0	9	18.9	16	62.1	27	12	34
Indiana	7.1	8	18.9	17	61.7	33	12.3	29
Iowa	6.3	16	18	34	60.9	42	14.8	4
Kansas	6.9	10	19.1	12	60.8	44	13.2	17
Kentucky	6.3	16	17.2	45	64	6	12.5	27
Louisiana	7.2	7	19.7	7	61.5	35	11.6	40
Maine	5.2	25	17.1	46	63.3	12	14.4	6
Maryland	6.6	13	18.8	19	63.3	13	11.3	42
Massachusetts	6.0	19	17	49	63.5	9	13.5	11
Michigan	6.6	13	19.1	13	62	30	12.3	30
Minnesota	6.5	14	18.9	18	62.6	24	12	35
Mississippi	7.2	7	19.5	8	61.2	40	12.1	32
Missouri	6.5	14	18.5	28	61.6	34	13.4	15
Montana	5.7	22	18.6	23	62.2	26	13.5	12
Nebraska	6.7	12	19	14	60.8	45	13.5	13
Nevada	7.5	5	18.8	20	62.7	19	11	45
New Hampshire	5.9	20	18.6	24	63.5	10	12	36
New Jersey	6.6	13	18.2	32	62.1	28	13.1	20
New Mexico	7.0	9	20.3	4	60.8	45	11.9	38
New York	6.4	15	17.9	35	62.8	18	12.9	24
North Carolina	6.9	10	17.8	38	63.3	14	12	37
North Dakota	5.8	21	17.9	36	61.5	36	14.8	5
Ohio	6.6	13	18.6	25	61.5	37	13.3	16
Oklahoma	6.8	11	18.5	29	61.5	38	13.2	18
Oregon	6.5	14	18.1	33	62.7	20	12.7	26
Pennsylvania	5.8	21	17.6	43	61	41	15.6	2
Rhode Island	5.9	20	17.1	47	62.7	21	14.3	7
South Carolina	6.6	13	17.8	39	63.4	11	12.2	31
South Dakota	6.8	11	19.4	10	59.6	50	14.2	8
Tennessee	6.6	13	17.7	41	63.3	15	12.4	28
Texas	7.9	2	20.3	5	61.9	31	9.9	47
Utah	9.4	1	22	2	60	49	8.6	50
Vermont	5.2	25	17.8	40	64.1	4	12.9	25
Virginia	6.6	13	17.9	37	64.3	3	11.2	43
Washington	6.6	13	18.6	26	63.6	8	11.2	44
West Virginia	5.5	24	16.4	50	62.7	22	15.4	3
Wisconsin	6.3	16	18.8	21	61.9	32	13	22
Wyoming	6.1	18	19	15	63	17	11.9	39
United States	6.7		18.7		62.2		12.4	

Source: <http://nea.org/edstats/images/04rankings.pdf>

National Education Association, *Rankings of the States 2003*, May 2004 and Florida TaxWatch



Figure 3. Age Distribution of Population, 2001, U.S. v. Florida



Compared to the U.S. population, Florida has a greater percentage of residents 65 years and older and of children under five. Florida has a lesser percentage of school-age children (ages 5-17 years) and of workforce age (18-64 years) residents than does the nation (See Figure 3, this page).

Source: <http://nea.org/edstats/images/04rankings.pdf> National Education Association, *Rankings of the States 2003*, May 2004 and Florida TaxWatch

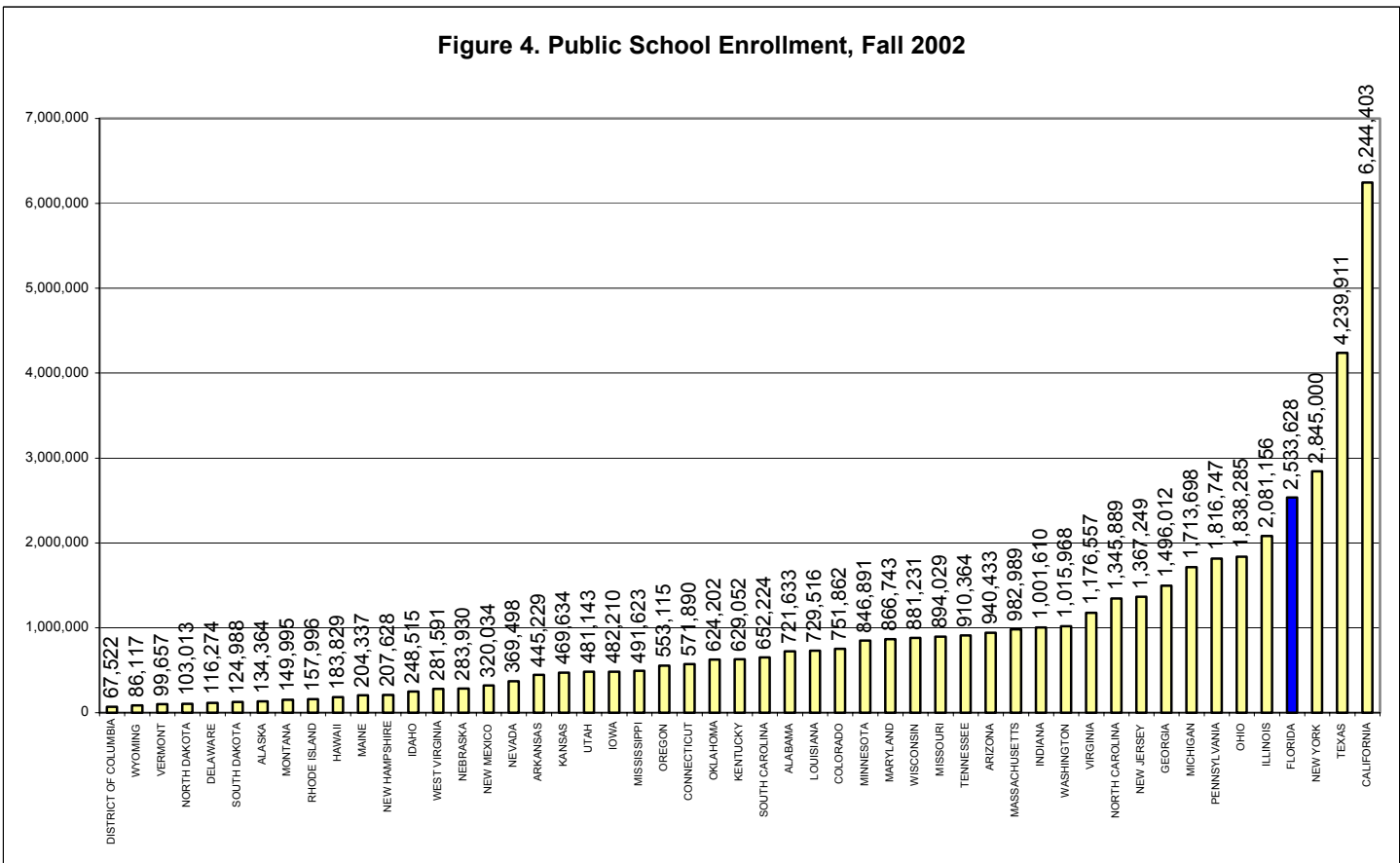


How many students are in Florida's schools?

Florida ranks fourth in the nation in the number of students enrolled in its public schools (2,533,628). One of every 20 students in the nation is educated in Florida's classrooms (See Figure 4, this page).

Although Florida ranks last in the percent of the population of workforce age (ages 18-64), this workforce bears the burden of caring for a large percentage of the nation's elderly as well as providing a quality education to over 5% of the nation's school-age children. In addition, Florida ranks 17th in percentage of population under age five. This assures a steady growth in our public schools. Florida's workforce will soon assume the added financial commitment of providing universal pre-k to the state's four-year olds.

Figure 4. Public School Enrollment, Fall 2002



http://nea.org/edstats/images/04rankings.pdf National Education Association, Rankings of the States 2003, May 2004 and Florida TaxWatch



How does the amount of financial resources available to Florida government through taxation for public education and other government services compare to that of other states in the nation?

Table 9. Economic Resources of the States, 2001

State	Total Income (Millions\$)	Rank (1=high)	Per Capita Personal Income	Rank (1=high)	PCI As % of National Average	Personal Income Per Pupil Enrolled	Rank (1=high)
Alabama	109,388	24	24,477	44	80.5	150,153	40
Alaska	19,660	48	31,027	15	102	147,425	43
Arizona	137,331	23	25,878	38	85.1	153,698	37
Arkansas	61,304	34	22,750	50	74.8	136,638	47
California	1,129,868	1	32,655	11	107.4	186,905	18
Colorado	148,239	21	33,455	8	110	204,606	10
Connecticut	145,548	22	42,377	1	139.3	260,599	2
Delaware	25,624	44	32,166	13	105.8	223,755	6
D. C.	23,262	45	40,539	2	133.3	337,497	1
Florida	475,607	4	29,048	22	95.5	195,635	14
Georgia	239,754	11	28,523	27	93.8	165,927	31
Hawaii	35,625	40	29,034	23	95.5	194,121	15
Idaho	32,363	42	24,506	43	80.6	131,891	49
Illinois	413,044	5	32,990	10	108.5	201,604	13
Indiana	168,622	16	27,522	32	90.5	170,558	28
Iowa	79,822	30	27,225	34	89.5	161,231	35
Kansas	76,828	31	28,432	29	93.5	164,045	32
Kentucky	101,223	26	24,878	41	81.8	161,916	34
Louisiana	109,317	25	24,454	45	80.4	148,282	42
Maine	34,491	41	26,853	35	88.3	166,593	30
Maryland	190,015	15	35,279	6	116	222,782	7
Massachusetts	248,778	10	38,864	3	127.8	254,136	3
Michigan	296,480	9	29,629	19	97.4	177,704	24
Minnesota	164,784	17	33,059	9	108.7	192,211	16
Mississippi	61,922	33	21,653	51	71.2	124,710	50
Missouri	159,093	18	28,221	31	92.8	178,014	23
Montana	21,769	46	24,044	46	79.1	140,559	45
Nebraska	49,642	36	28,861	24	94.9	174,229	25
Nevada	63,200	32	30,128	18	99.1	185,497	19
New Hampshire	42,779	37	33,969	7	111.7	205,213	9
New Jersey	328,743	7	38,625	4	127	250,300	4
New Mexico	42,260	38	23,081	48	75.9	131,932	48
New York	684,704	2	35,878	5	118	240,745	5
North Carolina	224,094	13	27,308	33	89.8	172,665	27
North Dakota	16,422	50	25,798	39	84.8	151,923	39
Ohio	326,876	8	28,699	26	94.4	178,129	22
Oklahoma	86,550	29	24,945	40	82	138,908	46
Oregon	98,026	28	28,222	30	92.8	179,640	20
Pennsylvania	378,350	6	30,752	16	101.1	208,536	8
Rhode Island	32,061	43	30,256	17	99.5	203,760	11
South Carolina	100,902	27	24,840	42	81.7	152,866	38
South Dakota	20,146	47	26,566	37	87.4	158,642	36
Tennessee	154,130	20	26,808	36	88.1	170,232	29
Texas	608,466	3	28,472	28	93.6	149,883	41
Utah	54,764	35	24,033	47	79	115,227	51
Vermont	17,627	49	28,756	25	94.6	172,731	26
Virginia	232,730	12	32,338	12	106.3	203,273	12
Washington	191,645	14	31,976	14	105.1	190,735	17
West Virginia	41,174	39	22,862	49	75.2	144,073	44
Wisconsin	157,832	19	29,196	21	96	179,461	21
Wyoming	14,609	51	29,587	20	97.3	163,173	33
United States	8,677,490		30,413		100	184,939	

Source: <http://nea.org/edstats/images/04rankings.pdf>
National Education Association, *Rankings of the States 2003*, May 2004

Per capita income (PCI) is an indicator of the wealth of the state's population and is considered a measure of the relative ability of states to fund public education and other government services²¹. Florida's PCI (\$29,048) ranks 22nd among the states in the nation and is 95.5% of the national average PCI of \$30,413 (See Table 9, this page).

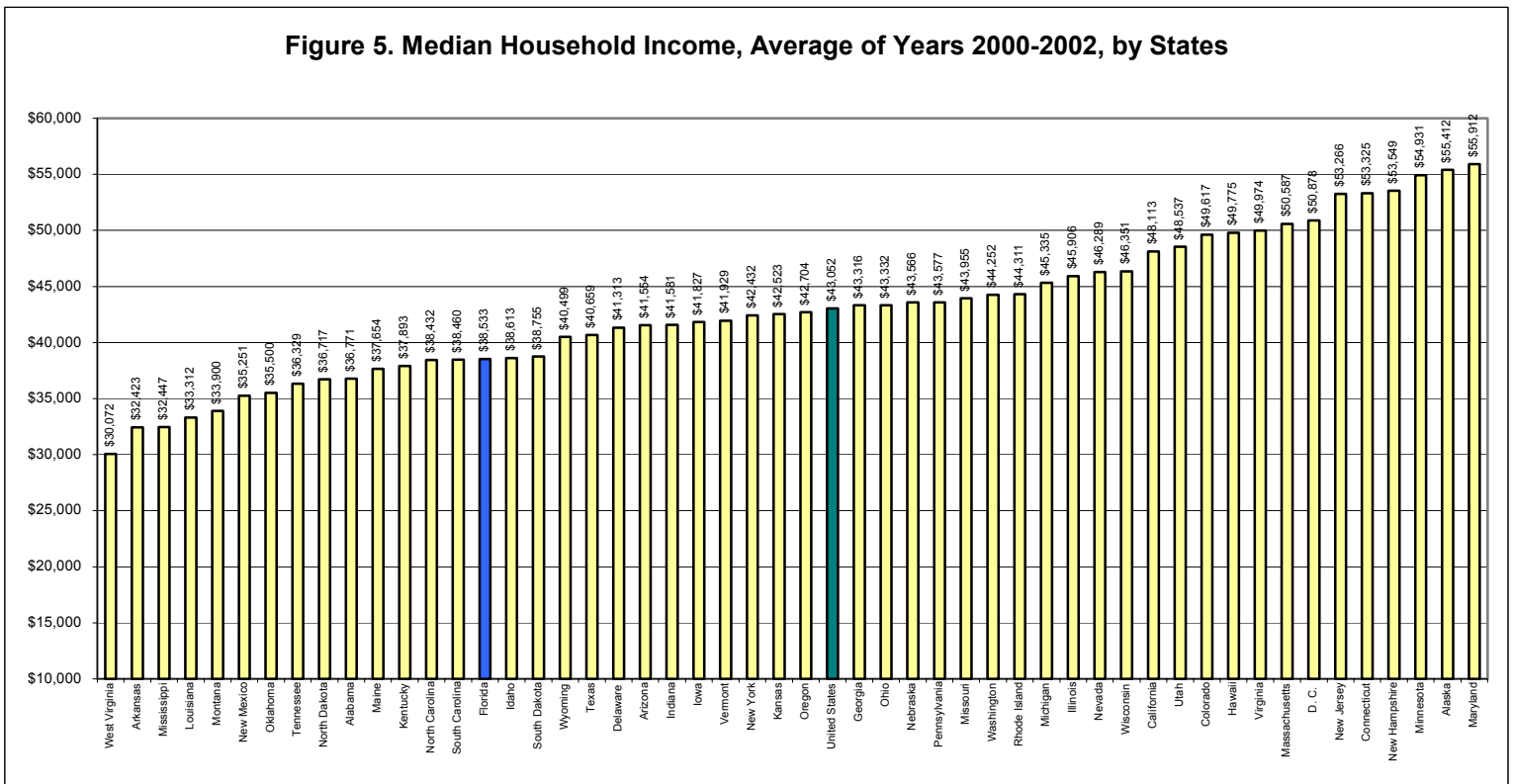
²¹ PCI is calculated by dividing a state's total personal income by the number of residents in the state.



Total personal income data indicate the overall economic activity within a state. They provide a view of the total revenue or financial resources available to government through taxation for public education and other government services. Personal income can also be used to gauge the ability and effort of states to generate funds for public education. When Florida's total personal income is divided by the number of students enrolled in the public school system, the state ranks 14th. Florida's personal income per pupil enrolled is \$195,635, exceeding the national average of \$184,939 (See Table 9, page 21).

Median family income (MFI) is an annual income figure that divides income distribution into two equal parts: one-half below the median income and one-half above. MFI is based on the distribution of the total number of families, including those with no income²². Florida's MFI is \$38,533 compared to the U.S MFI of \$43,052 (See Figure 5, this page).

Figure 5. Median Household Income, Average of Years 2000-2002, by States



Source: State Health Facts Online - <http://statehealthfacts.kff.org> and Florida TaxWatch

²²The 3-year average MFI is the sum of 3 inflation-adjusted single-year medians divided by 3. A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.



How do Florida's economic resources compare to those of the six most populous states?

Figure 6

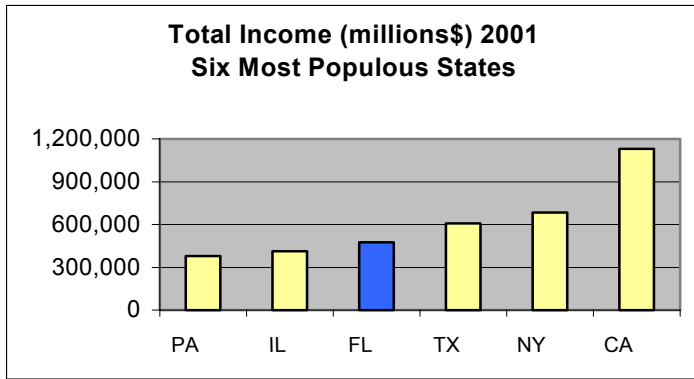


Figure 7

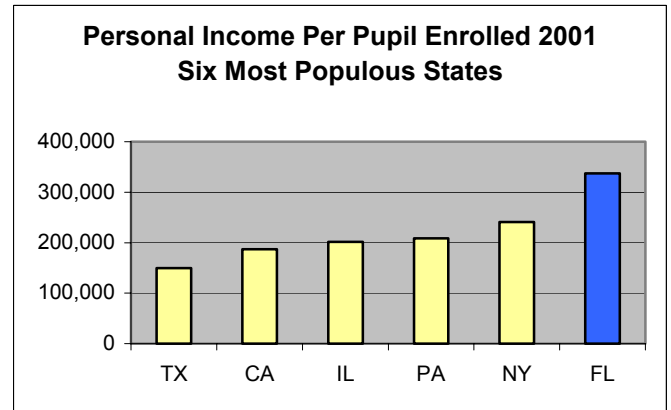
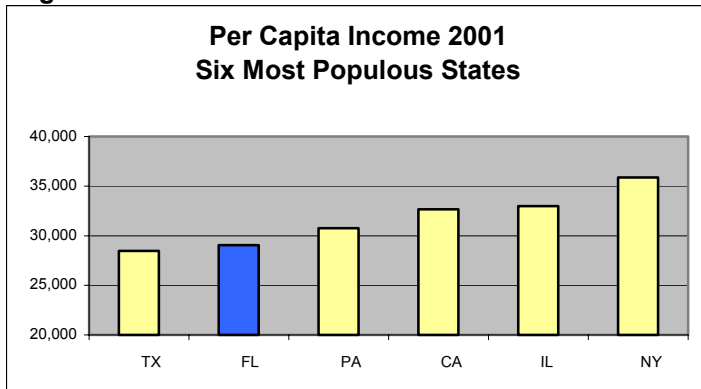


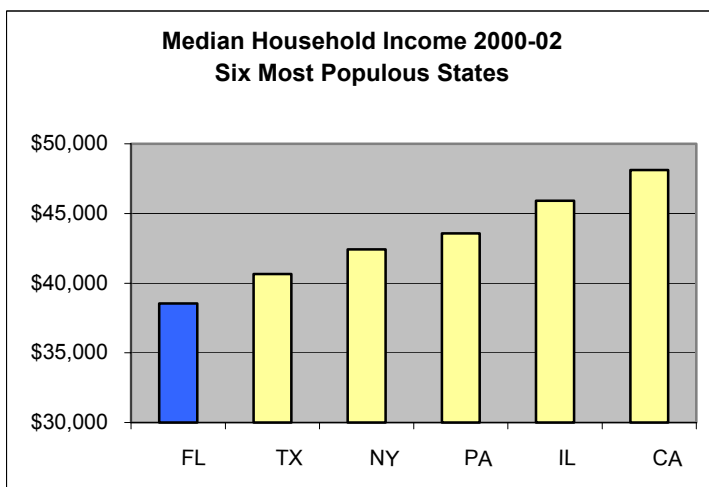
Figure 8



Compared to the six most populous states:

- Florida ranks 4th in population and a corresponding 4th in total income of its population.
- Florida's per capita income *per student enrolled* in the public schools outranks all six states by a wide margin.
- Florida's wealth is not as widely distributed among the population—Florida ranks last in median household income.

Figure 9





How does Florida’s tax effort compare to other states in the nation?

Table 10. State Comparison of Personal Income Spent on State Taxes FY 2002, Percent and Rank (1 is highest)

Rank	State	Percent	Rank	State	Percent
1.	Hawaii	9.63%	27.	Nevada	6.26%
2.	Vermont	8.76%	28.	Kansas	6.25%
3.	West Virginia	8.62%	29.	Connecticut	6.22%
4.	New Mexico	8.57%	30.	Arizona	6.17%
5.	Delaware	8.40%		U.S. Average	6.15%
6.	Arkansas	8.17%	31.	Nebraska	6.05%
7.	Kentucky	7.87%	32.	Ohio	5.99%
8.	Minnesota	7.86%	33.	Massachusetts	5.97%
9.	Maine	7.64%	34.	Indiana	5.88%
10.	Mississippi	7.61%	35.	Pennsylvania	5.86%
11.	Wyoming	7.53%	36.	Maryland	5.72%
12.	Wisconsin	7.47%	37.	Georgia	5.72%
13.	Michigan	7.35%	38.	South Carolina	5.69%
14.	Utah	7.15%	39.	New Jersey	5.61%
15.	Idaho	6.98%	40.	Alaska	5.55%
16.	Oklahoma	6.98%	41.	Virginia	5.48%
17.	North Carolina	6.90%	42.	Missouri	5.46%
18.	California	6.89%	43.	Illinois	5.45%
19.	North Dakota	6.80%	44.	Oregon	5.25%
20.	Louisiana	6.71%	45.	Florida	5.23%
21.	Montana	6.65%	46.	Tennessee	5.03%
22.	Rhode Island	6.65%	47.	South Dakota	4.84%
23.	Washington	6.59%	48.	Texas	4.70%
24.	New York	6.32%	49.	Colorado	4.68%
25.	Alabama	6.27%	50.	New Hampshire	4.38%
26.	Iowa	6.27%			

Source: U.S. Department of Commerce and Florida TaxWatch, *How Florida Compares*, July 2004.

Florida ranks 45th in the nation in state taxes as a percentage of personal income (5.23%). This is below the U.S average of 6.15% (See Table 10, this page).

Florida is one of seven states—and one of two states among the four largest states—without a personal income tax. Florida relies heavily upon transaction taxes (general and selective sales taxes) for state tax collections. Florida has the sixth largest per capita general sales tax collections among the states and ranks 27th in selective sales taxes. Businesses pay nearly half of all state and local taxes in Florida. This is the 13th highest percentage in the nation (See *How Florida Compares*, July 2004).



Florida's state and local taxes, as a percent of personal income, are 9.2%. This is below the U.S. average of 10.3% (See Table 11, this page).

**Table 11. State & Local Taxes as a Percent of Personal Income by States FY 2002
Percent and Rank(1 is highest)**

Rank	State	Percent	Rank	State	Percent
1.	New York	13.11%	26.	California	10.24%
2.	Maine	12.93%	27.	Montana	10.22%
3.	Alaska	12.01%	28.	Iowa	10.20%
4.	Wisconsin	11.78%	29.	Maryland	10.18%
5.	Hawaii	11.53%	30.	Washington	10.11%
6.	New Mexico	11.38%	31.	North Carolina	10.06%
7.	Minnesota	11.30%	32.	Georgia	10.05%
8.	Wyoming	11.18%	33.	Pennsylvania	10.04%
9.	West Virginia	11.15%	34.	Arkansas	10.03%
10.	Rhode Island	11.14%	35.	Illinois	10.01%
11.	Utah	11.03%	36.	Nevada	9.99%
12.	North Dakota	11.00%	37.	Oklahoma	9.97%
13.	Vermont	10.97%	38.	Idaho	9.92%
14.	Michigan	10.89%	39.	Massachusetts	9.52%
15.	Ohio	10.79%	40.	Virginia	9.35%
16.	Louisiana	10.67%	41.	Missouri	9.29%
17.	Arizona	10.59%	42.	Florida	9.15%
18.	Delaware	10.53%	43.	Colorado	9.14%
19.	Connecticut	10.52%	44.	Oregon	9.11%
20.	Kentucky	10.51%	45.	South Carolina	9.09%
21.	Nebraska	10.45%	46.	Alabama	9.07%
22.	Mississippi	10.42%	47.	Texas	9.04%
23.	New Jersey	10.34%	48.	South Dakota	8.95%
24.	Kansas	10.31%	49.	Tennessee	8.54%
	U.S. Average	10.29%	50.	New Hampshire	7.95%
25.	Indiana	10.27%			

Note: Local taxes for 2001 and 2002 are estimated by Florida TaxWatch using data from the Census Bureau and Tax Foundation.
Source: U.S. Department of Commerce, Tax Foundation, and Florida TaxWatch, *How Florida Compares*, July 2004.

Table 12. Florida v. U.S. Taxes Per Capita FY 2002

Tax	Florida	Rank (1=high)	U.S. Average
State Taxes	\$1,485	44	\$1,853
General Taxes	862	6	662
Selective Taxes	270	27	285
License	93	33	122
Corporate Income	73	20	90
Documentary Stamp	114	1	18
Property	26	17	33
Personal Income	No Tax	No Tax	643
Local Taxes (FY 1999)	1,115	22	1,248
Property	834	21	848
State and Local Taxes (State - 2000 Local - 1999)	2,600	37	3,102

Source: U.S. Department of Commerce and *How Florida Compares*, July 2004.

The amount of revenue state and local governments generate through taxation reflects the effort and ability of governments to respond to a number of citizen needs.

Florida's per capita combined state and local taxes are \$2,600 (rank 37) compared to a national average of \$3,102. This represents \$1,485 (rank 44) in state taxes compared to a U.S. average of \$1,853 and local taxes of \$1,115 (rank 22) compared to a U.S. average of \$1,248 (See Table 12, this page).



There are many needs that compete with education for state and local tax resources. Compared to other states in the nation, Florida ranks 45th in state and local spending per capita for public schools, 45th for public welfare, 16th for health and hospitals, 41st for highways, 9th for corrections and 11th for police and fire protection (See Table 13, this page).

Table 13. State and Local Expenditures by Major Function in 1999-2000, Per Capita, \$ and Rank (1 is highest)

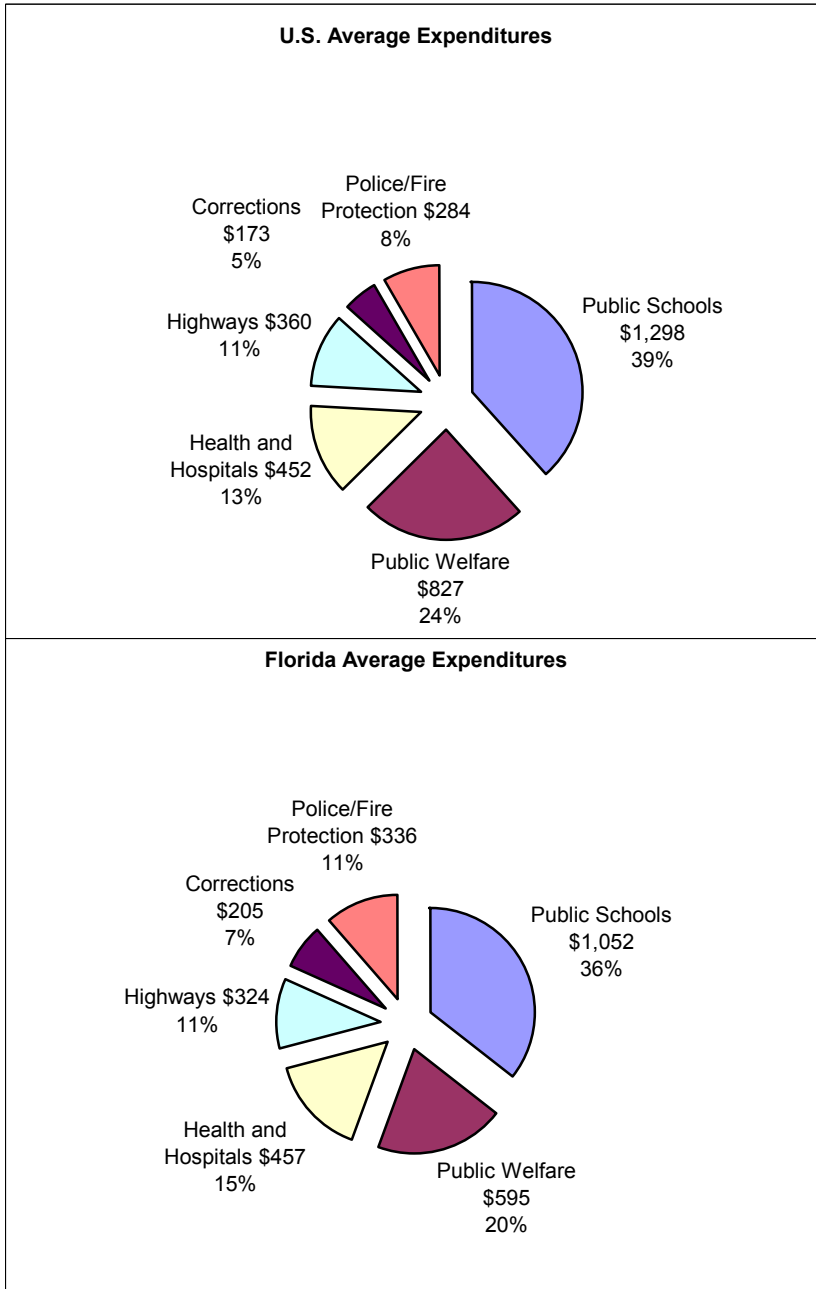
Expenditure for: State	Public Schools		Public Welfare		Health & Hospitals		Highways		Corrections		Police/Fire Protection	
	\$	Rank	\$	Rank	\$	Rank	\$	Rank	\$	Rank	\$	Rank
Alabama	1,116	40	793	27	817	3	336	35	91	50	204	39
Alaska	2,129	1	1,292	3	376	27	1,319	1	279	3	387	3
Arizona	997	48	574	47	268	45	382	25	186	13	347	8
Arkansas	975	50	748	31	363	31	325	40	123	38	177	47
California	1,273	22	862	17	533	12	254	50	212	7	363	5
Colorado	1,205	29	635	41	312	39	405	23	191	12	269	18
Connecticut	1,532	5	915	12	469	15	349	32	163	24	310	12
Delaware	1,554	4	2,193	1	1,108	1	67	51	532	1	774	1
D. C.	1,282	20	699	35	355	32	544	10	291	2	236	25
Florida	1,052	45	595	45	457	16	324	41	205	9	336	11
Georgia	1,294	17	680	38	434	19	305	45	168	23	224	34
Hawaii	945	51	858	19	495	13	291	46	128	36	267	19
Idaho	1,086	42	611	44	396	23	433	20	148	27	220	35
Illinois	1,326	14	713	33	353	34	328	38	142	30	351	7
Indiana	1,209	27	701	34	428	20	323	42	120	39	204	40
Iowa	1,238	24	772	29	574	9	627	6	102	46	189	45
Kansas	1,146	37	504	49	348	35	638	5	130	35	225	33
Kentucky	977	49	1,013	9	271	44	434	19	151	26	184	46
Louisiana	1,057	44	687	37	755	4	370	29	175	20	249	21
Maine	1,310	15	1,244	4	312	40	449	18	97	48	190	44
Maryland	1,269	23	757	30	244	47	281	47	208	8	301	13
Massachusetts	1,372	11	994	10	354	33	510	13	125	37	355	6
Michigan	1,519	7	829	25	421	22	310	44	186	14	242	24
Minnesota	1,456	8	1,214	5	371	29	486	16	120	40	230	29
Mississippi	1,033	46	816	26	743	6	433	21	103	45	196	43
Missouri	1,157	33	722	32	387	24	384	24	120	41	229	30
Montana	1,150	36	616	43	380	26	575	8	138	32	197	42
Nebraska	1,209	28	833	22	305	41	514	12	135	33	200	41
Nevada	1,156	34	443	50	369	30	564	9	236	4	381	4
New Hampshire	1,236	25	900	14	138	50	379	26	93	49	232	27
New Jersey	1,766	2	692	36	277	43	278	48	176	18	340	10
New Mexico	1,173	32	833	23	446	17	585	7	173	21	281	16
New York	1,752	3	1,538	2	610	8	360	31	231	5	417	2
North Carolina	1,130	39	783	28	688	7	328	39	144	29	231	28
North Dakota	1,156	35	903	13	141	49	701	4	63	51	177	48
Ohio	1,277	21	843	21	437	18	348	33	171	22	276	17
Oklahoma	1,105	41	257	51	384	25	407	22	148	28	227	31
Oregon	1,235	26	898	15	570	10	364	30	218	6	295	14
Pennsylvania	1,332	13	1,084	8	321	38	336	36	181	15	216	37
Rhode Island	1,285	19	1,092	7	265	46	273	49	133	34	346	9
South Carolina	1,204	30	862	18	752	5	331	37	139	31	210	38
South Dakota	1,142	38	646	40	199	48	715	3	107	43	155	50
Tennessee	1,002	47	856	20	481	14	323	43	106	44	236	26
Texas	1,362	12	550	48	425	21	345	34	180	16	219	36
Utah	1,081	43	659	39	332	37	462	17	157	25	227	32
Vermont	1,448	10	1,151	6	130	51	538	11	109	42	169	49
Virginia	1,287	18	634	42	372	28	371	28	176	19	244	23
Washington	1,301	16	865	16	563	11	375	27	179	17	264	20
West Virginia	1,188	31	975	11	305	42	491	15	102	47	125	51
Wisconsin	1,453	9	833	24	343	36	505	14	192	11	295	15
Wyoming	1,530	6	590	46	939	2	862	2	199	10	247	22
United States	1,298		829		452		360		173		284	

Source: <http://nea.org/edstats/images/04rankings.pdf>

National Education Association, *Rankings of the States 2003*, May 2004



Figure 10. Per Capita Expenditures by Major Functions, 1999-2000, U.S. v. Florida



Florida's \$1,052 per capita expenditure for public schools represents 36% of the state and local revenues available for government services. Florida spends less per capita for public schools than the U.S. average of 39%. Florida ranks 45th among the states (See Figure 10, this page).

Source: <http://nea.org/edstats/images/04rankings.pdf> National Education Association, *Rankings of the States 2003*, May 2004



How much revenue does Florida K-12 education receive and from what sources?

Table 14. Revenues for Public Elementary and Secondary Schools, by Source and State: School Year 2001-2002

[In thousands of dollars and by percentage distribution]

State	Local		State		Federal		
	Total \$	\$	Percentage	\$	Percentage	\$	Percentage
Alabama	5,127,807	1,585,575	30.9	3,010,987	58.7	531,245	10.4
Alaska	1,439,901	383,358	26.6	814,666	56.6	241,877	16.8
Arizona	6,872,107	2,747,955	40	3,415,659	49.7	708,493	10.3
Arkansas	3,199,082	1,078,976	33.7	1,776,667	55.5	343,440	10.7
California	52,252,109	16,371,098	31.3	31,038,376	59.4	4,842,635	9.3
Colorado	5,829,260	3,021,834	51.8	2,460,295	42.2	347,131	6
Connecticut	6,755,231	3,557,799	52.7	2,885,921	42.7	311,511	4.6
Delaware	1,137,262	308,174	27.1	731,364	64.3	97,724	8.6
District of Columbia	1,087,022	945,508	87	0	0	141,514	13
Florida	17,949,046	8,012,487	44.6	8,137,044	45.3	1,799,515	10
Georgia	12,971,001	5,663,067	43.7	6,376,438	49.2	931,496	7.2
Hawaii	1,890,806	35,222	1.9	1,684,227	89.1	171,357	9.1
Idaho	1,647,541	496,141	30.1	1,006,475	61.1	144,924	8.8
Illinois	18,659,229	10,899,404	58.4	6,319,443	33.9	1,440,383	7.7
Indiana	8,937,236	3,849,987	43.1	4,544,604	50.9	542,646	6.1
Iowa	4,069,223	1,831,685	45	1,951,679	48	285,859	7
Kansas	3,909,306	1,342,805	34.3	2,259,007	57.8	307,494	7.9
Kentucky	4,650,146	1,387,763	29.8	2,772,395	59.6	489,988	10.5
Louisiana	5,304,970	2,032,468	38.3	2,608,474	49.2	664,028	12.5
Maine	2,049,078	976,535	47.7	905,441	44.2	167,102	8.2
Maryland	8,406,316	4,739,938	56.4	3,125,033	37.2	541,344	6.4
Massachusetts	11,014,705	5,657,471	51.4	4,755,025	43.2	602,209	5.5
Michigan	17,534,105	4,931,865	28.1	11,322,159	64.6	1,280,080	7.3
Minnesota	7,967,380	2,635,925	33.1	4,894,185	61.4	437,270	5.5
Mississippi	3,031,118	935,791	30.9	1,639,822	54.1	455,504	15
Missouri	7,517,417	4,221,104	56.2	2,726,148	36.3	570,165	7.6
Montana	1,168,265	454,296	38.9	559,440	47.9	154,529	13.2
Nebraska	2,473,075	1,400,357	56.6	879,002	35.5	193,716	7.8
Nevada	2,611,111	1,629,742	62.4	822,786	31.5	158,584	6.1
New Hampshire	1,820,834	790,965	43.4	943,938	51.8	85,931	4.7
New Jersey	17,306,723	9,158,847	52.9	7,418,667	42.9	729,208	4.2
New Mexico	2,613,620	361,647	13.8	1,880,568	72	371,406	14.2
New York	35,626,450	16,206,158	45.5	17,160,040	48.2	2,260,252	6.3
North Carolina	9,314,285	2,521,133	27.1	6,005,424	64.5	787,728	8.5
North Dakota	794,027	379,818	47.8	303,151	38.2	111,058	14
Ohio	17,643,929	8,555,084	48.5	8,041,328	45.6	1,047,517	5.9
Oklahoma	4,133,041	1,300,364	31.5	2,342,385	56.7	490,293	11.9
Oregon	4,758,589	1,701,074	35.7	2,662,316	55.9	395,199	8.3
Pennsylvania	17,882,681	9,870,150	55.2	6,756,469	37.8	1,256,061	7
Rhode Island	1,650,094	854,084	51.8	694,244	42.1	101,766	6.2
South Carolina	5,622,818	2,242,188	39.9	2,868,955	51	511,674	9.1
South Dakota	922,410	456,897	49.5	335,558	36.4	129,955	14.1
Tennessee	5,913,922	2,773,409	46.9	2,581,100	43.6	559,413	9.5
Texas	32,281,850	16,087,255	49.8	13,186,488	40.8	3,008,107	9.3
Utah	2,899,722	949,129	32.7	1,711,212	59	239,381	8.3
Vermont	1,102,275	267,164	24.2	766,197	69.5	68,913	6.3
Virginia	9,719,262	5,136,677	52.9	3,973,610	40.9	608,975	6.3
Washington	8,382,517	2,438,257	29.1	5,233,731	62.4	710,529	8.5
West Virginia	2,471,393	705,291	28.5	1,506,177	60.9	259,925	10.5
Wisconsin	8,537,996	3,481,423	40.8	4,582,657	53.7	473,916	5.6
Wyoming	908,015	388,751	42.8	443,516	48.8	75,748	8.3
United States	\$419,767,307	\$179,760,097	42.8	\$206,820,492	49.3	\$33,186,719	7.9

Source: Data reported by states to the U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), *National Public Education Financial Survey*, 2001–02, and Florida TaxWatch.

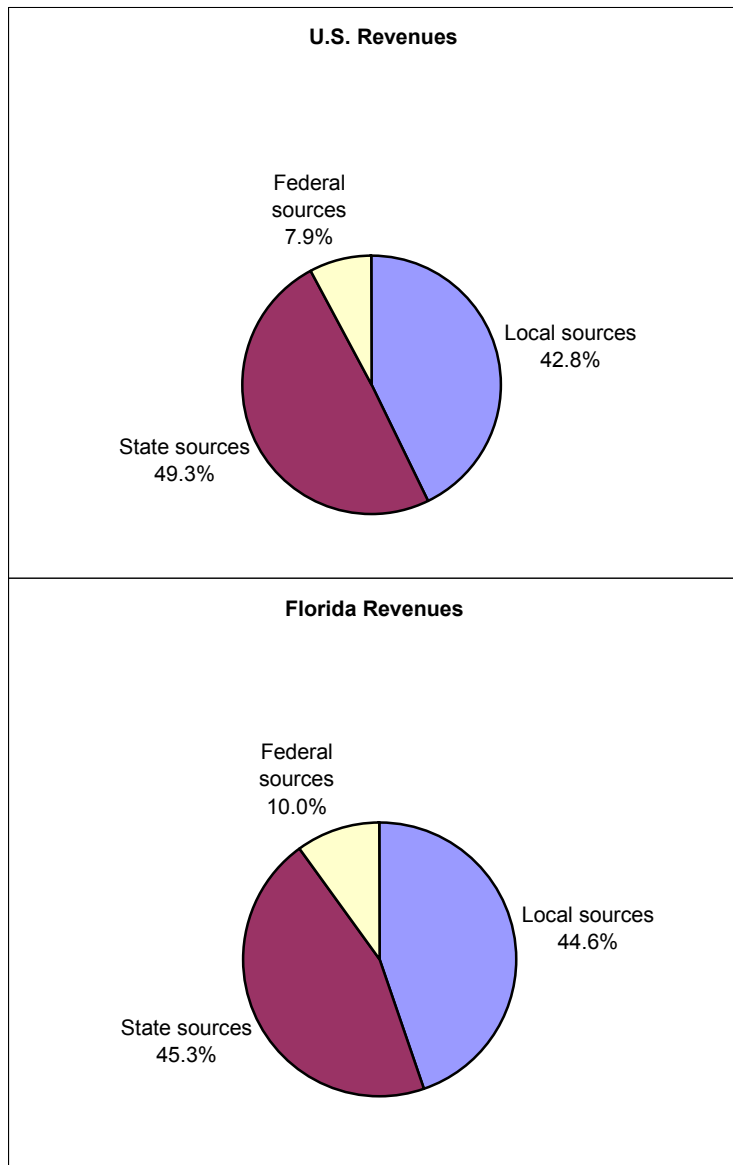
Seventeen states receive a lesser percentage of revenue from state sources than does Florida.

Nineteen states receive a higher percentage of revenue from local sources than does Florida.

Eleven states receive a higher percentage of revenue from federal sources than does Florida.



Figure 11. Revenues for Public Elementary and Secondary Schools by Sources, 2001-2002



State governments generally provide the largest share of public school funding. The Florida Lottery was instituted in 1986 to increase state contributions for educational enhancements. However, the proportion of each education dollar coming from state revenue has decreased since the Lottery was instituted. Florida now relies most heavily on local sources.

In 1986, Florida contributed 53 cents of every K-12 education dollar from state sources, 39 cents from local sources, and 8 cents from federal sources. In 2001-2002 45 cents came from state sources, 46 cents from local sources, and 10 cents comes from federal sources.

Florida's proportion of state revenue is 4% less than the U.S. average. Nationally, of every revenue dollar for K-12 education, 49 cents comes from state revenues, 43 cents comes from local sources, and the remaining 8 cents comes from federal sources (See Figure 11, this page).

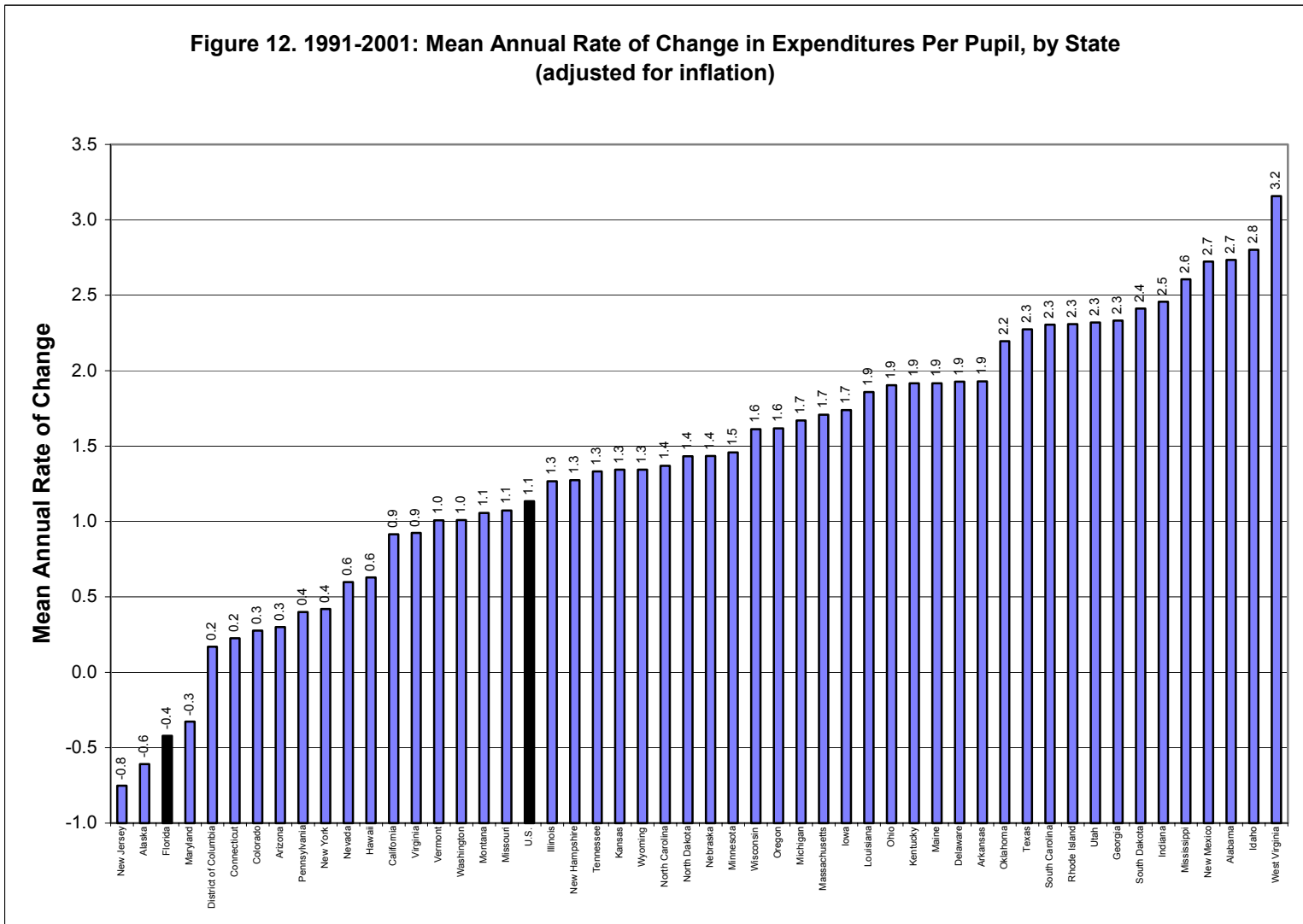
Source: Data reported by states to the U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), *National Public Education Financial Survey*, 2001-02.



How has Florida's per student expenditure grown over the past decade?

Florida is one of only four states whose average annual rate of change in expenditures per pupil (adjusted for inflation) did not keep pace with inflation from 1991 to 2001. During that period Florida experienced a negative average annual rate of change, (See Figure 12, this page).

Figure 12. 1991-2001: Mean Annual Rate of Change in Expenditures Per Pupil, by State (adjusted for inflation)



Source: Education Week, Quality Counts, 2003, Vol. 22, Number 17 <http://www.edweek.com/sreports/qc03/reports/resources-t1.cfm> and Florida TaxWatch.



Of the resources devoted to K-12 education, how much is spent on instructional needs as opposed to non-instructional activities?

Table 15. Current Expenditures for Public Elementary and Secondary Schools, by Function and State: School Year 2001-2002

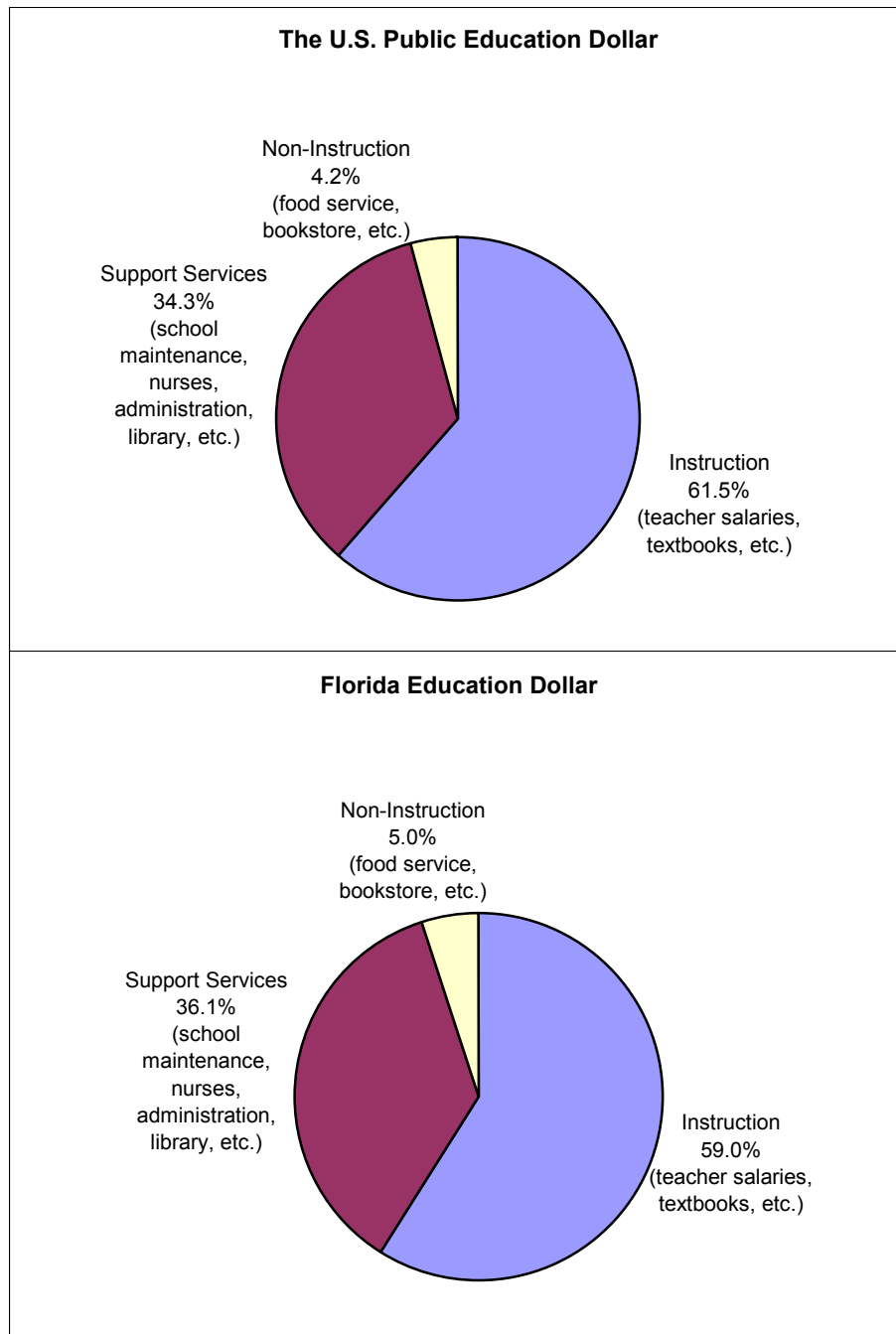
State	Total	Instruction		Support services		Non-instruction	
		\$ Thousands	Percent	\$ Thousands	Percent	\$ Thousands	Percent
Alabama	\$4,444,390	2,721,721	61.2	1,415,114	31.8	307,556	6.9
Alaska	1,284,854	754,660	58.7	487,344	37.9	42,850	3.3
Arizona	5,499,645	3,123,642	56.8	2,029,869	36.9	346,134	6.3
Arkansas	2,822,877	1,739,445	61.6	939,213	33.3	144,218	5.1
California	46,265,544	28,566,063	61.7	15,960,392	34.5	1,739,089	3.8
Colorado	5,151,003	2,976,088	57.8	1,991,311	38.7	183,604	3.6
Connecticut	6,031,062	3,861,634	64	1,952,819	32.4	216,609	3.6
Delaware	1,072,875	660,857	61.6	361,985	33.7	50,033	4.7
District of Columbia	912,432	452,905	49.6	431,692	47.3	27,834	3.1
Florida	15,535,864	9,161,962	59	5,601,259	36.1	772,643	5
Georgia	10,853,496	6,932,058	63.9	3,363,275	31	558,162	5.1
Hawaii	1,348,381	815,123	60.5	457,784	34	75,474	5.6
Idaho	1,481,803	905,333	61.1	512,538	34.6	63,933	4.3
Illinois	16,480,787	9,804,430	59.5	6,140,082	37.3	536,275	3.3
Indiana	7,704,547	4,689,264	60.9	2,699,273	35	316,010	4.1
Iowa	3,565,796	2,124,947	59.6	1,181,655	33.1	259,195	7.3
Kansas	3,450,923	2,017,178	58.5	1,272,727	36.9	161,018	4.7
Kentucky	4,268,608	2,619,607	61.4	1,413,529	33.1	235,471	5.5
Louisiana	4,802,565	2,935,369	61.1	1,562,258	32.5	304,938	6.3
Maine	1,812,798	1,208,176	66.6	543,988	30	60,634	3.3
Maryland	7,480,723	4,653,921	62.2	2,471,745	33	355,058	4.7
Massachusetts	9,957,292	6,340,143	63.7	3,308,015	33.2	309,134	3.1
Michigan	14,975,150	8,598,644	57.4	5,916,871	39.5	459,635	3.1
Minnesota	6,586,559	4,192,253	63.6	2,112,832	32.1	281,475	4.3
Mississippi	2,642,116	1,591,250	60.2	878,870	33.3	171,997	6.5
Missouri	6,491,603	3,954,002	60.9	2,249,300	34.6	288,301	4.4
Montana	1,073,005	664,569	61.9	363,625	33.9	44,811	4.2
Nebraska	2,206,946	1,390,961	63	659,551	29.9	156,434	7.1
Nevada	2,169,000	1,353,806	62.4	744,190	34.3	71,003	3.3
New Hampshire	1,641,378	1,064,917	64.9	524,179	31.9	52,283	3.2
New Jersey	15,822,609	9,358,608	59.1	5,975,494	37.8	488,508	3.1
New Mexico	2,204,165	1,232,319	55.9	869,870	39.5	101,976	4.6
New York	32,218,975	22,001,202	68.3	9,350,907	29	866,866	2.7
North Carolina	8,550,546	5,412,927	63.3	2,643,261	30.9	494,358	5.8
North Dakota	711,437	436,583	61.4	219,858	30.9	54,996	7.7
Ohio	14,774,065	8,574,310	58	5,693,030	38.5	506,726	3.4
Oklahoma	3,875,547	2,239,893	57.8	1,382,715	35.7	252,939	6.5
Oregon	4,214,512	2,476,323	58.8	1,597,050	37.9	141,139	3.3
Pennsylvania	15,550,975	9,686,763	62.3	5,272,437	33.9	591,774	3.8
Rhode Island	1,533,455	989,404	64.5	503,479	32.8	40,573	2.6
South Carolina	4,744,809	2,857,016	60.2	1,630,168	34.4	257,624	5.4
South Dakota	819,296	484,985	59.2	289,896	35.4	44,415	5.4
Tennessee	5,511,452	3,586,780	65.1	1,655,074	30	269,598	4.9
Texas	28,191,128	17,026,101	60.4	9,755,351	34.6	1,409,676	5
Utah	2,374,702	1,549,329	65.2	695,398	29.3	129,975	5.5
Vermont	992,149	638,802	64.4	325,507	32.8	27,841	2.8
Virginia	8,718,554	5,373,764	61.6	3,003,915	34.5	340,875	3.9
Washington	7,103,721	4,227,572	59.5	2,531,023	35.6	345,126	4.9
West Virginia	2,219,013	1,368,692	61.7	721,118	32.5	129,203	5.8
Wisconsin	7,592,176	4,705,538	62	2,642,906	34.8	243,733	3.2
Wyoming	761,830	463,839	60.9	272,841	35.8	25,150	3.3
United States	368,499,139	226,565,677	61.5	15,354,884	34.3	126,578,578	4.2

Source: Data reported by states to the U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), *National Public Education Financial Survey*, 2001-02.



Florida spends relatively more of its educational dollar on support services and non-instructional services and less on instruction than the national average; across the nation, on average, instructional expenditures account for approximately 61 cents of every education dollar; support services account for 34 cents of each dollar; and just over 4 cents of every dollar goes to non-instructional activities. By comparison, for every education dollar spent in Florida, instructional expenditures account for approximately 59 cents, support services account for 36 cents of each dollar, and 5 cents goes to non-instructional activities (See Table 15, page 31, and Figure 13, this page).

Figure 13. U.S. v. Florida: Current Expenditures for Public Education by Function, School Year 2001-02



Source: Data reported by states to the U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), *National Public Education Financial Survey*, 2001-02



Teacher salaries represent the largest portion of instructional expenditures. How do Florida teacher salaries compare with the rest of the nation?

Table 16. Average Teacher Salaries 2001-2002, Adjusted for Cost of Living

State	Beginning Teachers	Rank (1=high)	Percentage of U.S. Average	All Teachers	Rank (1=high)	Percentage of U.S. Average
Alabama	\$33,895	5	110.3%	\$42,124	27	94.9%
Alaska	\$29,321	27	95.4%	\$39,893	41	89.9%
Arizona	\$28,223	37	91.9%	\$39,311	42	88.6%
Arkansas	\$31,167	18	101.5%	\$40,733	35	91.8%
California	\$28,957	33	94.3%	\$46,043	11	103.8%
Colorado	\$27,679	41	90.1%	\$40,192	37	90.6%
Connecticut	\$31,979	11	104.1%	\$48,477	6	109.3%
Delaware	\$35,481	1	115.5%	\$52,908	3	119.3%
District of Columbia	\$28,203	38	91.8%	\$44,974	14	101.4%
Florida	\$31,725	13	103.3%	\$41,401	32	93.3%
Georgia	\$35,074	2	114.2%	\$47,731	8	107.6%
Hawaii	\$22,466	51	73.1%	\$31,761	51	71.6%
Idaho	\$27,350	43	89.0%	\$42,343	25	95.4%
Illinois	\$32,245	10	105.0%	\$50,436	4	113.7%
Indiana	\$30,789	20	100.2%	\$48,293	7	108.9%
Iowa	\$30,830	19	100.4%	\$42,777	23	96.4%
Kansas	\$29,635	24	96.5%	\$41,293	33	93.1%
Kentucky	\$30,142	23	98.1%	\$42,663	24	96.2%
Louisiana	\$31,385	16	102.2%	\$40,390	36	91.0%
Maine	\$22,906	49	74.6%	\$35,520	48	80.1%
Maryland	\$33,260	7	108.3%	\$50,422	5	113.7%
Massachusetts	\$28,257	36	92.0%	\$42,051	28	94.8%
Michigan	\$33,473	6	109.0%	\$53,822	2	121.3%
Minnesota	\$29,558	25	96.2%	\$41,556	30	93.7%
Mississippi	\$28,057	39	91.3%	\$38,025	44	85.7%
Missouri	\$30,601	21	99.6%	\$40,040	40	90.3%
Montana	\$23,940	48	77.9%	\$36,834	46	83.0%
Nebraska	\$28,812	35	93.8%	\$40,140	39	90.5%
Nevada	\$29,098	30	94.7%	\$45,186	13	101.9%
New Hampshire	\$25,189	47	82.0%	\$39,258	43	88.5%
New Jersey	\$29,269	29	95.3%	\$41,540	31	93.6%
New Mexico	\$27,666	42	90.1%	\$36,832	47	83.0%
New York	\$29,010	32	94.4%	\$42,805	22	96.5%
North Carolina	\$31,720	14	103.3%	\$45,505	12	102.6%
North Dakota	\$22,657	50	73.8%	\$35,050	50	79.0%
Ohio	\$31,771	12	103.4%	\$46,953	9	105.8%
Oklahoma	\$31,550	15	102.7%	\$37,646	45	84.9%
Oregon	\$31,201	17	101.6%	\$46,293	10	104.3%
Pennsylvania	\$34,612	4	112.7%	\$54,960	1	123.9%
Rhode Island	\$26,201	45	85.3%	\$44,678	15	100.7%
South Carolina	\$30,221	22	98.4%	\$44,247	16	99.7%
South Dakota	\$26,977	44	87.8%	\$35,367	49	79.7%
Tennessee	\$32,346	9	105.3%	\$43,172	20	97.3%
Texas	\$34,787	3	113.2%	\$44,110	17	99.4%
Utah	\$29,300	28	95.4%	\$41,703	29	94.0%
Vermont	\$25,478	46	82.9%	\$40,163	38	90.5%
Virginia	\$32,951	8	107.3%	\$44,041	18	99.3%
Washington	\$28,051	40	91.3%	\$43,015	21	97.0%
West Virginia	\$29,361	26	95.6%	\$42,124	26	94.9%
Wisconsin	\$28,862	34	94.0%	\$43,251	19	97.5%
Wyoming	\$29,022	31	94.5%	\$41,033	34	92.5%
U.S.	\$30,719			\$44,367		

In 1986 Florida TaxWatch reported that the average teaching salary after adjusting for cost of living ranked 22nd—it was \$22,475 and topped the national average of \$22,435.

However, 2001-2002 figures show that Florida teacher salaries have dropped ten rungs to a ranking of 32nd (\$41,401—adjusted for cost of living differences among states). This amount is only 93% of the U.S. average of \$44,367 (See Table 16, this page).

Florida's ranking for beginning teachers' salaries (13th) reflects an emphasis on competitive recruitment efforts. The state's average beginning teacher salary of \$31,725 exceeds the national average (See Table 16, this page). However, teacher retention can become a problem: as teachers gain experience, the state could lose them to nearby higher-paying states.

Source: Education Week, Quality Counts, 2004 and Florida TaxWatch. <http://counts.edweek.org/sreports/qc04/reports/quality-t11.cfm>



Table 17. Teacher Salary Trends

State	Ratio of Teacher Salary to Per-Capita Income			Percentage of Education Expenditures Devoted To Teachers		
	1991-1992	2001-2002	Change	1964-1965	2001-2002	Change
Alabama	1.73	1.52	-0.21	62.40%	40.70%	-21.70%
Alaska	2	1.58	-0.42	46.40%	31.20%	-15.30%
Arizona	1.9	1.49	-0.41	60.50%	36.00%	-24.50%
Arkansas	1.84	1.58	-0.26	54.70%	43.40%	-11.40%
California	1.93	1.66	-0.27	52.60%	38.50%	-14.00%
Colorado	1.7	1.22	-0.48	57.80%	38.00%	-19.80%
Connecticut	1.84	1.24	-0.6	56.20%	36.00%	-20.20%
Delaware	1.62	1.52	-0.1	59.70%	33.20%	-26.50%
District of Columbia	1.7	1.26	-0.44	N/A	35.80%	N/A
Florida	1.65	1.35	-0.3	61.00%	34.20%	-26.70%
Georgia	1.7	1.54	-0.16	60.10%	38.20%	-21.90%
Hawaii	1.62	1.53	-0.09	51.60%	38.80%	-12.80%
Idaho	1.71	1.6	-0.11	63.30%	38.00%	-25.30%
Illinois	1.75	1.51	-0.24	56.80%	39.60%	-17.20%
Indiana	1.99	1.62	-0.37	57.30%	33.40%	-23.90%
Iowa	1.67	1.4	-0.27	59.40%	37.90%	-21.50%
Kansas	1.57	1.3	-0.27	60.10%	37.30%	-22.80%
Kentucky	1.99	1.53	-0.46	60.70%	37.70%	-23.10%
Louisiana	1.74	1.49	-0.25	51.10%	39.50%	-11.60%
Maine	1.74	1.39	-0.35	59.40%	36.80%	-22.50%
Maryland	1.77	1.37	-0.4	57.10%	38.80%	-18.30%
Massachusetts	1.63	1.25	-0.38	63.50%	34.70%	-28.80%
Michigan	2.18	1.77	-0.41	53.10%	34.10%	-19.00%
Minnesota	1.76	1.28	-0.48	54.50%	34.00%	-20.50%
Mississippi	1.83	1.54	-0.29	55.80%	42.40%	-13.40%
Missouri	1.62	1.28	-0.34	57.40%	39.30%	-18.00%
Montana	1.72	1.43	-0.29	48.90%	32.60%	-16.30%
Nebraska	1.53	1.26	-0.27	60.50%	35.40%	-25.10%
Nevada	1.93	1.48	-0.45	51.80%	39.30%	-12.50%
New Hampshire	1.58	1.18	-0.4	58.30%	33.30%	-24.90%
New Jersey	1.62	1.3	-0.32	53.80%	40.00%	-13.80%
New Mexico	1.77	1.59	-0.18	55.90%	32.80%	-23.10%
New York	1.93	1.42	-0.51	48.20%	35.10%	-13.10%
North Carolina	1.76	1.54	-0.22	62.10%	41.00%	-21.00%
North Dakota	1.52	1.26	-0.26	58.20%	42.10%	-16.00%
Ohio	1.85	1.54	-0.31	54.30%	34.80%	-19.50%
Oklahoma	1.68	1.32	-0.36	57.50%	35.50%	-22.00%
Oregon	1.94	1.63	-0.31	55.10%	31.10%	-24.00%
Pennsylvania	2.02	1.65	-0.37	52.80%	37.70%	-15.10%
Rhode Island	2.09	1.71	-0.38	56.80%	33.50%	-23.20%
South Carolina	1.83	1.61	-0.22	62.50%	39.50%	-23.10%
South Dakota	1.42	1.18	-0.24	52.40%	35.00%	-17.40%
Tennessee	1.75	1.44	-0.31	58.90%	43.60%	-15.30%
Texas	1.72	1.38	-0.34	60.40%	39.10%	-21.20%
Utah	1.83	1.59	-0.24	56.90%	36.70%	-20.20%
Vermont	1.87	1.38	-0.49	51.30%	33.60%	-17.70%
Virginia	1.61	1.29	-0.32	60.70%	42.30%	-18.40%
Washington	1.79	1.36	-0.43	52.10%	30.70%	-21.40%
West Virginia	1.93	1.61	-0.32	55.40%	29.90%	-25.50%
Wisconsin	1.95	1.41	-0.54	55.60%	32.30%	-23.30%
Wyoming	1.78	1.28	-0.5	54.80%	35.40%	-19.50%
U.S. Average	1.79	1.46	-0.33	53.40%	37.10%	-16.30%

Sources: U.S. Bureau of Economic Analysis, June 2003, www.bea.doc.gov/bea/regional/spi/; American Federation of Teachers, Annual survey of state departments of education.

Teacher salaries, as a ratio of per capita income, have diminished in **every** state over the last ten years. The rate of decline among the states ranged from -0.09 to -0.51. In Florida, the ratio fell -0.30, just slightly less than the national average of -0.33. Florida experienced more of a decline than 24 other states.

From 1964-1965 to 2001-2002, teacher salaries, as a percentage of education expenditures, also dropped in **every** state. The size of the drop among the states ranged from -11.40% to a -28.80%. Florida's decline, from 61% to 34.2% (a drop of 26.70%), was greater than 49 other states (See Table 17, this page).



How do Florida's teacher salaries compare with those of the other southeastern states?

Figure 14.

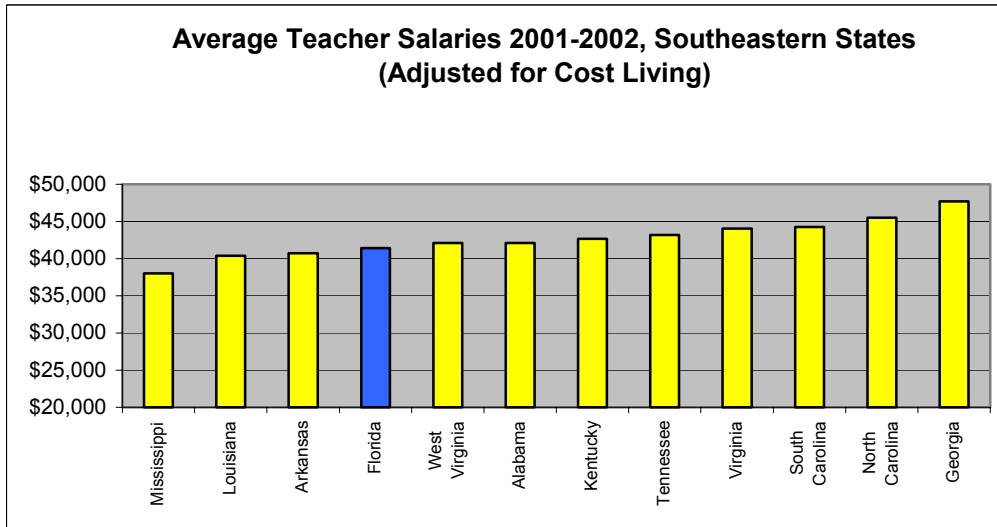
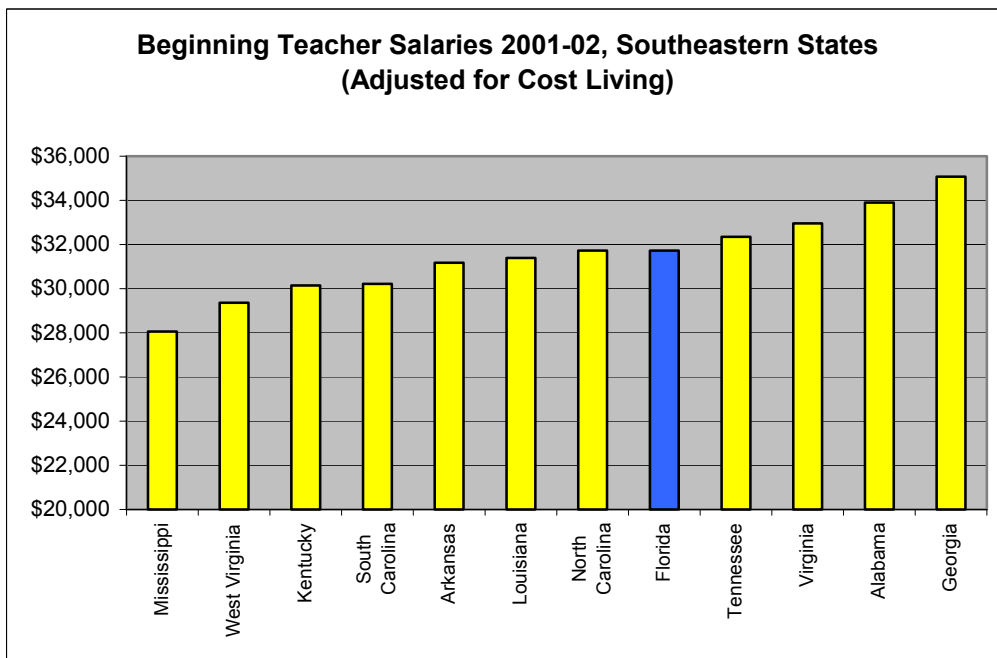


Figure 15.



Florida must compete for qualified teachers—particularly with other states in the southeast. Only three southeastern states pay their teachers less than Florida—Mississippi, Louisiana, and Arkansas. Georgia, because it shares our border and has recently greatly increased their teacher salaries to become more competitive, presents a unique threat to Florida's recruiting efforts. Georgia ranks 2nd in the nation in beginning teacher salaries, 8th in the nation in all teacher salaries, and 1st in the southeast in both average beginning and average overall teacher salaries. Georgia's beginning and overall teacher salaries exceed Florida's by 11% and 15%, respectively. Alabama, another state that borders Florida, outranks Florida as well; Alabama ranks 5th in the nation in beginning teacher salaries and 27th in the nation in overall teacher salaries (See Table 16, page 33, and Figures 14 and 15, this page).



Conclusion

Florida's A+ Plan and the federal NCLB have focused the attention and concern of Florida's policymakers on improving student performance of all students. In spite of the state's minimal financial commitment to public education, student achievement in Florida is on the rise. But Florida faces significant educational challenges.

Many experts believe that the federal No Child Left Behind Act (NCLB) requirements aimed at raising the achievement of all students to levels of proficiency historically achieved by relatively few students will likely require an infusion of state or local funds.

In spite of relatively low levels of funding, student achievement is on the rise in Florida. But Florida faces significant educational challenges.

Florida is headed for a fiscal storm. Caring for the needs of Florida's large and diverse subpopulations—the elderly, the poor, the limited English proficient—threatens to put the needs of our elderly on a collision course with the needs of our youth. How will Florida weather this storm?

There is evidence that disadvantaged students perform substantially better in some places than in others and that some school systems effectively educate disadvantaged students more efficiently than others. One recent study measured student achievement in relation to level of student disadvantage and level of spending. Only seven states had higher rates of disadvantaged students than did Florida yet Florida's level of student achievement, as measured by the NAEP and expressed as a percentage of the achievement level predicted by their disadvantage and state education spending, outranked 30 states. This suggests that many of the state's schools are overcoming obstacles to student learning.²³

It is critical for the state to determine what types of expenditures result in higher student performance. Florida faces unprecedented strains on educational funding and Florida TaxWatch urges the citizens of Florida and their political and educational leaders to seek school funding policies that will foster high performance. If we fail to rise to this challenge, Florida's future workforce will be locked into unemployment and low-wage jobs, unable to meet the increasing demands placed upon them for the state's burgeoning needs.

Public education in the United States represents a joint enterprise of local, state, and federal governments. However, it is ultimately a state's responsibility to assure the effective and efficient operation of its schools. Wise investments in education will result in increased student achievement, increased graduation rates, increased productivity, and increased worker's average earnings. Florida will benefit from a more competitive labor pool from which business and government can draw to continue to ensure Florida's competitive position and the vitality of its economic development activities.

The Center for Educational Performance and Accountability (CEPA) will strive to provide policy recommendations based on sound research that can improve student performance and ensure a workforce capable of sustaining and increasing the quality of life for all Floridians.

Further CEPA research will examine issues of teacher quality and the coming crisis of class size reduction. The next report in this series will examine the link between student achievement and educational funding in Florida's counties to determine ways in which public education allocations can be directed to promising and proven practices that will raise **all** student to levels of proficiency.

²³ *The Teachability Index: Can Disadvantaged Students Learn?* Jay Greene and Greg Forster, Manhattan Institute, September 2004.



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