



**Funding Public School Education in Massachusetts**

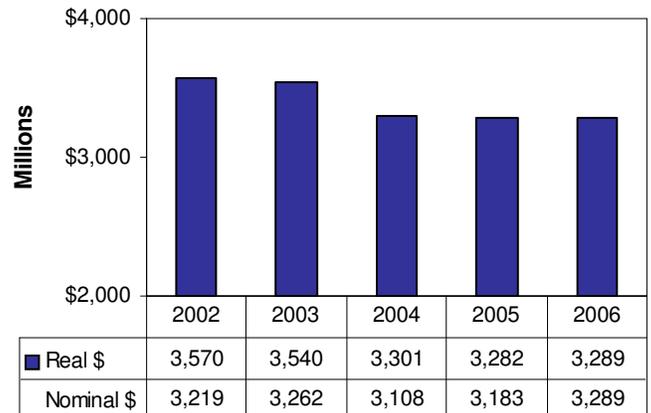
**How Have Budget Cuts Affected Elementary and Secondary Education?**

Between 2001 and 2004, the state government cut close to \$3 billion from basic public services like education, local aid and public health. These cuts were a response to the budget gap, which was created by the combination of more than \$3 billion in tax cuts during the 1990s and the economic recession of 2001.

- Between fiscal years 2002 and 2004, funding for Chapter 70 aid, the largest state allocation to local municipalities for public K-12 education, was cut, in real terms, by \$269.3 million or eight percent (See Figure 1).
- Funding for the Department of Education’s grants and reimbursement programs, which include after school education, early literacy, and services to help students pass the MCAS exam, fell even more dramatically. Between 2001 and 2004, funding for these purposes declined by \$236.4 million or 42 percent, after adjusting for inflation.

**Figure 1**

**Funding for Chapter 70 Aid**



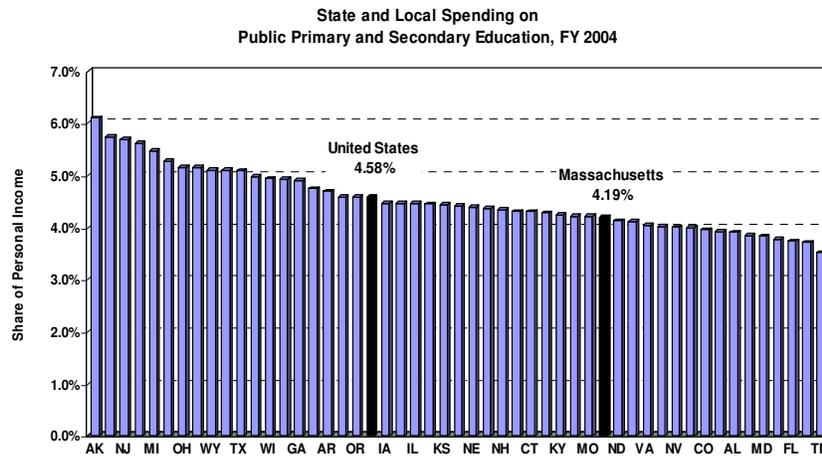
- Between fiscal years 2001 and 2004, funding for early literacy programs fell from \$21.9 million to \$4.0 million, an 82 percent reduction in real terms.
- Funding for after school programs was cut from \$11.7 million in 2001 to \$3.1 million in 2002. In 2003, the Commonwealth ended its support for these effective programs.

**How Does Massachusetts Compare to the Rest of the Country?**

The U.S. Census Bureau publishes data on state and local revenue and spending for primary and secondary education for each of the fifty states. The most recent data are for FY 2004.

- Local governments provide the largest share of revenue for public elementary and secondary education in Massachusetts. In FY 2004, they provided 53.6 percent, while the state government provided 39.8 percent, and the federal government provided 6.5 percent. In FY 2004, Massachusetts ranked 41<sup>st</sup> - among the 10 lowest in the country - in terms of the share of total public elementary and secondary education revenue provided for by state government.
- In FY 2004, state and local spending on public primary and secondary education was 4.19 percent of personal income in Massachusetts and 4.58 percent nationwide (See Figure 2 on reverse side). If Massachusetts had dedicated the same share of income to primary and secondary education as the national average, it would have spent an additional \$1 billion educating its children.

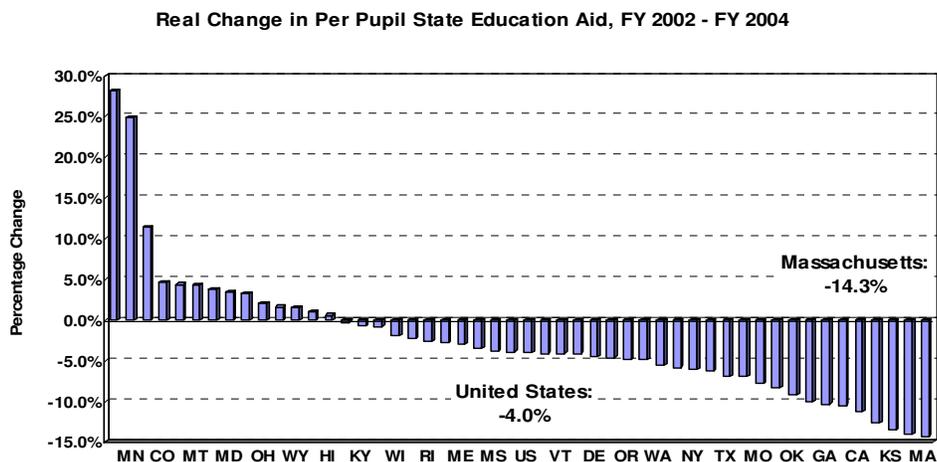
Figure 2



When the state cut funding for public elementary and secondary education in Massachusetts during the fiscal crisis, it reversed the trend of real progress in funding education during the past decade.

- Massachusetts had increased state and local spending on primary and secondary education as a percent of state personal income from FY 1993 to FY 2002, with a change from 3.53% to 4.52%.
- Overall operating spending on education grew between FY 1993 and FY 2002 when measured on a cost-adjusted, per-student basis as well. In FY 1993, total per student spending for primary and secondary education was \$6,479, once interstate cost-of-living differences are taken into account. That figure grew to \$8,754 by FY 2002.
- Although many states cut funding for education during the recent national recession, Massachusetts, which had been a national leader in cutting taxes during the economic boom of the 1990s, cut per pupil state K-12 education aid more than any other state from 2002-2004.

Figure 3



For more information on the Massachusetts Budget and Policy Center, and to receive our future research reports, including the soon-to-be-published full analysis of *Public School Funding in Massachusetts*, please go to our website, [www.massbudget.org](http://www.massbudget.org), and sign up for our email list.