



# Analytics

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**RE: PUBLIC SCHOOL EXPENDITURES: ROOM FOR IMPROVEMENT?**

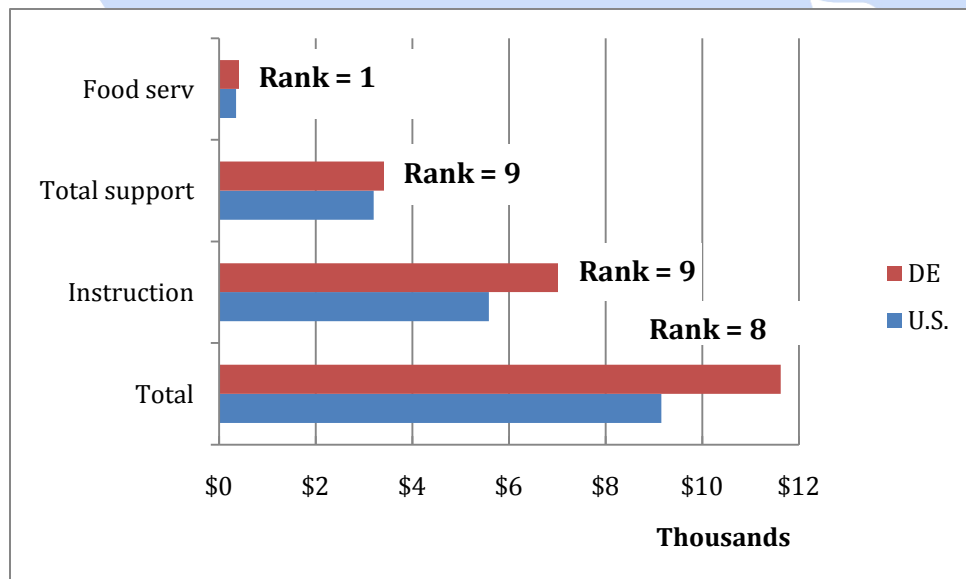
**DATE: 5/6/2010**

According to the most recent data from the National Center for Education Statistics (fiscal year 2006), Delaware ranks high on expenditures per student (8<sup>th</sup> among all states and the District of Columbia) and in the middle of the pack on test scores for reading and math.

Expenditures can be separated into spending related to the interaction between teachers and students (“instruction”) and spending

for support services (Chart 1). Delaware ranks 9<sup>th</sup> in instructional spending per pupil. Average teacher salaries in Delaware are modestly above the nation and below average salaries in neighboring states. Benefits to teachers, however, are 42.9% of wages in Delaware compared to the national average of 31.5%, ranking Delaware 6<sup>th</sup> highest.

*Chart 1 – FY06 Spending per public school pupil*



*Source: NCES*

One could argue that above average spending on instruction is a positive investment in the long-term for Delaware. Moreover, Delaware be valid, the performance on standard reading and math tests needs to be adjusted for such factors as the poverty rate, the educational attainment of the parents, family structure, the percent of children from rural areas, and race.

A more obvious case for change can be made from the data on support services (Chart 2). Many of the outliers in support services may stem from the diseconomies of scale that result from the plethora of small school districts throughout the First State. Obvious candidates are:

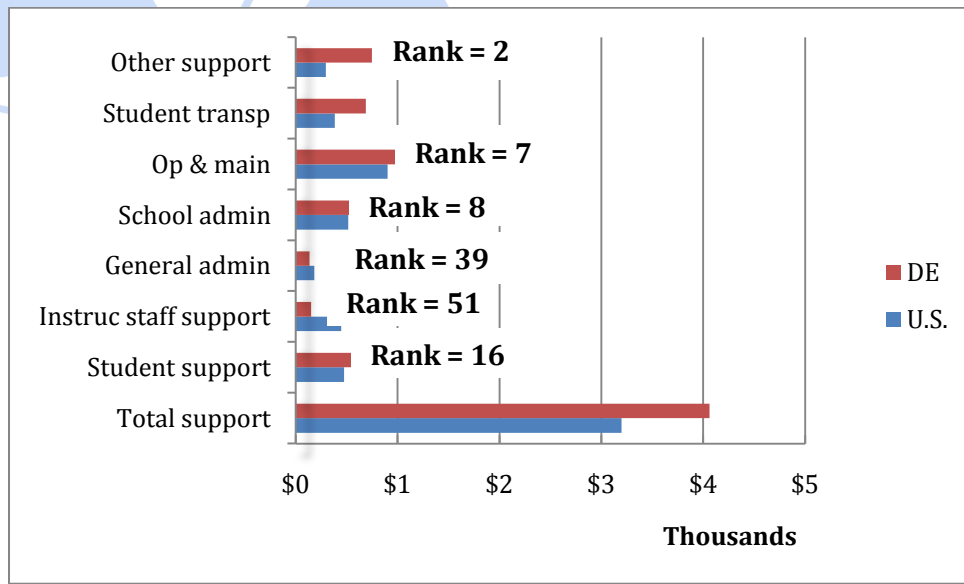
- Food services - Delaware ranks highest among all the states and the District of

is a high cost of living state and that is not accounted for in the salary data. In addition, if comparisons are to

Columbia in expenditures per pupil on food services

- Other support services – including central administration, planning, research – Delaware ranks 2<sup>nd</sup> highest in the nation
- Student transportation – busing – Delaware ranks 4<sup>th</sup> highest
- Operation and maintenance – lack of centralized purchasing has Delaware ranked 7<sup>th</sup> highest in the nation
- School administration – smaller size schools due to lack of consolidation has Delaware ranked 8<sup>th</sup>

Chart 2 – Detailed FY06 support expenditures per student



Source: NCES

A simplistic way to evaluate the costs of these high support costs would be to estimate how much money would be saved if Delaware spending per pupil in these various functions equaled the national average. Table 1 shows

that such a change would save over \$159 million, reducing Delaware public school spending by over 11%.

*Table 1 – Savings in Delaware spending per pupil equaled the nation*

Food	\$23,403,629
Other support	\$54,881,516
Student transp	\$36,812,860
Op & main	\$28,222,678
School admin	\$15,975,395
Total	\$159,296,077

This quick pass at the most recently available data is not conclusive, but it does make it evident that more substantive analysis is needed. Delaware appears to be wasting money on support services that could instead flow into classrooms and instruction.

**Dr. John E. Stapleford, Director  
Center for Economic Policy and Analysis**