

# Education Spending vs. Student Performance

Lawmakers often hear that the only way to boost educational performance is through massive increases in K-12 spending. It may seem intuitive that a greater input of funding should yield a superior educational output, or that lawmakers can “purchase” better educational results by simply allocating more money. However, public school districts have historically struggled to translate increased funding into improved student performance.

This unfortunate result occurs because public school districts – constantly subject to the political influence of entrenched interest groups – regularly fail to allocate resources cost-effectively.

## Key Points

**Nevada has more than doubled per-pupil funding, on an inflation-adjusted basis, while educational quality has deteriorated.** The U.S. Department of Education reports that, between FY1970 and FY2021, real, per-pupil funding for “current expenditures” (not accounting for employee benefits, capital outlays and debt repayment) increased from \$6,104 to \$12,465.<sup>1</sup> Over the same time period, Nevada’s performance on college admission exams, which measure students’ ability to complete college-level coursework, have continually deteriorated.<sup>2</sup>

**A majority of states that spend less than Nevada boast higher test scores.** According to the U.S. Department of Education, Alabama, Arizona, Idaho, Mississippi, North Carolina, Oklahoma, Tennessee and Utah all spent less per pupil in FY21 than did Nevada. Half of those states outperformed Nevada on the NAEP 8th grade reading test and a majority outperformed Nevada in math.<sup>3</sup>

**Nevada is a high spender for its neighborhood, but a low performer.** Among Nevada’s five contiguous neighbors, only California and Oregon spend more per pupil. However, of the five, only Oregon underperforms Nevada in student achievement.<sup>4</sup>

**Student achievement is correlated with genuine education reform.** Much more than per-pupil spending levels, specific education reforms have been shown to lead directly to greater student achievement. These reforms include school-choice programs, alternative teacher certification, teacher evaluations based upon student performance, leveraging technology and maintaining strict academic standards.<sup>5</sup>

## Recommendations

**Current per-pupil spending levels are appropriate to the region.** Nevadans already spend more per pupil than a majority of their regional neighbors. Yet, children in Nevada outscore only those of Oregon – a regionally high-spending state. Nevada’s educational challenges appear to be mainly structural.

**Restore and expound on reforms enacted in 2011 and 2015.** In 2011, lawmakers agreed to legislation creating an

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<sup>1</sup>U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 2023.

<sup>2</sup>Ibid.

<sup>3</sup>Ibid.

<sup>4</sup>Ibid.

<sup>5</sup>Matthew Ladner, Ph.D. et al., “Report Card on American Education: Ranking State K-12 Performance, Progress and Reform, 16<sup>th</sup> Edition,” American Legislative Exchange Council, 2010.

alternative teacher certification program, a statewide charter school authority and a meaningful evaluation system for teachers. In 2015, lawmakers also created an Achievement School District, ended the practice of social promotion and tried to create school choice.

In 2017 and 2019, lawmakers began walking back these changes. They decided not to evaluate teachers based on student performance,<sup>6</sup> weakened alternative teacher certification laws,<sup>7</sup> and repealed language authorizing education savings accounts.<sup>8</sup> Those incipient reforms have experienced great success in other states but were never given the chance to succeed in Nevada.

**There are at least 33 ways to improve student performance without spending more.** Nevada Policy has developed a comprehensive framework for school reform including 33 major components that should guide future legislative efforts.<sup>9</sup>

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<sup>6</sup> Nevada Legislature, 79<sup>th</sup> Session, Assembly Bill 320.

<sup>7</sup> See "Alternative Teacher Certification."

<sup>8</sup> Nevada Legislature, 80<sup>th</sup> Session, Senate Bill 551.

<sup>9</sup> Geoffrey Lawrence, "33 Ways to Increase Student Achievement without Spending More," Nevada Policy Research Institute policy study, July 2014.

State	Total Spending per Student (2021)	Rank	NAEP 8th-grade math (2022)	Rank	NAEP 8th-grade reading (2022)	Rank
Alabama	\$11,864	44	264	T-46	251	1
Alaska	\$21,222	7	270	T-34	253	2
Arizona	\$11,625	47	271	T-31	259	3
Arkansas	\$12,912	40	267	43	255	T-4
California	\$16,975	21	270	T-34	259	T-4
Colorado	\$15,432	27	275	T-20	263	T-4
Connecticut	\$23,988	5	276	T-16	264	T-7
Delaware	\$18,047	16	264	T-46	253	T-7
District of Columbia	\$33,222	1	260	T-49	250	T-9
Florida	\$12,279	42	271	T-31	260	T-9
Georgia	\$13,570	38	271	T-31	260	T-9
Hawaii	\$17,588	20	270	T-34	259	T-9
Idaho	\$10,261	51	282	T-2	264	T-9
Illinois	\$20,843	8	275	T-20	262	T-9
Indiana	\$12,811	41	279	T-9	261	T-15
Iowa	\$15,206	28	277	T-14	260	T-15
Kansas	\$14,328	32	272	T-28	256	T-15
Kentucky	\$13,703	36	269	T-39	258	T-18
Louisiana	\$14,102	33	266	T-44	257	T-18
Maine	\$20,183	10	273	T-25	257	T-18
Maryland	\$18,754	15	269	T-39	259	T-18
Massachusetts	\$22,798	6	284	1	269	T-18
Michigan	\$15,594	25	273	T-25	259	T-23
Minnesota	\$17,594	19	280	8	260	T-23
Mississippi	\$11,791	46	266	T-44	253	T-23
Missouri	\$13,746	35	272	T-28	258	T-23
Montana	\$15,546	26	277	T-14	261	T-23
Nebraska	\$16,667	22	279	T-9	259	T-23
<b>Nevada</b>	<b>\$12,074</b>	<b>43</b>	<b>269</b>	<b>T-39</b>	<b>259</b>	<b>T-23</b>
New Hampshire	\$20,705	9	279	T-9	263	T-23
New Jersey	\$24,403	4	281	T-3	270	T-23
New Mexico	\$13,643	37	259	51	248	T-32
New York	\$28,261	2	274	T-22	262	T-32
North Carolina	\$11,552	48	274	T-22	256	T-32
North Dakota	\$17,769	18	278	13	258	T-32
Ohio	\$16,218	23	276	T-16	262	T-36
Oklahoma	\$11,431	49	264	T-46	251	T-36
Oregon	\$17,913	17	270	T-34	257	T-36
Pennsylvania	\$19,824	12	274	T-22	259	T-39
Rhode Island	\$19,691	13	270	T-34	259	T-39
South Carolina	\$14,511	31	269	T-39	254	T-41
South Dakota	\$13,239	39	281	T-3	262	T-41
Tennessee	\$11,802	45	272	T-28	258	43
Texas	\$13,900	34	273	T-25	255	T-44
Utah	\$10,802	50	282	T-2	265	T-44
Vermont	\$25,124	3	276	T-16	264	T-44
Virginia	\$15,091	29	279	T-9	260	T-47
Washington	\$19,310	14	276	T-16	262	T-47
West Virginia	\$14,585	30	260	T-49	249	49
Wisconsin	\$15,712	24	281	T-3	262	50
Wyoming	\$19,938	11	281	T-3	261	51