



How California Ranks

A look at the state's investment in K–12 education over the past decade

During the 1990s, California experienced a large growth in its school-age population while its expenditures per pupil remained below the national average. Despite its lower overall spending, California—compared to other states—pays its teachers top salaries. School districts, faced with more students and higher personnel costs, have made ends meet by limiting the number of certificated personnel. Thus California ranks next to last in the nation in the number of teachers and principals per student and last in librarians and counselors per pupil, according to the most recent statistics compiled by the National Center of Education Statistics (NCES). During this same decade, the state continued to rank above average in personal income and to spend more than the national average on some other public services, according to the National Education Association (NEA) in its *Rankings & Estimates* reports.

This report looks at current rankings and estimates as well as how the state fared

over the past decade compared to the rest of the nation. It relies on financial data from NEA (www.nea.org) and staffing data from NCES (<http://nces.ed.gov>).

California's school-age population has grown by leaps and bounds

From 1991 to 2001, California's school-age population (ages 5–17) not only grew, but also grew faster than the rest of the state's population. The number of California school-age children increased by almost 25% to 6,864,000, which includes children who attend private as well as public schools, according to NEA data. This compares to an increase of 16% in the school-age growth rate for the nation as a whole. (See Figure 1.) In addition, over the past decade the percent of the California population that was school-age rose by 1.7 percentage points, catapulting the state from 34th to sixth in the nation on this measure.

These new students changed the demographics of public schools, according to the California Department of

Education (CDE). As Figure 1 shows, by the end of the decade, K–12 students were more likely to be English learners and low-income. In 2001–02 about 25% of California public school students were English learners and about 47% were from low-income families. According to NCES, in 2002–03 California ranked first in the nation in its percentage of English learners and 11th in students living in low-income families.

The new students were also less likely to be white and more likely to be Hispanic, according to CDE data. They were slightly more likely to be attending middle or high school (growing from 49% to 51%), a trend the state predicts will continue at least through 2011 because of a temporary increase in births during the late 1980s and the early-to-mid-1990s.

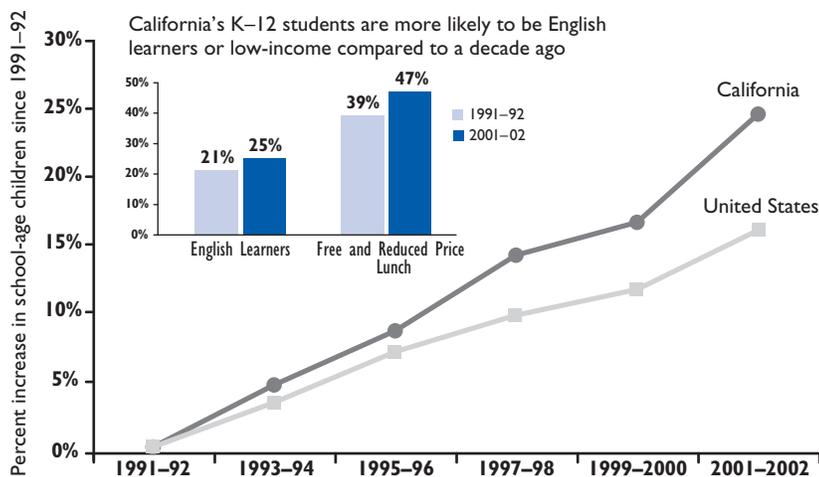
California, with above-average per capita income, has increased spending—but so have other states

A state's effort toward supporting K–12 education can be measured by the amount it spends divided by the state population as a whole. When adjusted for inflation, California spent \$135 more per person on its schools in 1999–2000 compared to a decade earlier, a 16.7% increase, according to NEA. But other states invested more, and as a result California's per capita expenditures have fallen from average to slightly below average in the nation.

In 1999–2000 California ranked 22nd in per capita expenditures on K–12 public schools—\$25 below the national average. However, during the past decade California had above-average per capita income. In 2000 California's per capita income was \$2,564 above the national average, giving the state an NEA ranking of ninth.

Some say that a high ranking in per capita income means California has the capacity to invest more in its schools. Others

figure 1 Over the past decade, California's school-age population has grown faster than the national average and its demographics have changed



DATA: *Rankings & Estimates 2003–04*, NATIONAL EDUCATION ASSOCIATION (NEA)
CALIFORNIA DEPARTMENT OF EDUCATION (CDE)

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EdSource uses enrollment and expenditures

For this report, EdSource chose to use fall enrollment as the count of students rather than average daily attendance (ADA) data because states' definition of ADA varies more widely. In California, enrollment is determined by counting the students enrolled in each school and district on a given day in October. The enrollment number is usually higher than ADA because ADA does not count students who miss school for any reason, including illness.

The financial comparisons in this report focus on expenditures—what the state and its schools spent providing K–12 services—as opposed to revenues, the amounts allocated to schools by local, state, and federal governments. NEA's compilation of revenue data shows that California is in the same position, relative to other states and the U.S. average, as it is for expenditures.

data indicate that higher education spending on a per-student basis is falling. (The state does not provide per capita data.) Student fees have also risen considerably.

California ranks below average in spending per pupil

NEA estimates that California was 29th in the nation in current expenditures per pupil based on fall enrollment in 2002–03. (Current expenditures include almost everything needed to run K–12 schools, such as staff salaries and benefits, buildings and maintenance, food services, transportation, and the cost of state education departments. They do not include capital outlay or debt service.) The state is estimated to have spent \$7,244 per pupil in 2002–03, 8% less than the U.S. average of \$7,875. (See Figure 3.) California ranked 33rd a decade earlier and 31st in 2001–02.

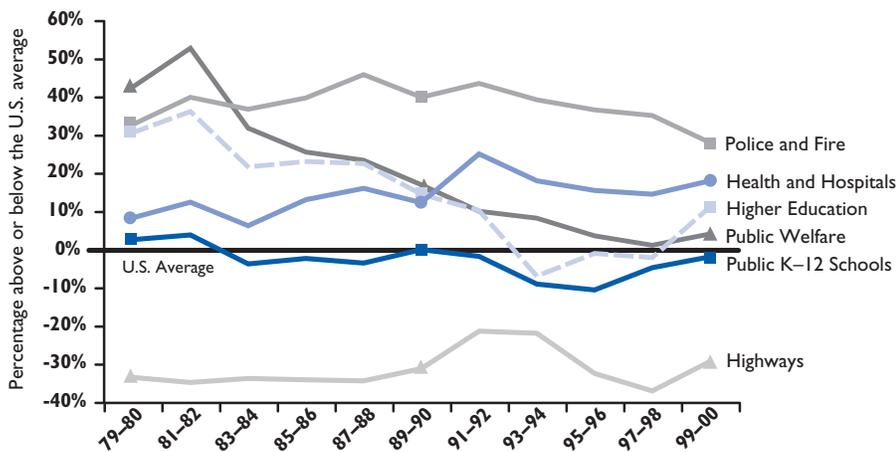
Compared to the 10 most populous states, California ranks third from last in expenditures per pupil, lagging far behind the leader, New York, which spent \$11,588 per student, according to NEA data. In 2002–03 California would have had to spend \$3.9 billion more to reach the national average and many more billions to catch up with New York. (See Figure 4.)

California ranks first in teacher pay

Although the state ranked below average in expenditures per pupil, it ranked first in teachers' salaries in both 2001–02 and 2002–03, paying an estimated average of \$56,283 in 2002–03, according to NEA. This was almost 23% more than the U.S. average of \$45,891. Ranking first in the nation is a significant jump from 1992–93 when California ranked 7th. After adjusting for inflation, California teachers' salaries were 10.1% higher in 2002–03 than a decade earlier.

However, national figures do not take into account variations in the cost of living. When the American Federation of Teachers (AFT) combined its own interstate cost-of-living index with statewide salaries for 2001–02, California teachers earned only about 4% more than the national average (ranking 11th) in part because, according to AFT, California was

figure 2 Over time, California's per capita expenditure on K–12 education has dropped below the U.S. average unlike its expenditures on most other public services



DATA: *Rankings & Estimates 2003–04*, NATIONAL EDUCATION ASSOCIATION (NEA)

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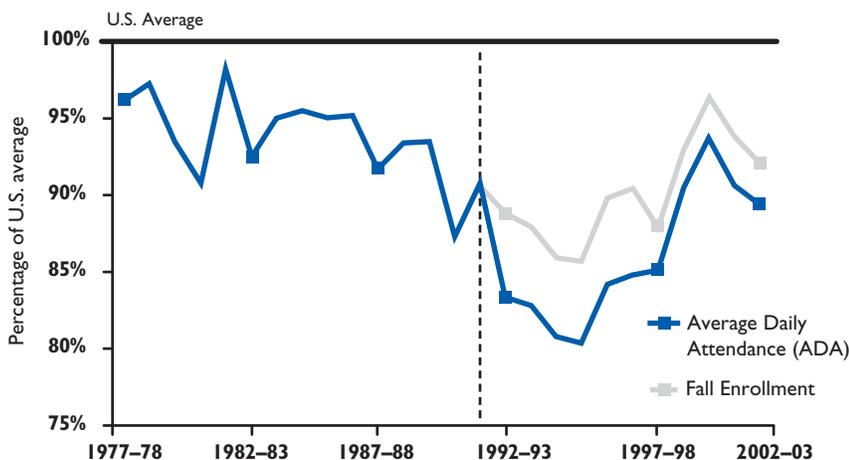
argue that California residents face one of the highest costs of living in the country, which makes them reluctant to tax themselves enough to reach the national average on education. In addition, unlike most other states, California relies primarily on state funds for education rather than local property taxes. (About 40% of the state's budget is allocated to K–12 education.) Thus schools must compete with other statewide public services for the same funds.

When compared to the national average, some of those other public services have fared better in this competition over the past decade. (See Figure 2.) The state spent 28% more than the national average on police/fire in 1999–2000. Further-

more, California remains above the national average in its contributions to health/hospitals and public welfare, though its comparative expenditures in the latter have slipped significantly. In 1999–2000 the state also spent 23% more than the U.S. average on corrections, a category not identified a decade earlier. However, the state spent 29% below the national average on highways.

For higher education, the state's per capita spending relative to the national average dropped from 1981–82 until 1993–94 when it began to increase. As Figure 2 shows, that increase continued through 1999–2000, the last year for which NEA has data. However, more recent California

figure 3 California remains below the national average in expenditures per pupil based on either ADA or enrollment

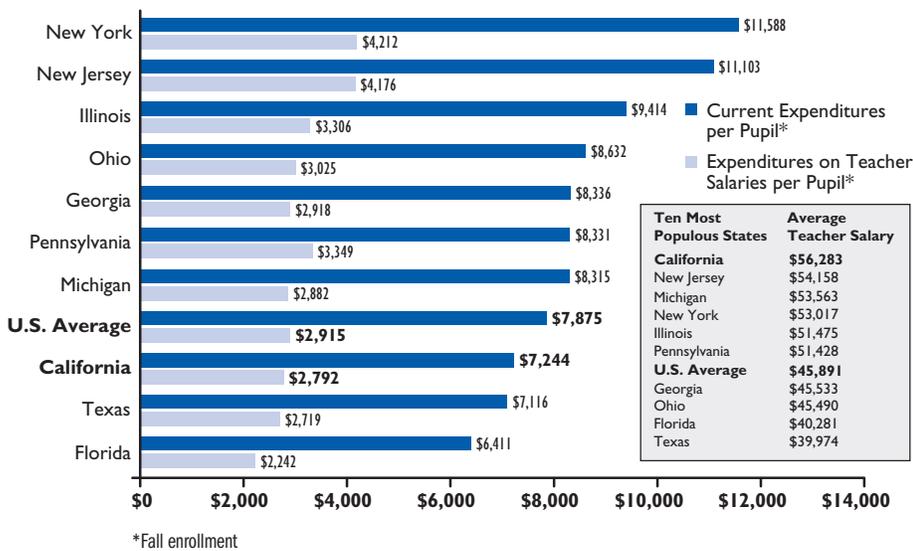


Note: Current expenditures per pupil in fall enrollment data are not available before 1991-92. Data for 1996-97 and 2002-03 are based on estimates.

DATA: *Rankings & Estimates 2003-04*, NATIONAL EDUCATION ASSOCIATION (NEA)

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figure 4 California's K-12 expenditures per pupil—and teacher salary expenditures per pupil—are both low among the 10 most populous states



DATA: *Rankings & Estimates 2003-04*, NATIONAL EDUCATION ASSOCIATION (NEA)

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the fifth most expensive state to live in, behind New York, New Jersey, Alaska, and Hawaii.

Another way to look at teacher salaries is to compare them with the average salaries of other occupations with similar educational prerequisites, responsibilities, and authority, or with jobs for which teachers

with certain subject-matter specialties might qualify. Relying on Bureau of Labor Statistics data for 2000, EdSource did such a comparison with 11 non-teaching occupations: social workers, preschool and child care center administrators, editors, social community service managers, librarians, public relations specialists, chemists,

accountants and auditors, historians, registered nurses, and mathematicians.

EdSource found that nationally teacher salaries (on average) exceed the salaries of five of these 11 non-teaching occupations. However, in California, elementary and middle school teacher salaries were larger than the salaries of only two of these occupations. California's average high school teacher salary exceeded the salaries of three: social community service managers, librarians, and editors.

In addition, teacher salaries vary by district size, urbanization, and region. Teachers' salaries can also reflect the changing characteristics of the workforce over time, particularly the proportion of new teachers whose salaries are lower. However, according to NCES, California's teacher workforce is less experienced than the national average.

California also ranks third in the nation in its average pay (\$57,623) for overall instructional staff, which includes teachers, supervisors, and other non-supervisory instructional personnel, such as librarians and guidance counselors. This was almost 20% more than the national average of \$48,050, according to NEA data.

Spending decisions have led to higher pupil-to-staff ratios

One outcome of California's higher-than-average employee pay combined with lower-than-average spending per student has been significantly fewer teachers and other certificated staff per pupil than the national average. According to NCES, in 2002-03 California ranked last in the nation in librarians and guidance counselors per 1,000 pupils. It ranked next-to-last in principals/assistant principals and teachers and 47th in officials/administrators.

As Figure 4 shows, California's relative position among the 10 most populous states is the same for current expenditures per pupil as it is for teacher salary expenditures per pupil. Because the state has the highest teacher pay, one might expect that teacher salary expenditures per pupil would rank higher compared to other states. But

figure 5 | California's staff-per-pupil ratios have improved over the past decade but still remain well below the national average

Staff per 1,000 Pupils	1992-93		2002-03*	
	California	U.S. Average	California	U.S. Average
Total Staff	82.2	110.4	93.2	124.2
School District Staff	5.1	5.1	5.3	6.0
Officials and Administrators	0.4	1.1	0.4	1.3
Administrative Support Staff	3.9	3.3	3.8	3.7
Instructional Coordinators	0.8	0.8	1.1	1.0
School Staff	60.9	79.0	70.2	89.6
Certificated School Staff	45.1	63.6	52.7	69.9
Principals and Assistant Principals	1.9	2.9	2.2	3.4
Teachers	42.1	57.7	49.3	63.3
Guidance Counselors	1.0	1.9	1.1	2.1
Librarians	0.2	1.2	0.2	1.1
Other School Staff	15.8	15.4	17.4	19.7
Instructional Aides	10.6	10.0	11.6	13.9
School Admin. and Library Support Staff	5.2	5.3	5.9	5.9
School and District Support Staff**	16.2	26.3	17.7	28.6

*Preliminary data
 **Includes staff who provide noninstructional services to students (attendance officers, staff and supervisors of staff providing health, psychology, transportation, and social services) and support services staff not reported in the other categories (data processing staff, health, building and maintenance staff, security and cafeteria workers).

DATA: NATIONAL CENTER FOR EDUCATION STATISTICS (NCES)

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because California has fewer teachers per student than most states, when one divides total salaries by the total number of students in fall enrollment, the state does not have a high ranking on this measure.

However, high teacher salaries do not necessarily correspond with fewer teachers per pupil than the national average. Of the 11 states (including California and the District of Columbia) that paid more than \$50,000 in average teachers' pay in 2002-03, eight had higher teacher/pupil ratios than the national average, according to NCES. For example, New York has high teachers' salaries compared to other states—though not as high as California's. But because New York's current expenditures per pupil are also high, it can support these high salaries without lowering its teacher/pupil ratio. Thus it is a leader in teacher salary expenditures per

pupil and has one of the highest teacher/pupil ratios in the nation.

NCES data show that California has about 49 teachers per 1,000 pupils compared to a national average of about 63 per 1,000. (See Figure 5.) The state also has significantly fewer certificated school staff (including teachers) per 1,000 pupils than the national average (52.7 compared to 69.9). In a few support-type staff categories the state reaches or slightly exceeds the national average, but in all other categories there are significantly fewer adults per pupil in California schools. However, in all but two categories (officials/administrators and librarians), the state has increased the number of adults per student compared to a decade earlier. But so did other states. As a result, California's rankings in these categories remained relatively unchanged.

Comparison data tell just part of the story

States differ dramatically in size, ethnic and socioeconomic characteristics, cost of living, and how they collect data, set policy, fund public education, and govern their schools.

Averages can also obscure variations, which is particularly true in a state as large and diverse as California.

In addition, the data in this report look at how states spend their money. Achievement data is not compared. Higher expenditures do not necessarily translate into higher student achievement.

Amidst growing challenges, California schools have below average resources available to them

During the past decade, California's school-age population has increased substantially and has also grown as a proportion of the overall population. In addition, a larger portion of the new students are from low-income families and/or are English learners. Such students typically require more support in school. During this period, California also developed tough academic standards for its students and schools.

At the same time, the state has dipped below the national average in per capita spending, has remained below average in expenditures per pupil, and has risen to first in the nation in teacher salaries. These spending decisions—combined with the state's growth in school-age population—mean that California public schools have fewer teachers, administrators, principals, counselors, and librarians per child than any other state except Utah. [11]

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