



**For Release:** January 14, 2021

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**State Disinvestment After Great Recession Cost Schools Nearly \$600 Billion,  
Led to “Lost Decade” for Public Education, New Analysis Shows**  
*Companion ELC report also shows dramatic differences in per-pupil funding*

**NEWARK, N.J.** — Just prior to the onset of the COVID-19 pandemic, public school funding in many states was deeply inequitable and inadequate, with glaring disparities between high and low wealth districts. A major factor contributing to these conditions was state disinvestment in public education in the decade following the Great Recession, resulting in a loss of nearly \$600 billion across the U.S. These findings are documented in two complementary reports released today by Education Law Center (ELC).

The first report – [Making the Grade 2020](#) – is the latest edition of ELC’s annual state-by-state analysis of public school funding across the country. The report grades states on how equitably they fund their public schools using three key measures: funding level, funding distribution and funding effort.

The second report – [\\$600 Billion Lost: State Disinvestment in Education Following the Great Recession](#) – lays bare public education’s “lost decade” from 2008 to 2018. If PK-12 funding had kept pace with states’ economic growth, public schools would have had well over half a trillion dollars more in state and local revenue to invest in teachers, support staff and other resources essential to give students, especially the most vulnerable, a meaningful opportunity for success.

“These reports hammer home the alarming financial condition of public education in many states even before the pandemic forced schools to close last March,” said Danielle Farrie, ELC Research Director and co-author of the reports. “Public schools, especially those serving high enrollments of low-income students, were struggling even before COVID-19 triggered the need for resources for remote learning, PPE, health and safety building repairs and remediation measures for students experiencing learning delays.”

These reports also underscore the obligation of each state to support their public schools with adequate funding, a political decision made by lawmakers in state capitols across the country. Even as their economies rebounded from the Great Recession, elected officials in most states failed to restore and/or maintain their investments in public education by tapping into the state’s overall economic growth.

“We’ve already seen New York, Texas and other states make devastating budget cuts in response to the economic downturn brought on by the pandemic,” said David Sciarra, ELC Executive Director. “Our

students, especially in schools segregated by poverty and race, simply cannot afford to lose teachers, counselors, nurses and other supports at a time when they need more not less.”

Key findings from the \$600 Billion Lost report include:

- The nation’s public schools lost a cumulative \$598 billion in state and local revenue due to states’ failure to maintain a consistent level of effort to fund public education.
- In all but four states, funding for PK-12 education in 2018 was a smaller portion of economic activity than before the Great Recession:
  - PK-12 education revenues represented 3.31% of states combined GDP in 2018, a substantial drop from 2008’s 3.73%.
- States with the greatest declines in effort also experienced the greatest reductions in school funding. For example, Florida reduced its effort by 30%, and per pupil funding declined by 21%.

Key findings from Making the Grade 2020 include:

- School funding levels vary dramatically across states, with the top states providing upwards of 50% more than the national average funding level of \$14,548 per pupil, and the bottom states providing 30% less.
- States in the Northeast and Midwest generally have higher funding levels than those in the South and West.
- Fifteen states have “regressive” school funding systems, meaning high poverty districts receive less funding than low poverty districts.

“As states confront the COVID-19 public health crisis, these reports are a stark reminder of the long-lasting implications of shortsighted economic policy,” said Jennifer Doeren, Director of the Partnership for Equity & Education Rights (PEER). “Going forward, it’s critical that threats to school funding are met with a strong and sustained demand that governors and legislators not reduce but increase their state’s investment in its public schools.”

The ELC reports released today are designed to provide policymakers, advocates, teachers, parents and others with the information they need to advance fair school funding. Both reports provide state-by-state data in an [interactive dashboard](#).

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**Making the Grade 2020** and **\$600 Billion Lost: State Disinvestment in Education Following the Great Recession** are coauthored by Dr. Danielle Farrie, ELC Research Director, and David Sciarra, ELC Executive Director. Please visit [www.edlawcenter.org/research/making-the-grade](http://www.edlawcenter.org/research/making-the-grade) to view the full reports and explore findings with [interactive tools](#).