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**SEND A LETTER TO  
THE EDITOR**

The Platte Institute strongly believes in the importance of citizens participating in the public dialogue on issues important to

# PLATTE CHAT

## A Better Way to Educate in Nebraska

By Angie Synowicki  
Platte Institute

Without question, Nebraskans place a high value on their education system. However, asking what kind of value the Nebraska K-12 education system provides to its citizens is a valid question. The following report examines whether the high investment being made into the system by Nebraska's citizens provides the children in the K-12 system the kind of education Nebraska citizens believe they are receiving. Many Nebraska school districts claim they are providing value, however, based on weak state standards, significant increases in receipts and stagnant test scores, our findings indicate otherwise.

### Increased Funding

Nebraska. Writing a letter to the editor is an outstanding way to partake in the discussion and have your voice heard by thousands of people. To make the process easier, the Platte Institute has assembled a list of links which allow you to submit a letter to the editor to nearly all Nebraska newspapers. Simply [CLICK HERE](#) for a listing of the newspapers and follow the appropriate link to submit your letter.

State spending on education has steadily increased over the last decade, with Nebraska by far surpassing its neighbor states. In March 2009, the National Center for Education Statistics (NCES) released its annual report on revenues and expenditures for public elementary and secondary education for the 2006-07 school year. This report shows that Nebraska outspends every single state in the Midwest, aside from Wyoming. In the years 1999-2006, Nebraska has increased spending per student in elementary and secondary education at a rate of 34.4%, compared to border-state spending of 32.8% and the national average of 32.7% - according to the U.S. Census.

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Over the last 25 years, state spending per student has increased from \$2,690 in 1983, to \$10,068 in 2008. Data provides strong support that Nebraska spends more on K-12 education in part due to the state's lower student to teacher ratio and the lower average number of students per school district. The state's highest cost districts [Sioux County and Arthur County Schools] spend roughly \$19,000 per student, with an average of 102 students per district.<sup>[1]</sup>

In addition, the rationalization behind the increase in spending is that more money spent on education will increase academic achievement. But do the facts support such a case? Statistics show that simply increasing governmental spending on education does not necessarily lead to increased student performance on standardized tests.

There is a common perception that lack of funding is the cause of under-performing school districts. In an Omaha World Herald article<sup>[2]</sup>, Omaha School Board President Sandra Kostos argued that OPS needed more state funding (in this case, to increase teacher salaries), which would address student and teacher needs, and “improves student performance by closing the opportunity gap suffered by children in poverty.”

OPS received approximately \$492 million dollars in receipts for the fiscal year 2007-08<sup>[3]</sup>, more than any other school district in the state. Statistics show there is no correlation between funding and student achievement.

### **Academic Performance**

Academic performance is assessed at different grade levels by various tests throughout the year. Each district has the opportunity to select approved standardized tests (often based on curriculum) which makes cross comparisons of districts often difficult. The use of national exams allow for more accurate comparisons. According to the National Assessment of Educational Progress (NAEP), there is currently a large gap in student achievement in math and reading in Nebraska compared to other states.

While a few states were not included in the analysis due to insufficient sample size, the facts remain dismal. And primarily, minorities in Nebraska appear to be at a disadvantage compared to other states. Nebraska is ranked

41<sup>st</sup> (out of 44), and 45<sup>th</sup> (out of 46) for 4<sup>th</sup> grade black student reading and math average scale scores respectively. By 8<sup>th</sup> grade, black students in Nebraska are ranked dead last (42<sup>nd</sup> out of 42) in average scale score for mathematics. Hispanic students in 4<sup>th</sup> grade are ranked 35<sup>th</sup> (out of 46) for average scale scores in reading.

However, decreasing test scores are not just an issue for the urban populations in our state. The NAEP reports Nebraska as a whole showed no significant change in reading and science.

In 1992 the state average score for reading in Grade 4 was 221 (out of a possible 500), and in 2007 the state average was 223. 8<sup>th</sup> grade reading averages actually decreased in the last 15 years (in 1992 the state average score was 270, in 2007 it was 267).

National test scores stand in direct conflict with figures reported by districts. For example, according to the Nebraska Department of Education website, OPS reported that 95.46% of 4<sup>th</sup> graders were proficient in math 2009.

The NAEP released a report in October 2009 to address the issue. The report by the department's statistics division compared state achievement levels to achievement levels on NAEP. It found that many states judged children to be proficient or on grade level when they would rate below basic or lacking even partial mastery of reading and math under the NAEP standards. The wide disparity comes from state's lower achievement standards. "States are setting the bar too low,"

Education Secretary Arne Duncan said. “We’re lying to our children when we tell them they’re proficient, but they’re not achieving at a level that will prepare them for success once they graduate.”<sup>[4]</sup>

[SEE SUPPORTING GRAPHIC HERE](#)

### **A Better Way?**

Increasing government funding, based on the evidence has not statistically lead to increased performance by academic standards. The system is apparently wired for failure; those schools whose students perform the worst earn the most money from the federal and state governments. Economic “bailouts” to under-performing schools only reinforce a system with no accountability.

Public education revenue is drawn from three sources of government: federal, state, and local. In 2007-08, Nebraska spent 60.4% of this funding, or approximately \$1.7 billion on instruction alone. Instead of increasing money for education, the solution may lie with better resource allocation. Nebraska should consider adopting the 65% solution. The program requires that 65 cents of every dollar in a school districts operating budget be directed to the classroom. Under this scenario, money for classroom instruction would increase by \$37 million and administrative budgets would be reduced by the same amount.<sup>[5]</sup>

Another solution lies in reorganizing the current system to allow charter schools to flourish. New initiatives in states such as

Florida and Ohio demonstrate the power of personal choice to improve personal achievement. Both states have introduced legislation that allows freedom of choice, by implementing programs for underprivileged families to receive scholarships and tax vouchers to attend private institutions.<sup>[6]</sup> Tax credit systems, scholarships and vouchers enable low income families to choose schools away from their under-performing neighborhood school. Allowing parents to choose which school their child attends creates competition amongst districts for students. This competition will foster an environment for more productivity, creativity and ensures better quality of education for each individual.

Nebraska is one of just a few states without charter schools. Many education authorities including Education Secretary Duncan contend that charter schools improve scholastic performance, and is "...one of the most profound changes in American education, bringing new options to underserved communities and introducing competition and innovation into the education system."<sup>[7]</sup>

Nebraska is at a turning point. Contrary to the widely held assumption, this report found that increasing state funding is ineffective in combating decline or stagnant academic performance. Perhaps better resource allocation in the form of the 65% solution and the introduction of charter schools will improve our state's education and ensure a better quality education for every child.

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[1]Nebraska Dept of Education Website\_

[2]May 11<sup>th</sup>, 2008. Omaha World Herald

[3]Nebraska Dept of Education, Receipts

[4]<http://www.ed.gov/news/pressreleases/2009/10/10292009.html>

[5][http://www.platteinstitute.org/docLib/20090324\\_Spending\\_Habits\\_Full.pdf](http://www.platteinstitute.org/docLib/20090324_Spending_Habits_Full.pdf)

[6]Advocate Magazine, Aug, Sept 2009

[7]National Alliance for Public Charter Schools' annual conference, July 2009.

<http://www.ed.gov/news/speeches/2009/06/06222009.html>

### **Clarification of Previous Article on Centralized Fleet Management**

The Platte Institute for Economic Research would like to take an opportunity to clarify some information from an article earlier this week about suggesting consideration for a centralized fleet management system in Nebraska.

In talking about the number of state-owned vehicle in Nebraska, we wrote, "as of June 31, 2008 the state owned 8,207 vehicles. The

Nebraska Department of Motor Vehicles increased that number to 9,707 vehicles by December 31, 2008 – an 18 percent increase in just six months.”

These statistics do not represent that the increase was due to the number of vehicles owned by the Department of Motor Vehicles, but rather reflect information contained in the Department of Motor Vehicles' Annual Report which shows 9,707 titling transactions in 2008 involving State of Nebraska vehicles. The Platte Institute also recognizes that the Department of Motor Vehicles report figures come from a different criteria standard than the report issued on June 31, which could play a role in the discrepancy of the numbers.

### **Another View in Response to Our Suggestion of a Centralized Fleet Management System**

In an effort to continue to facilitate better discussion about economic issues in Nebraska, the Platte Institute would like to begin providing a sounding board for those who would like to add to the conversation - whether they agree with our thoughts or have other ideas.

We are working to enhance our website to allow for the conversation to take place there, but in the meantime we would encourage you to email your thoughts to us at [feedback@platteinstitute.org](mailto:feedback@platteinstitute.org) and we will publish thoughts of Nebraskans on issues. To read what Chuck Meyer thought of our last

Platte Chat, [PLEASE CLICK HERE.](#)

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