

**SD Budget & Policy Institute**

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**How much is “enough” to invest in k-12 education?**

For the past 30 years across the United States spending on k-12 education has averaged about 5% of the personal income available in the state where the student is educated.

K-12 education spending in South Dakota mirrored that trend until the late 1990s when the School Funding Formula was enacted.

Since 1998, k-12 spending on South Dakota students as a percentage of personal income has decreased 25%.

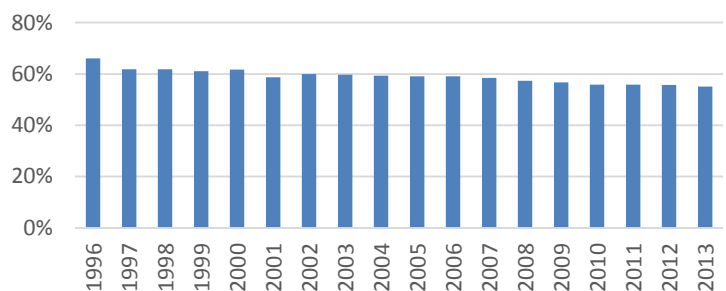
This investment measurement now lags the national averages by 22% and regional averages by 25%.

IN THE MIDST OF BALANCING THE ANNUAL STATE BUDGET OR MAKING TEACHER HIRING DECISION AT THE LOCAL SCHOOL DISTRICT LEVEL, IT IS HARD TO STEP BACK AND REGAIN A LONG-TERM PERSPECTIVE ON K-12 EDUCATION SPENDING IN SOUTH DAKOTA.

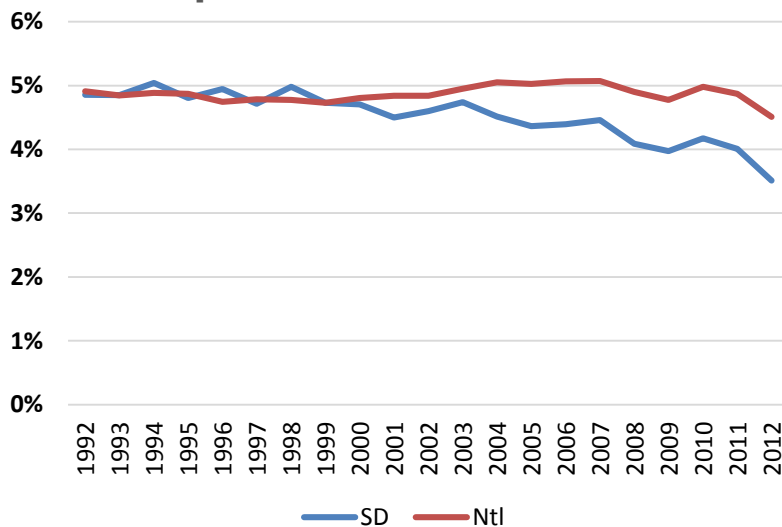
THIS ISSUE BRIEF LOOKS AT LONG-TERM TRENDS IN EDUCATION FUNDING.

**K-12 share of property taxes**

**down 17%**



**School funding as a percentage of SD personal income down 25%**



**How did this happen?**

Over time, but especially after the school funding formula was put in place, the percentage of South Dakota tax revenues that go toward k-12 education have decreased.

The percentage of property taxes that go to support k-12 schools is down seventeen percent from 66% in 1996 to 55% in 2013.

*Mission: to promote responsible and equitable fiscal policy through research and education*



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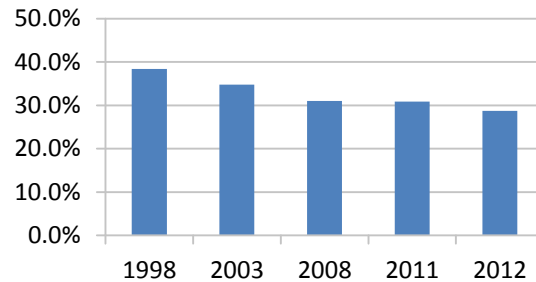
The percentage of general fund revenues that go to support k-12 education is down 25% from 38.4% in 1998 to 29% in 2012.

These downward trends resulted primarily from the funding formula limitations of per student spending to 3% or inflation, whichever was lower.

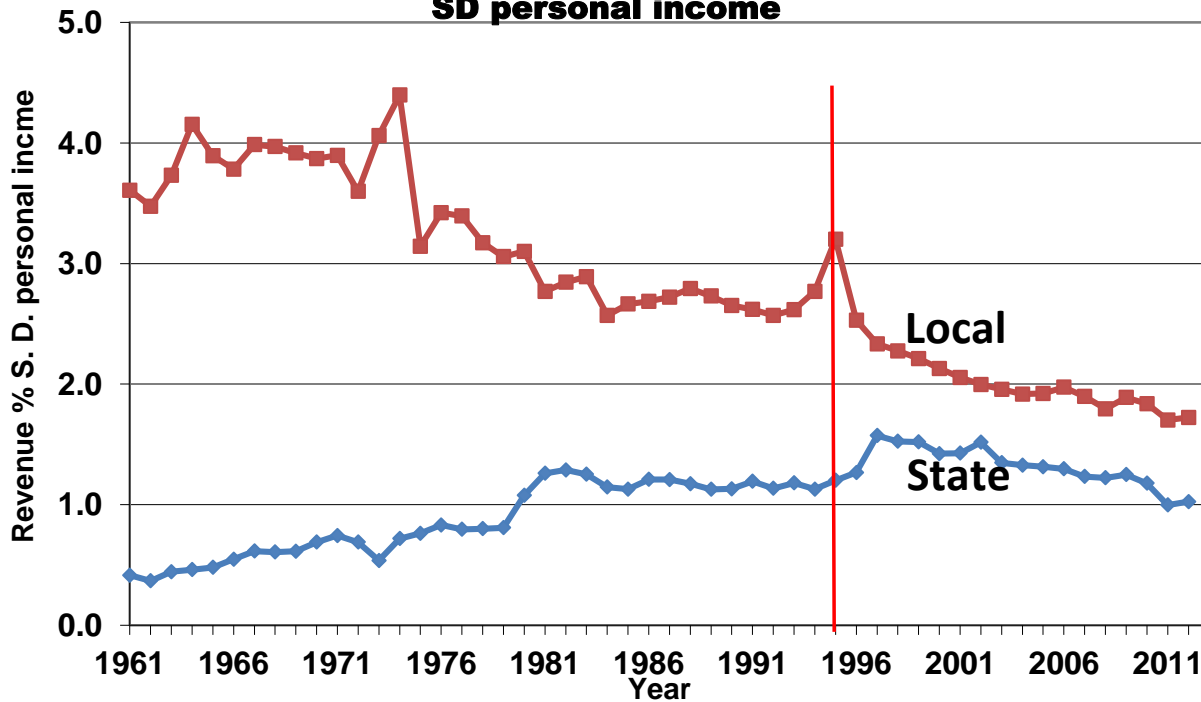


THE NET RESULT IS SD SCHOOL DISTRICTS HAVE ONLY SEVENTY-FIVE PERCENT OF THE FUNDS PER STUDENT NEIGHBORING STATE SCHOOL DISTRICTS HAVE TO EDUCATION CHILDREN.

### K-12 share of state general fund down 25%



### State and local school revenue as percent of SD personal income



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