

Education Week's Rankings: New Jersey Is Tops Because Of High Education Spending That Benefits The NJEA More Than Students

**FLORIDA GETS BETTER RESULTS
AT LESS THAN HALF THE PRICE**

MICHAEL LILLEY

MARCH 8, 2021



SUNLIGHT
POLICY CENTER
— OF NEW JERSEY —

EDUCATION WEEK’S RANKINGS: NEW JERSEY IS TOPS BECAUSE OF HIGH EDUCATION SPENDING THAT BENEFITS THE NJEA MORE THAN STUDENTS

FLORIDA GETS BETTER RESULTS AT LESS THAN HALF THE PRICE

“This morning, *Education Week* came out with its annual rankings of the states – and by the way, *Education Week*, on these rankings, is the gold standard – and for the second year in a row, New Jersey can proudly call ourselves home to the very best public education system in the entire United States of America.”

-- New Jersey Governor Phil Murphy, September 2, 2020¹

According to Governor Murphy, New Jersey public schools got the gold medal in the “gold standard” survey. Plenty of reason for Murphy’s staunch ally, the New Jersey Education Association (NJEA), to bask in the golden glow as well: a prominent NJEA banner ad on *NJ Spotlight’s* website declared “NJ Public Schools Rank Best in the Nation ... Two Years Running.”

But it turns out that ***Education Week’s* survey is the “gold” standard only if you are measuring how much “gold” – that is, money – a state spends on education.**

I. The *Education Week* Survey Is Not the Gold Standard Because of Flaws in Methodology

According to *Education Week’s* methodology, a state’s overall ranking is based on three categories:

- Chance for Success – the role that education plays in promoting positive outcomes across an individual’s lifetime, including early foundations, how students are faring in school and adult outcomes;
- School Finance – grading the states on the amount of spending and on the equity, or fairness, of that spending; and
- K-12 Achievement – academic achievement in math and reading (as measured by the NAEP test), graduation rates, the results of Advance Placement exams, and achievement gaps for underprivileged students.

As set out by Stan Liebowitz and Matthew Kelly of the Cato Institute, there are three major flaws in *Education Week’s* methodology.² First, ***Education Week* included in its calculations factors that are not directly related to K-12 student learning**, such as employment as adults, graduation rates and pre-K enrollment. Employment as adults depends on many factors, many of which do not relate to K-12 education. Graduation rates tell us little about what K-12 students have actually learned (38 states

do not have graduation proficiency exams). Pre-K enrollment may (or may not) help set the stage for K-12 learning but clearly is not a measure of it.

A second flaw is that *Education Week* aggregates all students together, regardless of demographic or socio-economic differences. This has the effect of penalizing states that educate more minority students because those groups tend to perform worse on standardized tests that measure K-12 student learning. To gain a fuller, more accurate picture of a state's performance, these students should be disaggregated and compared to like-students in other states.

Finally, and most significantly, ***Education Week* deems that more education spending is better. Period.** Liebowitz and Kelly say that *Education Week* altered its methodology in 2011 to put more weight on raw spending.³ But obtaining superior outputs (student learning) with less inputs (spending) should be seen as a virtue, as more efficient, and certainly as preferable to obtaining lesser outputs with more inputs. Student learning is of course the most important measure for a school system, but all things being equal, **a school system that produces strong learning for less money should be seen as superior.** Surely taxpaying parents and citizens would see it that way. But that is not how *Education Week* ranks the states.

By valuing education spending as a strong positive factor per se, *Education Week* has created a bias whereby the highest rated state education systems tend to be in big-spending, unionized states in the northeast like New Jersey, Massachusetts, Connecticut, Maryland and New York.⁴ As can be seen in the quotes above, this sits very well with teachers' unions, like the NJEA, and with their political beneficiaries, like Governor Murphy.

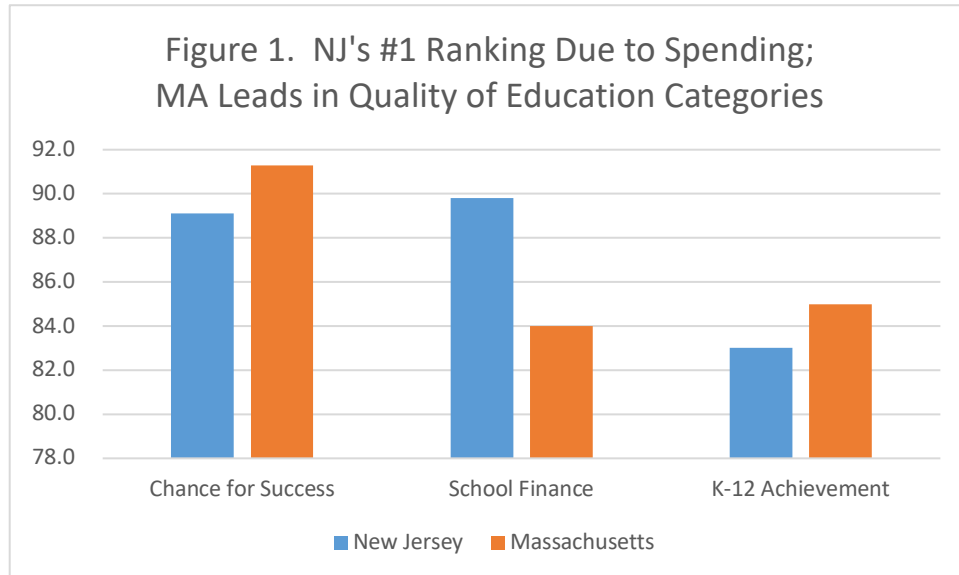
Governor Murphy said more than he knew: *Education Week* can be called the "gold standard" of surveys but only because it prizes the amount of money ("gold") spent on public education.

II. The *Education Week* Survey: New Jersey Is Tops Because It Spends Much More on Education

This major flaw in *Education Week's* methodology becomes abundantly clear in the case of New Jersey, which supplanted Massachusetts for the top ranking for the second year in a row. Both states garnered a B-plus, the highest grade given, with New Jersey scoring an 87.3 to Massachusetts' 86.7. So far, so good.

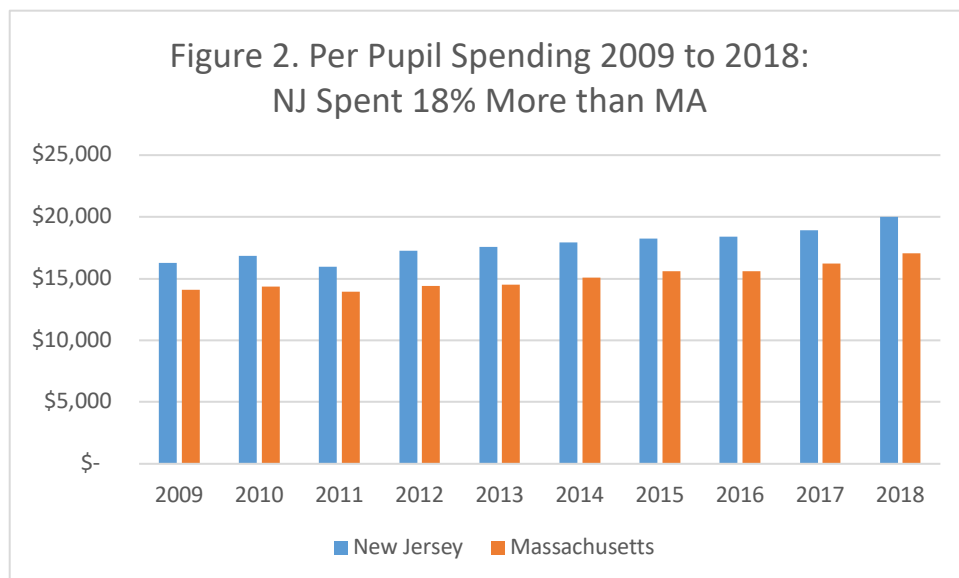
But as *Education Week* makes clear: **"New Jersey retains its crown as the top-ranked state largely due to its continued strength in school finance."**⁵ In other words, New Jersey spends more than any other state on public education except one (Wyoming) and this is what propelled New Jersey to the top. In fact, **New Jersey's unseating Massachusetts was entirely due to more education spending**, where Massachusetts ranked 12th.

As can be seen in Figure 1, Massachusetts outperformed New Jersey in the two categories that measure the quality of the education provided to students: Chance for Success and K-12 Achievement. It was only in the amount of spending that New Jersey greatly exceeded Massachusetts. *Education Week's* formula suits high-spending New Jersey very well.



Source: *Education Week*

And New Jersey has outspent Massachusetts for a long time. As can be seen in Figure 2, over the last decade, New Jersey has spent on average 18 percent more than Massachusetts. In other words, **New Jersey's public school system is 18 percent more expensive than Massachusetts' school system.**



Source: US Census Bureau

New Jersey is tops in the nation due to inputs (money spent), but Massachusetts is tops when it comes to outputs (Chance for Lifetime Success, K-12 Achievement). Yet *Education Week* ranks New Jersey higher simply because it spends more.

III. The Cato Study: A Better Ranking that Rewards Student Achievement as Well as Efficiency

Seeing the flaws in *Education Week's* (and others') methodology, Liebowitz and Kelly sought to develop a better approach with their study for the Cato Institute, which was summarized in their *Reason* article "Everything You Know About State Education Rankings Is Wrong."⁶ The Cato study makes three major changes to *Education Week's* methodology.

First, the Cato study based its ratings of student performance on the National Assessment of Educational Progress (NAEP – which is also used by *Education Week's* study), and **removed factors that did not measure student performance or teaching effectiveness, such as spending, adult employment, graduation rates and pre-K enrollment.** As the authors state: "To receive high marks, states must actually impart learning to their students."⁷

Second, the Cato study disaggregated student performance data so that states with high minority populations are not penalized because those groups tend to perform worse on standardized tests like NAEP.

Taking NAEP scores and comparing like-students to like-students, the Cato study arrives at a "Quality" score. As can be seen in Table 1, and as might be expected, both Massachusetts and New Jersey do very well in terms of quality, ranking second and fourth, respectively. But notice how lower-spending states like Virginia, Florida, Texas and Georgia make it into the top ten when the rankings are based solely on disaggregated, K-12 student performance.

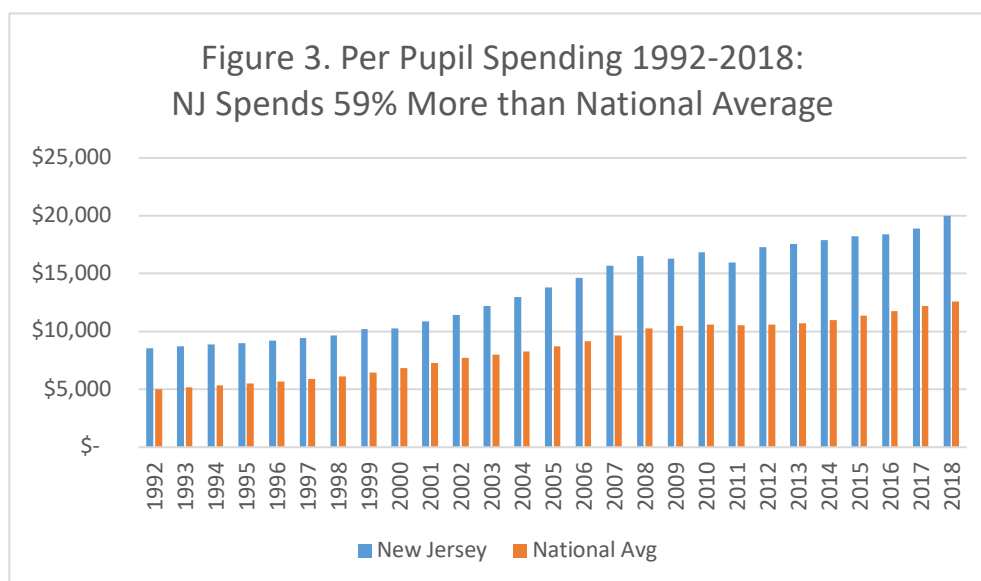
Table 1

Rank	Quality	Efficiency
1	Virginia	Florida
2	Massachusetts	Texas
3	Florida	Virginia
4	New Jersey	Arizona
5	Texas	Georgia
6	Maryland	North Carolina
7	Georgia	Indiana
8	Wyoming	South Dakota
9	Indiana	Colorado
10	North Dakota	Massachusetts

11	Montana	Hawaii
12	North Carolina	Utah
13	New Hampshire	Maryland
14	Colorado	California
15	Nebraska	Idaho
16	Delaware	Montana
17	Washington	Washington
18	Ohio	Kentucky
19	Connecticut	Tennessee
20	Arizona	South Carolina
21	South Dakota	New Jersey

Source: Cato Institute

The third major change is that the Cato study evaluates education spending in an entirely different way. **The Cato study uses spending to measure a state’s “bang for the education buck” rather than as a per se positive factor.** It calculates an “Efficiency” rating by dividing each state’s Quality measure by per-pupil expenditures (adjusted for cost of living). As shown in Table 1, **a very high-spending state like New Jersey drops to 21st in Efficiency** because New Jersey spends 59 percent more per pupil than the average state (see Figure 3 below). For decades, New Jersey has consistently placed in the top three states for education spending, which has resulted in New Jersey getting less bang for each education buck than twenty other states.⁸



Source: US Census Bureau

Particularly striking is the comparison between Florida and New Jersey. In the Cato study, Florida ranked third in Quality while New Jersey ranked fourth. But here’s the kicker for New Jersey taxpaying parents and citizens: third-place Florida spent \$9,346 per student versus \$20,021 for fourth-place New Jersey.

Florida got better student results for less than half the price.

IV. Strong Teachers Unions Cause States to Spend More and Hurt Student Achievement

The Cato study shows that states with strong teachers' unions tend to spend more on education but that does not guarantee higher student achievement and usually leads to worse efficiency (New York is a prime example).⁹ Notably, Cato's top five states in Efficiency – Florida, Texas, Virginia, Arizona and Georgia – are all “right-to-work” states, where teachers are not forced to join unions and where unions are correspondingly weaker. **Only one state in *Education Week's* top ten states was ranked in Cato's top ten for Efficiency: Massachusetts came in 10th.** (See Table 1 above).

This conclusion about spending is borne out by the Cato study's rigorous statistical analyses, which find that higher spending does not result in better student performance. The authors found “**no clear relationship between spending more on education and achieving better outcomes.**”¹⁰ In other words, most states have achieved a sufficient level of spending, and spending above sufficient levels - such as in New Jersey - “does not appear related to achievement ...”¹¹ **The data says that New Jersey is spending more than it needs to.**

Even worse for the strong-union states, the Cato study came to the striking conclusion that, controlling for student heterogeneity, “**union strength has a powerful negative effect on student performance.**”¹² The study notes that teachers unions of course seek higher salaries and richer pensions, which cost more but may also lead to better teachers and improved student achievement. But they also protect poor teachers and reward seniority regardless of merit, which could account for the strong negative impact. The bottom line is that these statistical results speak for them themselves regardless of the supposed causes: strong unions hurt student performance.

New Jersey parents, citizens and taxpayers should contemplate these startling conclusions. According to Cato's analysis, New Jersey is likely spending more than necessary on public education. Taxes are likely higher than necessary as well. Most alarming is the statistical probability that the powerful, taxpayer-funded NJEA is actually *hurting* student performance as compared to other states.

CONCLUSION: *Education Week* Rankings Become a Political Tool in the Service of the NJEA

Cato's conclusions undercut the narrative the NJEA wants New Jersey parents, citizens and taxpayers to believe. As correctly anticipated by the authors, by loudly trumpeting the results of the *Education Week* study, the NJEA – and their political beneficiary, Governor Murphy – **are supporting the narrative that high taxes and high education spending are “the recipe for an efficient and smoothly functioning education system.”**¹³ Their overarching message for New Jersey is: pay up if you want to keep our public schools the best in the nation.

The *Education Week* rankings are thus transformed to become another part of the NJEA's broad and unrelenting pressure campaign on voters and lawmakers to spend more on education, aided by the NJEA's political megaphones like Governor Murphy. More money means more jobs, higher salaries, top-shelf benefits and pensions, and most importantly, more dues-paying members.

Remarkably, the NJEA doesn't even hide this fact. In her monthly letter to members on the *Education Week* rankings, NJEA President Marie Blistan praised New Jersey's teachers, but then immediately pivoted to link this seemingly non-political success to political action: "None of us wants to see our hard work eroded by public policy ... That is why **political engagement is such a vital component in building a truly excellent system of public education** – and it must be felt at all levels of government."¹⁴ Blistan goes on to tout NJEA PAC's political endorsements and urges members to vote in the upcoming election.

Fittingly, right next to Blistan's November President's Message, which also touted the *Education Week* ranking, is the rationale behind Blistan's linkage. A message from NJEA Secretary-Treasurer Steve Beatty makes clear how the NJEA views public education: "Every decision that affects public education and public educators is made by, voted on, funded (or not) by someone in some level of public office."¹⁵ In the NJEA's view, public education is political exercise, which is why the NJEA has evolved into a full-time political organizing machine. As Blistan makes clear, even academic, seemingly non-political successes will be used for political ends. As it is, **the *Education Week* survey fits nicely into the NJEA's political conception of public education.**

The end-result is that New Jersey gets very good schools for an excessively high price. As the Cato study showed, **New Jersey's excess spending benefits the NJEA more than it does students.** The NJEA wants to justify the spending by cloaking its self-interest in student success, but thanks to the Cato study, **Florida exposes the naked truth: students can perform better at less than half the price.**

The inescapable conclusion: **New Jersey's high levels of education spending reflect not so much what is required for a quality public education system, but rather the political dominance of the NJEA.**

ENDNOTES

¹ Governor Phil Murphy, “September 2, 2020 Coronavirus Briefing Media,” State of New Jersey, <https://www.nj.gov/governor/news/news/562020/20200902b.shtml>.

² Stan J. Liebowitz and Matthew L. Kelly, “Everything You Know About State Education Rankings Is Wrong,” Reason Foundation, November 2018, <https://reason.com/2018/10/07/everything-you-know-about-stat/>. Hereinafter, “Reason Foundation article,” which summarizes the Cato Institute’s *Policy Analysis* study by the same authors cited in Endnote 11.

³ Ibid.

⁴ *Education Week*’s top ten states were: New Jersey, Massachusetts, Connecticut, Maryland, Wyoming, Vermont, Pennsylvania, New York, New Hampshire and Minnesota.

⁵ Sterling C. Lloyd and Alex Harwin, “Nation’s Schools Get a ‘C’ Once Again, Even as Pandemic Turns Up the Heat,” *Education Week*, September 1, 2020, <https://www.edweek.org/policy-politics/nations-schools-get-a-c-once-again-even-as-pandemic-turns-up-the-heat/2020/09>.

⁶ Reason Foundation article.

⁷ Ibid.

⁸ US Census Bureau, Public Education Finances, 1992-2018.

⁹ New York ranked fifth overall in *Education Week*’s survey (almost entirely due to spending), whereas Cato ranked New York 30th in Quality and 45th in Efficiency.

¹⁰ Reason Foundation article.

¹¹ Stan J. Liebowitz and Matthew J. Kelly, “Fixing the Bias in Current State K-12 Education Rankings,” *Policy Analysis* no. 854, (Cato Institute, November 13, 2018), 12, <https://www.cato.org/publications/policy-analysis/fixing-bias-current-state-k-12-education-rankings>.

¹² Reason Foundation article.

¹³ Ibid.

¹⁴ Marie Blistan, President’s Message, “First in the nation two years in a row,” *NJEA Review* 94, no. 3 (October 2020): 7.

¹⁵ Steve Beatty, President’s Message, “Officers Online,” *NJEA Review* vol. 94, no. 4 (November 2020): 7.