A new study from the Education Research Alliance for New Orleans at Tulane University examines how New Orleans schools’ spending patterns changed after the city shifted to a charter-driven system, granting charter schools greater autonomy over their spending relative to traditional public schools.

Authors Christian Buerger and Douglas Harris estimated these effects by comparing spending levels of New Orleans schools from 2000 to 2014 to those of a comparison group of Louisiana school districts that had spending patterns nearly identical to New Orleans before the reforms.

Buerger and Harris find that New Orleans’ publicly funded schools spent 13 percent more ($1,358) per pupil on operating expenditures than the comparison group by 2014. “Taking a closer look at the spending trends,” Buerger said, “we found that administrative expenditures increased by 66 percent ($699 per pupil) relative to the comparison group, while instructional expenditures decreased by 10 percent ($706 per pupil).”

The study is the first of its kind to look at the effect that switching from traditional public schools to charter schools has on operating expenditures, which helps isolate the effect of the charter
approach. “These results are somewhat surprising given the common concern that traditional school districts spend too much on large bureaucracies,” Buerger said, “but it is worth noting that these changes in spending levels and patterns came alongside a large improvement in education outcomes for students.”

While this study focuses on how New Orleans schools’ spending patterns have changed as a result of the post-Katrina school reforms, the Education Research Alliance for New Orleans has forthcoming studies examining the factors that explain educator compensation and school leader compensation.

This full report is available here.