



TEXAS PUBLIC POLICY FOUNDATION LEGISLATORS' GUIDE TO THE ISSUES

K-12 Education Growth

By Bill Peacock, Vice President of Research and Director, Center for Economic Freedom

THE ISSUE

The total cost of public education is often underestimated, and identifying exactly where the money is going is a tremendous challenge. Researchers, policymakers, and the media often compare the per-student cost of education by school, district, or state by citing the operating expenditures per-student cost, but fail to include debt service and building and remodeling facilities. The total cost of education includes all costs associated with educating students—operating expenditures, non-operating expenditures, the cost of state and regional personnel that administer education programs, and teacher pension costs.

During the current fiscal climate and the anticipated state budget shortfall facing lawmakers in the 2011 Texas Legislative Session, it is important for state legislators and policymakers to have accurate information about public school expenditures, understand where the money is actually spent, analyze major trends, and know the corresponding results in student achievement. This policy paper examines Organisation for Economic Co-operation and Development (OECD) international data, national data from the Nation's Report Card and National Center for Education Statistics, and 20 years of state data from the Texas Education Agency.

THE FACTS

- ★ Nationally, over 20 years, per-pupil costs increased from \$7,603 in 1987 to \$11,674 in 2007, a 54 percent increase when adjusted-for-inflation.
- ★ Public schools across the nation greatly increased their spending on facilities from 1990 to 2002 with an increase of 121 percent adjusted for inflation.

- ★ Texas spends a higher percentage of its state budget on public education and higher education than other states on average.
- ★ Texas' per-pupil costs, adjusted for inflation, increased at a higher rate than the U.S. average (66 percent vs. 54 percent).
- ★ Texas spent slightly more on facilities between 1990 and 2002 than the U.S. average (128 percent vs. 121 percent increase in constant dollars).
- ★ Total Texas public school expenditures increased 334.5 percent from 1987 to 2007, an increase of 142 percent when adjusting for inflation.
- ★ Texas' central administrators had a larger increase in salaries over the last 20 years than teachers.
- ★ Texas' per-pupil costs increased from \$3,659 in 1987 to \$11,024 in 2007, a 66 percent increase when adjusted for inflation.
- ★ Texas' education staff increased 71.5 percent between 1989 and 2009, while student enrollment only increased 44.5 percent.
- ★ Texas' public school spending on facilities between 1990 and 2002 increased by 128 percent, adjusted for inflation.

RECOMMENDATIONS

- ★ Do not increase spending for public schools. Instead, encourage school districts to find efficiencies.
- ★ Make education spending more transparent at the state and local level.

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- ★ Have state funding follow the students to their specific school and not stay at the district level, thereby empowering school leaders to have discretion over their entire school budget and the ability to make decisions about the need for various expenditures.
- ★ Reduce or remove any regulations at the state and local level that increase the cost of education, hinder innovation, and do not lead to higher student achievement, such as: state minimum salary schedule; locally-adopted salary schedules; paying teachers more for an advanced degree; multi-year contracts; teacher tenure; class size mandates; and teacher certification restrictions.
- ★ Create a statewide open-enrollment policy for students to attend any public school of their choice in Texas, regardless of their address.
- ★ Eliminate the charter school cap, allowing more students to attend their public school of choice.
- ★ Create an education tax credit scholarship program so students can receive scholarships to attend the school environment of their choice (public, private, homeschool).
- ★ Increase access to distance learning by removing the limit on two courses per student and removing restrictions that limit distance learning to students whose school district participates in the network.

RESOURCES

Examining Decades of Growth in K-12 Education: A Close Look at Spending and Achievement Trends by Brooke Dollens Terry, Bill Peacock, and Brittany Wagner, Texas Public Policy Foundation (June 2010) <http://www.texaspolicy.com/pdf/2010-06-RR07-EducationGrowth-BT-BW-BP-post.pdf>.

Do School Districts Need More Money? by Tim Dunn, Texas Public Policy Foundation (2010) <http://www.texaspolicy.com/pdf/2010-PPpresentation-SchoolsNeedMoreMoney-TimDunn.pdf>.

Helping Parents Pay for Education: Examining Education Tax Credits and Deductions by Brooke Dollens Terry, Paige Perez, and Brittany Wagner, Texas Public Policy Foundation (Apr. 2010) <http://www.texaspolicy.com/pdf/2010-04-PP10-EdTaxCredits-bt-pp.pdf>. ★

