



As legislators continue to discuss balancing the budget without raising taxes, it is timely to address several issues specific to public education that could assist policy makers during these discussions.

Teachers and Non-Teachers:

TEA figures show that in the 1970s, the teacher to non-teacher ratio was around 2 ½:1. While comparisons between multiple decades can be problematic, there is at least some evidence that a smaller number of non-teachers, relative to teachers is not only possible, but should be expected of our public school districts.ⁱ

Furthermore, regardless of the relative numbers of teachers and non-teachers over previous decades, the state is facing a budget shortfall that will require spending reductions to be made. Public education currently accounts for almost 60 percent of the state’s general revenue (GR) budgetⁱⁱ and will therefore have to bear significant reductions in 2012-13 relative to the 2010-11 biennium. For instance, the introduced version of the House Budget (HB 1, 82R) reduces GR appropriations for public education by \$2.8 billion (9.1 percent) from \$30.4 billion in 2010-11 to \$27.6 billion for 2012-13.ⁱⁱⁱ

Current Teacher to Non-Teacher Ratio:	1:1
Biennial Savings from moving to 3:2 Ratio:	\$3.3 billion
Public Education Reduction Proposed in HB 1:	\$2.8 billion

While it will ultimately fall to local school districts to reallocate resources in response

to spending reductions, it would be highly preferable for school districts to protect classroom instruction by reducing non-teaching positions and non-essential expenditures rather than eliminating teaching positions.

In the aggregate, reducing non-teaching staff to a point where the teacher to non-teacher ratio is approximately 3:2 should not affect classroom instruction, while the state would save \$3.25 billion in general revenue funds over the biennium.^{iv} Statewide, this reform would require school districts to eliminate approximately 80,000 non-teaching staff in total, including: coaches, librarians, counselors, nurses and educational aides, as well as campus and central administrators.

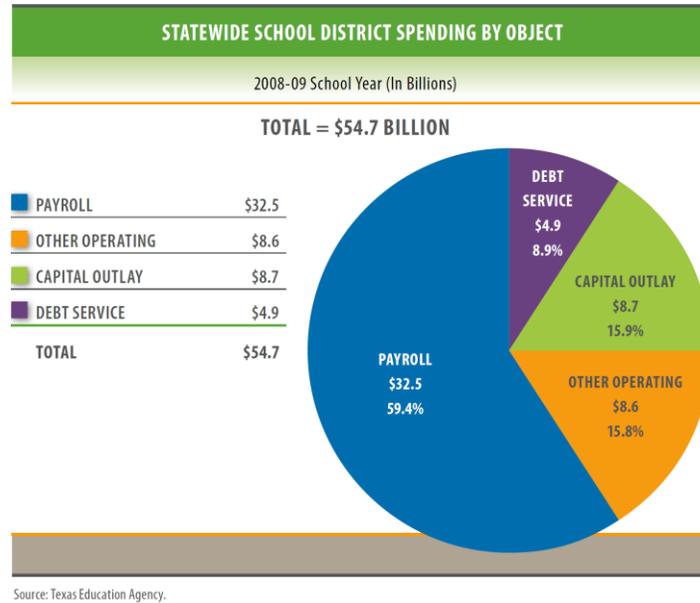
A document produced by Moak, Casey, and Associates argues that:

Though Texas employs a large number of staff that are not classified as classroom teachers, these individuals are largely not administrative staff. Most are providing services to students and are not easily expendable, particularly if current service levels are to be maintained and compliance with federal and state requirements is to be met.^v

However, none of this changes the fact that state revenues have declined and that spending will have to be reduced as a result in order to keep the state on a sound fiscal footing. While it may not be easy to eliminate employees who are engaged in “providing services to students” (a broad term that could be applied to almost every employee in the public education system), reducing non-teachers is far preferable to eliminating teaching positions, which would negatively impact classroom instruction. Moak, Casey, and Associates’ own figures show that the public education system added 276,000 employees between 1989-90 and 2009-10, of which around half, or 138,000 were non-teachers.

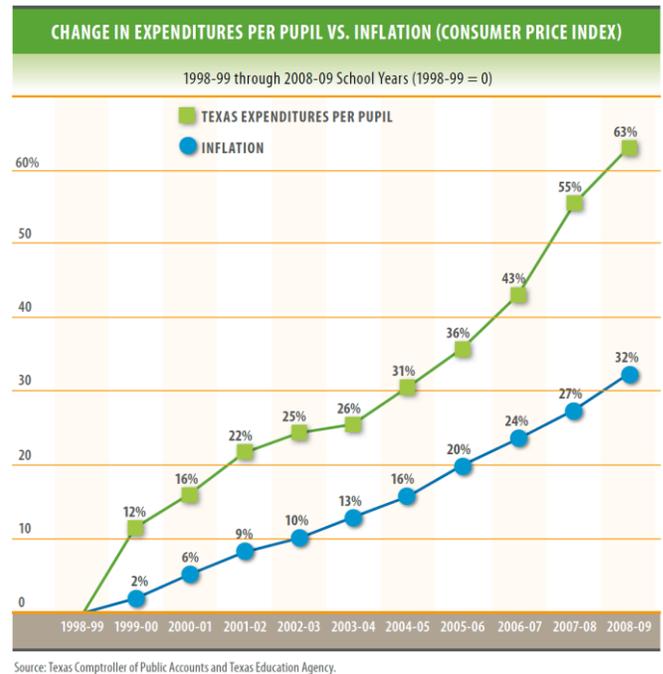
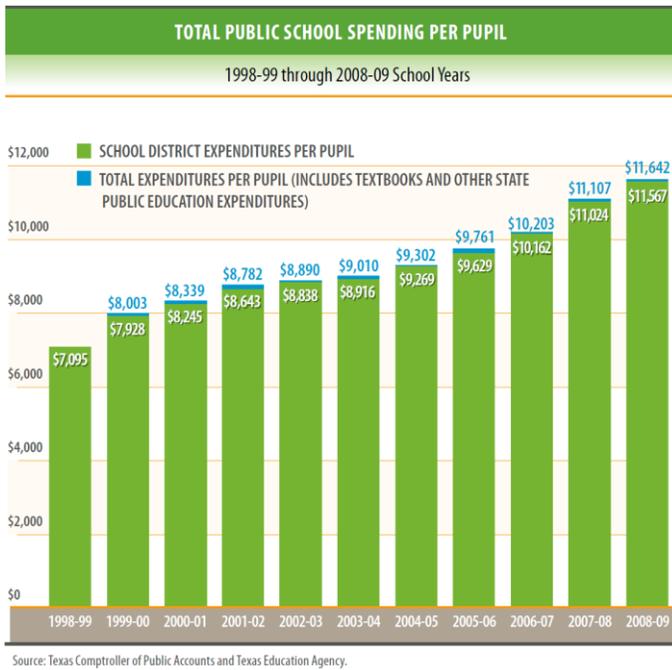
No one should miss the most obvious and fundamental point: public education spending growth has exceeded standard measurements and much of the excessive spending has been put toward hiring new school personnel.

Labor costs are the essential element of school operations, accounting for almost 60 percent of every dollar spent:



Spending on Public Education in Perspective:

The extent to which public education spending has grown over and above population growth and inflation, even since the 2004-05 biennium, underscores the point that maintaining current spending levels is unnecessary. A glance at public education spending over the past decade is instructive. The following two charts are adapted from the Comptroller’s recent “Financial Allocation Study for Texas” report:



These chart shows that *per student* the state is now spending approximately \$5,000 more on public education than was the case in 1998-99. The charts also make clear that per-pupil expenditures are increasing faster than both enrollment growth and the rate of inflation.

This belies the notion that public schools cannot get by with less funding than they currently receive. *Texas Monthly* political commentator Paul Burka neatly summarizes the public education spending growth that has occurred since 2006:

...the Legislature turned around and lavished spending on public education in the amount of \$5.3 billion. This included a \$2,500 teacher pay raise, another raise for support staff, a new high school allotment of \$275 per pupil, millions for costs to the Teacher Retirement System, and so on. A number of new programs were established, such as Pre-K for military children, a technology immersion project, a leadership program for principals, \$65 million for hold-harmless provisions—producing a fiscal note for 2011 of \$10.3 billion.^{vi}

In addition, Moak, Casey, and Associates recently produced an analysis pointing out that:

Restricting the analysis to operating funds, spending still grew over this timeframe by 59 percent per student...General fund operating expenditures have grown by 54 percent during this time (unadjusted for inflation). Much of this growth was due to legislative decisions to invest in particular areas, like improving teacher wages.^{vii}

They stress the following “legislative decisions” as being central to the increased spending levels: a \$3,000 teacher pay raise in 1999; a \$1,000 pay supplement for all school staff in 2001; a \$110 per student funding increase for school districts in 2003; a \$2,500 teacher pay raise in 2005; a \$24 per student funding increase for staff salaries in 2007, together with the creation of a range of new grant programs; and, an \$800 staff pay raise in 2009.^{viii} Each of these actions, as well as those noted by Mr. Burka, has served to increase public education spending without necessarily improving results or outcomes, and was detached from student enrollment growth.

The simple point remains: when the economy was booming, public education benefitted from big increases in appropriations that were debatable then but suspect today. Now that revenues are depressed due to an economic downturn and spending has increased without demonstrable increases in performance, some of these spending increases must be rolled back.

2004-05 Non-Teaching Staff:	291,081
2009-10 Non-Teaching Staff:	328,195
Positions eliminated from returning to 2004-05 levels:	37,114
Biennial GR saving from returning to 2004-05 levels:	\$1.5 billion

Source: Texas Education Agency.

The smartest way to do this is to focus on reducing non-teaching positions and non-classroom expenditures. For instance, as the chart [right] shows, rolling back non-teaching employment positions to 2004-05 would save around \$1.5 billion in GR alone over the 2012-13 biennium. This would involve the elimination of 37,144 non-teaching positions, or around 11 percent of the current, non-teaching, public education workforce.

Summary:

Playing semantics with ratios of public education employees misses the central point. The fact remains that revenues available for public education in 2012-13 are lower than what would be needed to continue the high levels of spending growth that have been sustained over recent biennia. Spending reductions are necessary in the light of the state’s budget situation, and these reductions should be primarily targeted at non-teaching positions and non-essential expenditures so that the classroom educators can continue to meet the needs of Texas school children.

ENDNOTES

ⁱ It should be noted, however, that TEA altered the methodology by which staff were counted at the end of the 1974-75 school year, and again in 1987-88 with the advent of the Public Education Information Management System (PEIMS). These changes may impact comparisons between the current personnel numbers and those numbers that are available before 1987-88 and 1974-75. However, all numbers referred to in this report are official TEA statistics and represent the best available data.

ⁱⁱ Legislative Budget Board, Fiscal Size-Up, 2010-11

ⁱⁱⁱ Legislative Budget Board, Summary of House Bill 1.

^{iv} Texas Education Agency estimate.

^v "Summary of Staffing Information", Moak, Casey & Associates, March 2011.

^{vi} "Spending binge contributed to the structural deficit," *Paul Burka*, February 17, 2011

^{vii} "Responses to Questions Regarding Increases in Education Staff and Expenditures," Moak, Casey & Associates, February 2011.

^{viii} *Ibid.*