



Why Has The Cost of Public Education Risen Faster Than Inflation?

According to a recent report by the Texas Comptroller of Public Accounts, total education expenditures per pupil rose 63 percent between 1998-99 and 2008-09. Total expenditures includes operating expenditures, as well as capital outlay and debt service.¹

“Operating spending,” provides a truer measure of the expenditures that impact the instruction of students. Operating expenditures increased 51 percent between 1998-99 and 2008-09, *unadjusted for inflation*. During the same period, inflation rose 32 percent.²

What accounts for this 19 percent gap?

During the last decade, Texas school districts enrolled approximately 75,000 more students *each year*, hired more educators to teach those students, paid those educators higher salaries each year as mandated by the legislature, and operated and staffed more schools to accommodate the growing student population. Further, incoming students were increasingly in need of special programs to help them reach the state’s rising academic standards.

- **Our public schools educate many more students each year:** The student population grew by 17 percent (783,000 students) during the ten years between 1998-99 and 2008-09. And, districts built 657 new school campuses to accommodate those students.
- **Our schools have had to hire more staff to educate those students.**³ In 1998-99, Texas school districts employed half-a-million people (505,111); by 2008-09 districts employed 646,815 total staff.⁴ Despite assertions to the contrary, the data show that over the last decade, the composition of school district staff has not change much:⁵

	1998-99	2008-09
Teachers	51.4%	50.7%
Campus Administrators	2.5%	2.8%
District Administrators	0.9%	1.0%
Educational Aides	10.3%	9.7%
Auxiliary Staff (security, cafeteria staff, bus drivers, maintenance staff, etc.)	27.7%	27.4%

¹ Expenditures are total spending per student from all funds, including capital outlay and debt service – payments to bond holders for money borrowed plus interest owed.

² Inflation is measured by the Consumer Price Index from 1998 to 2008.

³ Categories of district staff are explained in TASB’s District Staffing Brief, <http://www.tasb.org/legislative/legislative/reports/2011/documents/staffrate.pdf>

⁴ State Academic Excellence Indicator System (AEIS), Section I, TEA, Division of Performance Reporting.

⁵ 1999 and 2009 State AEIS, Section I, TEA, Division of Performance Reporting.

- **Salaries and benefits increased each year:** State-mandated salary and benefit increases were a major driver of the increase in operating costs for public education over the past decade, as payroll expenses comprise between 80 percent to 90 percent of each district’s budget. Between 1998-99 and 2008-09, the average teacher salary rose from \$34,949 to \$48,334, a 38 percent increase. A major driver of salary increases has been the state legislature. Each session since 1999, the legislature increased state funding for public education to cover mandated educator⁶ salary increases. In 1999, the legislature funded a mandatory \$3,000 pay increase for each teacher. In 2001, the state required districts to provide new health care benefits, and funded \$1,000 supplement per teacher that could be used to purchase health insurance. In 2005, the legislature funded a mandatory \$2,500 teacher salary increase. In 2007, the state appropriated \$279 million for educator salary increases to be distributed on the basis of \$23.63 per weighted student.

In addition, state law requires districts to provide an annual pay raise, known as a “step increase,” to each continually employed educator. From 1998-99 to 2008-09, the annual percentage increase across all districts was approximately 2.2 percent.⁷ Despite that increase, in 2007, Texas was ranked 39th in the country based on average teacher salaries.⁸

- **The number of students needing special services increased significantly:** The number of students served in state and federally mandated “special programs” in Texas public schools has grown dramatically. These special programs – including special education, bilingual education, compensatory education, career and technology and gifted and talented programs – provide students with additional and more individualized instruction, as mandated by law. The state and/or federal governments provide districts with additional funding for each student in these specialized programs. The growing enrollment and increased spending on special programs has driven up the average per-pupil cost of public education over the past decade.
 - **Special education:** Between 2001-02 and 2008-09, actual special education expenditures **increased 32 percent**.
 - **Bilingual and English as a Second Language:** Texas public schools experienced a **58 percent increase** in students who need bilingual education services during the decade.
 - **Compensatory Education:** The number of low-income students who receive compensatory education services has **increased 40 percent** over the decade.
- **The expanding number of state and federal laws and rules applicable to public schools:** In 1995, the state legislature revised the Texas Education Code to limit significantly the number of state mandates on school districts. Each legislative session since then has increased the number of laws with which public schools must comply. In 1998, there were 283 pages of *state* laws in the Texas Education Code that applied to public schools; by 2008, those laws consumed 523 pages, a 46 percent increase. And, with each new law came new rules – lots of them. The number of state rules passed by the commissioner of education, the State Board of Education, the State Board of Education Certification, and the Teacher Retirement System to implement the new state laws are too numerous to quantify. Complying with each law and rule requires personnel and often additional district resources, all of which drive up the cost of public education.

⁶ Teachers, librarians, nurses, and counselors all qualify for any required ‘teacher’ or ‘educator’ pay increase.

⁷ Texas Association of School Boards HR Services Annual Teacher Salary Survey

⁸ Texas Fact Book (2010), Legislative Budget Board, p. 18.