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BACKGROUNDER

No. 2739 | OCTOBER 15, 2012

How Escalating Education Spending Is Killing Crucial Reform

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Abstract

In August 2012, the White House released the report "Investing in Our Future: Returning Teachers to the Classroom" to bolster President Obama's call for massive new education spending. The report suggests that, absent an enormous infusion of more tax dollars, the nation's public schools will lose teachers and programs, damaging American education. This claim ignores the fact that over the past 40 years, both teaching and non-teaching positions in public schools have increased at far greater rates than student enrollment. And, of all education jobs, teachers make up only half. Heritage Foundation education policy expert Lindsey Burke explains how another federal education bailout will act as a disincentive for state and local leaders to implement necessary reforms—and keeps taxpayers on the hook for funding policies of dubious value.

This paper, in its entirety, can be found at **http://report.heritage.org/bg2739**

Produced by the Domestic Policy Studies Department

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The Obama Administration has proposed spending $60 billion on new education programs—in addition to its budget request of nearly $70 billion for fiscal year (FY) 2013 for the U.S. Department of Education. Part of the proposal includes $25 billion specifically to "provide support for hundreds of thousands of education jobs" in order to "keep teachers in the classroom."[1]

In August, the White House released the report "Investing in Our Future: Returning Teachers to the Classroom" to bolster President Barack Obama's call for the $25 billion in new federal spending. The report suggests that, absent a massive new infusion of federal spending, the nation's public schools will face reductions in teaching staff, increases in class size, and a loss of education programs.[2]

However, teaching and non-teaching staff positions in public schools across the country have increased at far greater rates than student enrollment over the past four decades. From 1970 to 2010, student enrollment increased by a modest 7.8 percent, while the number of public-school teachers increased by 60 percent. During the same time, non-teaching staff positions increased by 138 percent, and total staffing grew

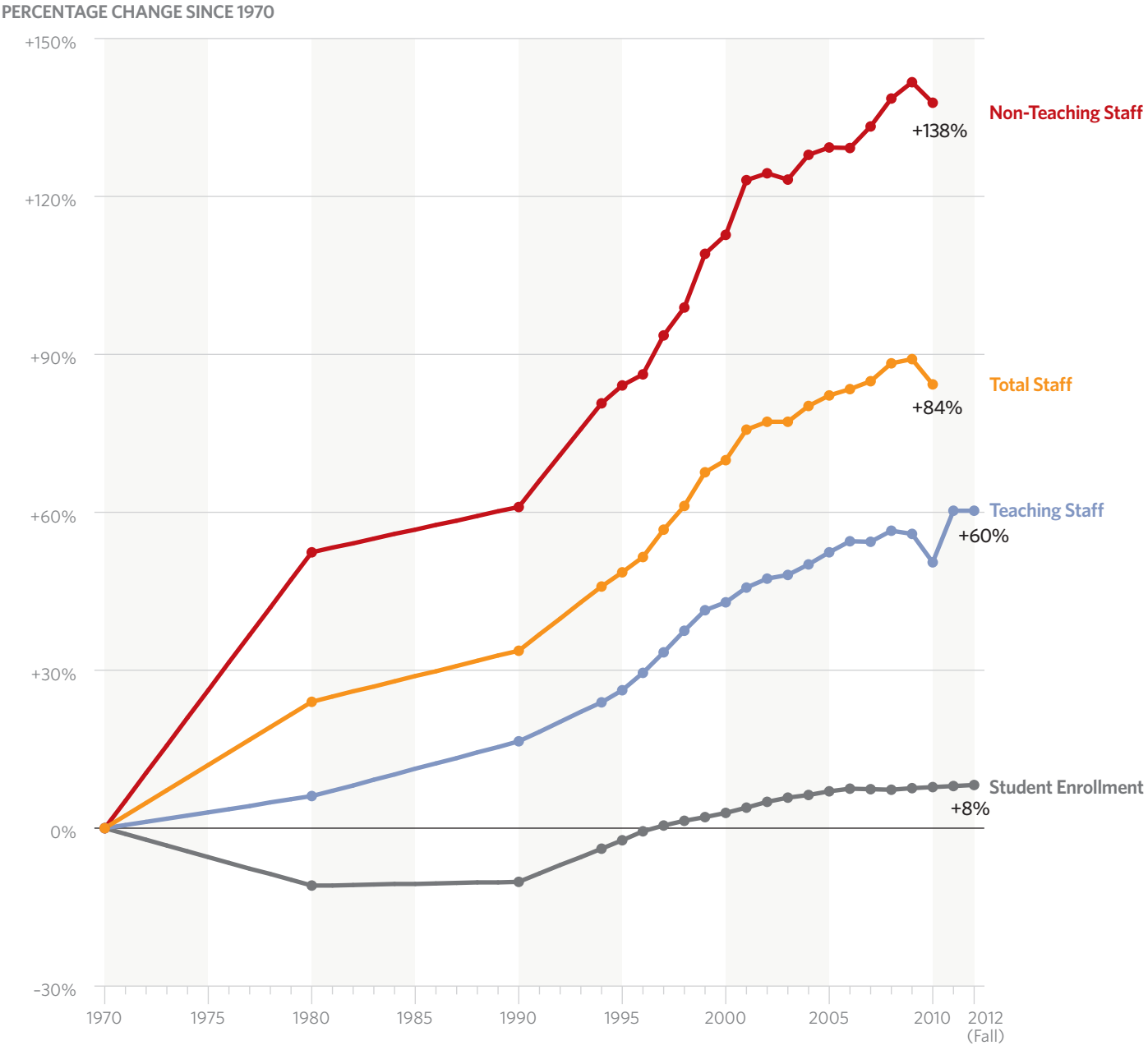
Key Points

- The Obama Administration proposes spending $25 billion specifically to "provide support for hundreds of thousands of education jobs" in order to "keep teachers in the classroom."
- But, over the past 40 years, both teaching and non-teaching staff positions in public schools across the country have increased at far greater rates than student enrollment.
- From 1970 to 2010, student enrollment increased by a modest 7.8 percent, while the number of public-school teachers increased by 60 percent.
- Since 1970, the percentage of teachers as a portion of school staff has decreased by 16.5 percent.
- Rather than spending $25 billion in taxpayer money through yet another federal education program, the government should empower states with more flexibility and control over how existing federal education dollars are spent.

CHART 1

Growth in Education Staffing Has Far Outpaced Student Enrollment

*Since 1970, total student enrollment in public schools increased by 3.7 million, or **8 percent.** However, during that same period, total education staffing rose by 2.8 million, or **84 percent.** Most notable was the growth in non-teaching staff which increased by **138 percent.***



Notes: Some figures have been interpolated. Figures for teachers and student enrollment for 2011 and Fall 2012 are projected.

Sources: National Center for Education Statistics, Digest of Education Statistics, "Staff employed in public elementary and secondary school systems, by functional area: Selected years, 1949-50 through fall 2009," Table 85, http://nces.ed.gov/programs/digest/d11/tables/dt11_085.asp (accessed August 30, 2012); Digest of Education Statistics 2011, June 2012, http://nces.ed.gov/pubs2012/2012001.pdf (accessed August 30, 2012); and National Center for Education Statistics, "The Condition of Education 2012," May 2012, http://nces.ed.gov/pubs2012/2012045.pdf (accessed August 30, 2012).

by 84 percent. Teachers now comprise just half of all public-education employees.

Instead of putting taxpayers on the hook for more federal spending, school districts should trim bureaucracy and work on long-term reform options for better targeting taxpayer resources.

Education Employees and Student Enrollment

The White House report states that "[a]s teacher jobs are declining, student enrollment is projected to continue growing."[3] A look at the historical data is useful for interpreting the Administration's claims.

While enrollment in America's public schools has not quite doubled since 1950, staff positions (both instructional and administrative) increased by 377 percent between 1950 and 2010 (a nearly five fold increase). From 1970 to 2010, enrollment in the nation's public schools increased just 7.8 percent; over the same time period, education staff increased 84 percent.[4]

More teachers now teach fewer students than at any point in history. The National Center for Education Statistics (housed within the U.S. Department of Education) projects 3.3 million teachers on school payrolls this fall. If accurate, the number of teachers will have increased 261 percent since 1950 and 60 percent since 1970.[5]

While student enrollment is projected to reach 49.6 million this fall—a 5 percent increase since 2000—the number of teachers in the nation's public schools will have grown by 12 percent.

Administrative Bloat: Room to Trim the Budget

The White House report also conflates education jobs with teaching positions, leaving the impression that reductions in staff rolls in the public-education system will necessarily lead to fewer teachers in the classroom. While many school districts face potential staff reductions, the growth in non-teaching staff over the past five decades should inform decisions about education staffing and spending.

Teachers as a Percentage of School Staff. Over the past five decades, the number of teachers as a percentage of school staff has declined substantially. Since 2000, the percentage of teachers as a portion of school staff has decreased by nearly 3 percent; since 1970, that percentage has declined by 16.5 percent. Notably, the percentage of teachers as a portion of school staff has decreased more than 28 percent since 1950.[6]

This evidence of significant administrative bloat in the nation's public schools should inform staffing decisions. Not surprisingly, increases in the number of administrators have not led to improvements in academic outcomes. Despite significant increases in the proportion of administrative staff to students over the past four to five decades, academic achievement and graduation rates have shown little to no improvement.

Increases in administrative and non-instructional staff over the decades have been substantial. From 1950 to 2009, there was a 68 percent decrease in the ratio of students to school support staff, such as district administration support and library staff. (That figure declined by 42 percent between 1970 and 2009.)

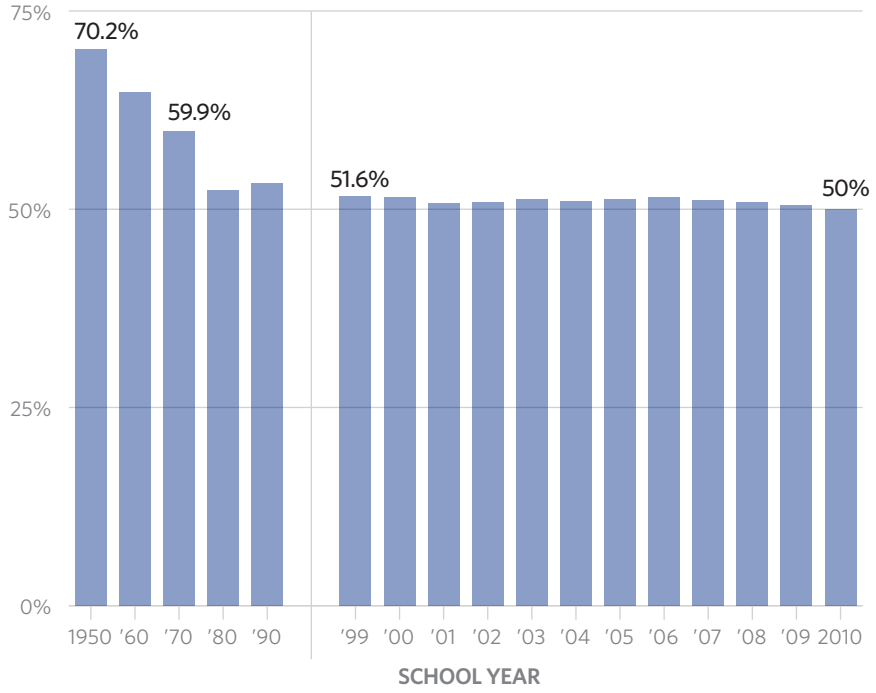
From 1950 to 2009, there was also a 50 percent reduction in the student–principal/assistant principal ratio. (That figured declined by 42 percent from 1970 to 2009.) Over the same time period, there was a 52 percent decrease in the

1. The White House, "Education Blueprint: An Economy Build to Last," August 2012, http://www.whitehouse.gov/sites/default/files/cantwait/final_-_education_blueprint_-_an_economy_built_to_last.pdf (accessed October 4, 2012).
2. "Investing in our Future: Returning Teachers to the Classroom," Executive Office of the President, Council of Economic Advisers, the Domestic Policy Council, and the National Economic Council, August 2012, http://media.mlive.com/education_impact/other/Investing_in_Our_Future_Report.pdf (accessed October 4, 2012).
3. Ibid.
4. National Center for Education Statistics, "The Condition of Education 2012," http://nces.ed.gov/pubs2012/2012045.pdf (accessed October 4, 2012), and National Center for Education Statistics, Table 85. "Staff Employed in Public Elementary and Secondary School Systems, by Functional Area: Selected Years, 1949–50 through Fall 2009," Digest of Education Statistics, May 2012, http://nces.ed.gov/programs/digest/d11/tables/dt11_085.asp (accessed October 4, 2012).
5. Digest of Education Statistics, Table 85, and National Center for Education Statistics, "Fast Facts: Back to School Statistics," 2012, http://nces.ed.gov/fastfacts/display.asp?id=372 (accessed October 4, 2012).
6. National Center for Education Statistics, Table 3. "Number of Full-Time-Equivalent (FTE) Staff for Public Schools, by Category and State or Jurisdiction: School Year 2010–11," Digest of Education Statistics, April 2012, http://nces.ed.gov/pubs2012/snf201011/tables/table_03.asp (accessed October 4, 2012), and Digest of Education Statistics, Table 85.

CHART 2

Teachers Comprise Only Half of Education Jobs

TEACHERS AS A PERCENTAGE OF TOTAL SCHOOL STAFF



Sources: National Center for Education Statistics, Digest of Education Statistics, "Staff employed in public elementary and secondary school systems, by functional area: Selected years, 1949–50 through fall 2009," Table 85, http://nces.ed.gov/programs/digest/d11/tables/dt11_085.asp (accessed August 30, 2012); and National Center for Education Statistics, "Public Elementary and Secondary School Student Enrollment and Staff Counts From the Common Core of Data: School Year 2010–11," Table 3, http://nces.ed.gov/pubs2012/snf201011/tables/table_03.asp (accessed August 31, 2012).

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pupil–district-administrator ratio. (That figure declined by 49 percent since 1970.)[7]

These decreases indicate that there are more school administrators, support staff, and district employees per student, by a considerable degree, than there were 60 or even 40 years ago. Teachers now comprise just half of all public-school employees.

Do Student–Teacher Ratios and Class Size Matter?

The White House's report cites data from 2008 through 2010 that show a 4.6 percent increase in the student–teacher ratio. The authors of the report warn that local government reductions in the number of education employees will likely lead to further increases in the student–teacher ratio in classrooms across the country:

> A look at the available data shows that the nationwide student–teacher ratio increased by 4.6 percent from the fall of 2008 to the fall of 2010, from 15.3 to 16.0.... [T]his increase in the student–teacher ratio erased a decade of gains. Moreover, since the fall of 2010, the last date for which we have the student–teacher ratio data, local governments have cut about 150,000 additional education jobs—meaning that the student–teacher ratio has almost certainly increased further.

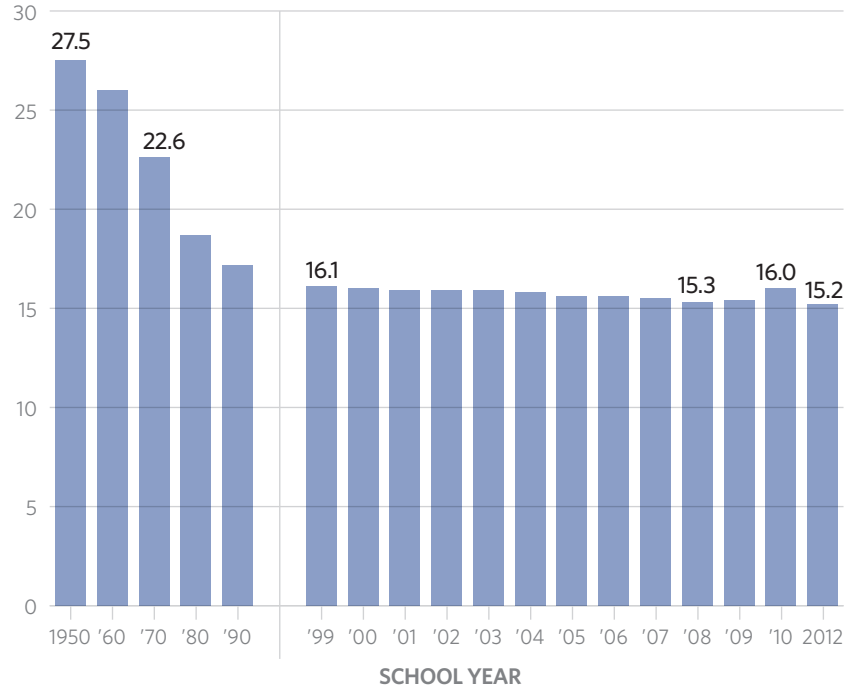
Yet, the student–teacher ratio has not "almost certainly increased further" based on preliminary 2012 data from the National Center for Education Statistics (NCES). The NCES finds that "public school systems will employ about 3.3 million full-time-equivalent (FTE) teachers this fall, such that the number of pupils per FTE teacher—that is, the pupil/teacher ratio—will be 15.2. This ratio is lower than the 2000 ratio of 16.0."[8] At 3.3 million, public schools will have a historically high number of teachers in the classrooms this fall. Moreover, the NCES data reveal historically low student–teacher ratios.

Student–Teacher Ratio in Context. In addition to data reported by the NCES, long-term trends in student–teacher ratios provide important context for understanding the current school employment landscape. Assuming the 16:1 figure cited

7. Digest of Education Statistics, Table 85.
8. National Center for Education Statistics, "Fast Facts: Back to School Statistics."

CHART 3

Student–Teacher Ratios Remain Close to Historical Lows



Note: Figure for 2012 is projected for fall.

Source: National Center for Education Statistics, Digest of Education Statistics 2011, June 2012, http://nces.ed.gov/pubs2012/2012001.pdf (accessed August 30, 2012); National Center for Education Statistics, "The Condition of Education 2012," May 2012, http://nces.ed.gov/pubs2012/2012045.pdf (accessed August 30, 2012); and National Center for Education Statistics, Fast Facts, http://nces.ed.gov/fastfacts/display.asp?id=372 (accessed August 31, 2012).

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in the White House report (based on 2010 data), the student–teacher ratio has in fact increased by 4.6 percent since 2008, as the report states. But that ratio has *decreased* by 29 percent since 1970 (at which time the student–teacher ratio was a little over 22:1). Since 1950, the student–teacher ratio has declined by more than 40 percent (down from nearly 27:1).

Student–teacher ratios have been on the decline over the past five decades. They are lower than they were in the 1950s and 1970s. The Obama Administration's "Investing in Our Future" does state that "since the fall of 2010...local governments have cut about 150,000 additional education jobs—meaning that the student–teacher ratio has almost certainly increased further." But data from fall 2012 projections by the NCES suggest that the student–teacher ratio will actually be at historic lows. Considering data from the NCES estimates, the number of students per teacher will be lower than at any point over the past decade.

Even if student–teacher ratios did increase slightly as the Obama Administration projects, it is not clear that further reducing class sizes—or allowing student–teacher ratios to increase modestly—would have any impact on student achievement.

Impact of Class Size on Student Achievement. A Brookings Institution report notes:

> When school finances are limited, the cost-benefit test any educational policy must pass is not "Does this policy have any positive effect?" but rather "Is this policy the most productive use of these educational dollars?"... There is no research from the U.S. that directly compares [class-size reduction (CSR)] to specific alternative investments, but one careful analysis of several educational interventions found CSR to be the least cost effective of those studied."[9]

While some evaluations of class-size reduction, such as the scientifically rigorous Student Teacher Achievement Ratio (STAR), have found, under very specific circumstances, positive benefits on student achievement from smaller class sizes, research by economist Eric

9. Matthew M. Chingos and Grover J. "Russ" Whitehurst, "Class Size: What Research Says and What it Means for State Policy," The Brookings Institution, May 11, 2011, http://www.brookings.edu/research/papers/2011/05/11-class-size-whitehurst-chingos (accessed October 4, 2012).

Hanushek found a limited impact on academic achievement, with gains fading out by sixth grade and beyond.[10] Researchers Matthew Chingos and Caroline Hoxby found no impact on student achievement resulting from reductions in class size.[11] The NCES also found that "overall the evidence of the effects of differences in class size on student performance is weak."[12]

The NCES further reports that the United States has the lowest elementary-student–teacher ratio of any G-8 country except Italy.[13] South Korea, which consistently outperforms the United States on international assessments, has an average student–teacher ratio of 30:1.[14]

Continuing to lower student–teacher ratios places a tremendous financial burden on state taxpayers for little, if any, academic benefit. As the Brookings Institution further explains:

> [I]ncreasing the pupil/teacher ratio in the U.S. by one student would save at least $12 billion per year in teacher salary costs alone, which is roughly equivalent to the outlays of Title I of the Elementary and Secondary Education Act, the federal government's largest single K–12 education program.[15]

Student–Teacher Ratios vs. Class Size. It is important to note the difference between student–teacher ratio and class size. Student–teacher ratio refers to the number of students per full-time teacher in a given school. The NCES measures student–teacher ratios "by dividing the number of full-time-equivalent students at a given level of education by the number of full-time-equivalent teachers at that level."[16] These measurements exclude paraprofessionals, such as teachers' aides.

By contrast, class size refers to the number of students in a class (an algebra or English class, for example), and can include both the teacher and a teacher's aide in the room. The NCES defines average class size as "the division of students who are following a common course of study, based on the highest number of common courses."[17]

While student–teacher ratios are usually lower than average class size, the NCES has tracked student–teacher ratios over time, making the measure a valuable tool for evaluation.[18]

Student–Teacher Ratios: The Bottom Line. Reductions in education jobs, if that is the case, do not mean that the student–teacher ratio "has almost certainly increased further," as the White House claims. Even if such reductions were to take place, leading to nominal increases in the student–teacher ratio, such an increase is unlikely to have an adverse affect on student achievement.

Moreover, the Administration's rhetoric concerning student–teacher ratios and class size implies that cuts in education jobs affect teachers exclusively. States, however, have ample room to reduce—and in fact should reduce—non-teaching staff positions, which have grown significantly over the past four decades.

A Better Plan for Relieving School Budgets

Funding education is a state and local government responsibility. Continuing to increase federal funding ensures that Washington intervention into education will continue to grow, at the expense of parents, taxpayers, and local school leaders. Rather than spending $25 billion in taxpayer money through yet another federal education program, the federal government should empower states with more flexibility and control over how existing federal education dollars are spent. National policymakers should:

- **Allow states to opt out of federal K–12 programs authorized under the Elementary**

10. Editorial Projects in Education Research Center, "Tennessee Student/Teacher Achievement Ratio Study (STAR) Experiment," December 2006, Influence Index: 31, http://www.edweek.org/media/star.pdf (accessed October 4, 2012), and Steven G. Rivkin, Eric A. Hanushek, and John F. Kain, "Teachers, Schools, and Academic Achievement," *Econometrica*, Vol. 73, No. 2 (2005), pp. 417–458. As found in Chingos and Whitehurst, "Class Size."
11. Chingos and Whitehurst, "Class Size."
12. David C. Miller, Laura K. Warren, and Eugene Owen, "Comparative Indicators of Education in the United States and Other G8 Countries: 2011," National Center for Education Statistics, October 2011, http://nces.ed.gov/pubs2012/2012007.pdf (accessed October 4, 2012).
13. Ibid. The G-8 countries are: the United States, the United Kingdom, Canada, France, Germany, Italy, Japan, and Russia.
14. Bill Costello, "Korean Teachers Reach for the SKY," *The Korea Times*, March 5, 2010, http://www.koreatimes.co.kr/www/news/opinon/2011/03/162_61875.html (accessed October 4, 2012).
15. Chingos and Whitehurst, "Class Size."
16. Miller, Warren, and Owen, "Comparative Indicators of Education in the United States and Other G-8 Countries: 2011."
17. Ibid.

and Secondary Education Act, and to direct funding to the education programs of their choice. The Academic Partnerships Lead Us to Success (A-PLUS) Act, introduced in Congress in both 2007 and 2011, has these goals. It allows states to opt out of No Child Left Behind and use funding for any lawful education purpose that a state sees as most necessary. Not only does this approach give states greater flexibility and control over their education dollars, it also eliminates many of the costs associated with administering federal programs and complying with the accompanying requirements.

- **Simplify federal education programs and increase funding flexibility.** The U.S. Department of Education should simplify Title I and other formula grants. While Title I provides funding to low-income school districts, its complex and multiple-funding streams make it more difficult for dollars to reach students. Consolidating the funding streams and simplifying the application and reporting requirements of Title I would save states time and money that could be better directed toward the classroom. States should also be allowed to make federal Title I dollars portable if they choose, following a child to any school of choice.

- There are also numerous state-level reforms that should be pursued, which would likely reduce budget shortfalls while improving the education landscape. State policymakers should:

- **Reduce the number of non-instructional and administrative positions in public schools.** States should consider cutting costs in areas that are long overdue for reform and pursue systemic reform to improve student achievement. Specifically, states should refrain from continuing to increase the number of non-teaching staff in public schools.

- **Eliminate "last-in, first-out" policies.** Too many states continue to use seniority-based layoffs when making staffing decisions. These last-in, first-out (LIFO) policies should be abandoned in favor of staffing decisions based on teacher effectiveness and competence, not years spent in the school building.

- **Avoid across-the-board pay raises.** The average public-school teacher receives total compensation above his similarly skilled private-sector counterpart. For that reason, state and local policymakers should avoid across-the-board pay raises and should instead revamp teacher-compensation systems to better reward those teachers who have a positive impact on student performance.[19]

- **Allow alternative teacher certification and reciprocity of teacher licensure.** Barriers to entry into the teaching profession, such as certification, should be eliminated. If a state continues to require certification, credentialing through alternative teacher certification organizations, such as the American Board for the Certification of Teacher Excellence, should be honored as a means for entering the teaching profession. Licensure should also be reciprocal; licensure in any state should be valid in any other state. While the barrier to entering the profession should be lowered, states and local schools should make their own teacher evaluations much more rigorous upon classroom entry.[20]

Conclusion

A recent survey conducted by the Fordham Institute found that 69 percent of respondents supported "reducing the number of district level administrators to the bare minimum" if their school district was facing a budget shortfall. Parents and taxpayers have good reason to want to trim bureaucracy in their local public schools.[21] From 1970 to 2010, student enrollment increased by a modest 7.8 percent, while the number of public-school teachers increased by

18. Chingos and Whitehurst, "Class Size."
19. Jason Richwine, "A Better Way to Pay: Five Rules for Reforming Teacher Compensation," Heritage Foundation *Backgrounder* No. 2681, April 24, 2012, http://www.heritage.org/research/reports/2012/04/a-better-way-to-pay-five-rules-for-reforming.
20. Ibid.
21. Steve Farkas and Ann Duffett, "How Americans Would Slim Down Public Education," Thomas B. Fordham Institute and FDE Group, August 2012, http://www.edexcellencemedia.net/publications/2012/20120802-How-Americans-Would-Slim-Down-Public-Education/20120802HowAmericaWouldSlimDownPublicEducationFINAL.pdf (accessed October 4, 2012).

60 percent. During that same time period, non-teaching staff positions increased by 138 percent, and total staffing grew by 84 percent.

Not surprisingly, the more than doubling of non-teaching staff since 1970 has meant that teachers are a smaller proportion of school payrolls. Since 1970, the percentage of teachers as a portion of school staff has declined by 16.5 percent. Teachers now comprise just half of all public-school employees.

More teachers are teaching fewer students, as the student–teacher ratio has continued to decline. According to the NCES, the student–teacher ratio for fall 2012 will be slightly greater than 15:1.

The Obama Administration's call for $25 billion in new federal funding for education salaries is based on a small snapshot of data (for 2008–2010) that shows overall reductions in education staff, which it then conflates with teaching positions specifically.

Another federal education bailout will act as a disincentive for state and local education leaders to making the changes necessary for long-term reform and balanced budgets, and further obliges taxpayers to fund policies of dubious value.

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