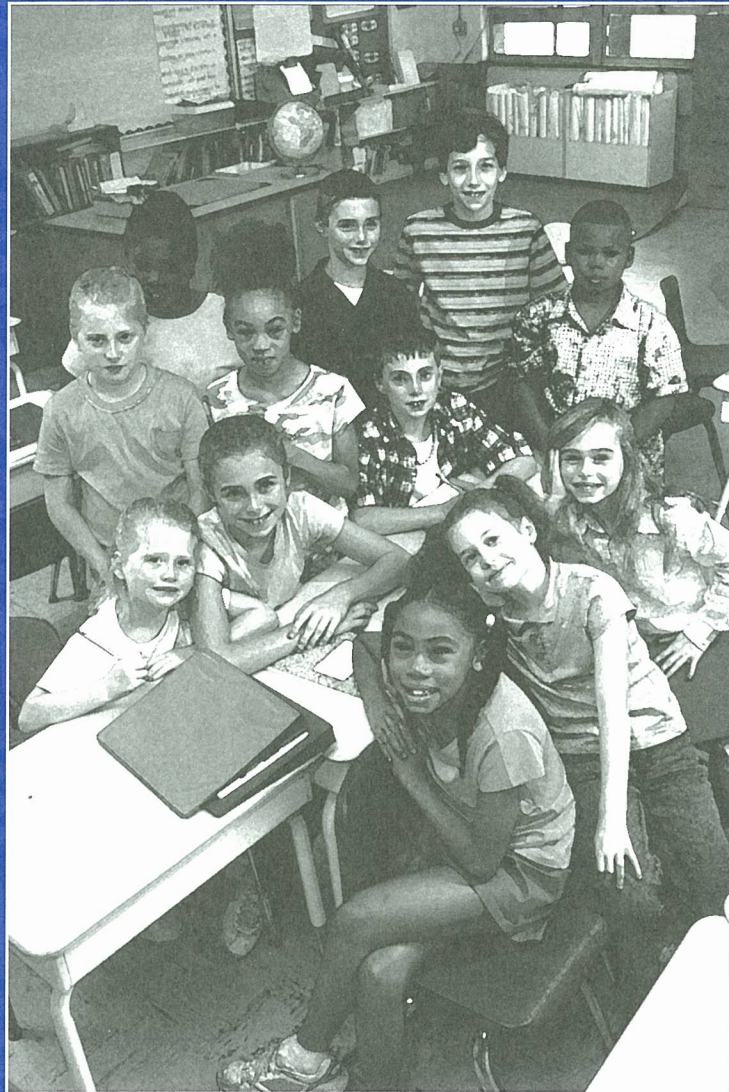


# Tracking the Education Dollar in Texas Public Schools

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## Tracking the Texas Education Dollar

Texas public schools spent \$46.1 billion from all fund sources in 2006-07 to educate 4.5 million students<sup>1</sup>. Of this, \$6.2 billion was spent on capital outlay, \$4 billion was related to paying the principal and interest on debt, and \$35.2 billion was spent on 'basic educational costs.'<sup>2</sup> The remaining expenditures include other operating costs such as payments into a shared service arrangement, payments into a Tax Increment Financing arrangement, and administrative costs associated with chapter 41 status.

On the spending side, a large quantity of data exist regarding how school districts allocate resources. Each year, all districts are required to account for expenditures using codes indicating the object, function, and fund of expenditure allowing the analysis of what was purchased, its purpose, and the source of revenue.

School districts appear to be allocating resources in much the same way as in 2003-04, which was the year upon which the last version of this report was based. As in past years, personnel continued to drive educational costs in 2006-07 when school districts spent 80 percent of all funds on salaries and benefits. The bulk of personnel related expenditures (62 percent of all funds) went to pay for classroom teachers. Teachers' share of the personnel budget rises to 65 percent when limiting the analysis to the general fund, primarily because the bulk of the cost of food service is not part of the general fund. Because personnel costs are such an integral part of school budgets, an increase or decrease in school district revenue is likely to result in changes in staff salaries. Further, although teachers are certainly the staff most directly associated with educating Texas' large public school population, a significant number of other staff work directly with students on a day-to-day basis in the public schools.

In terms of the purpose of educational expenditures, the largest share of dollars allocated goes to instruction (61 percent)<sup>3</sup>, and this is also unchanged since 2003-04. Included in the area of instruction are the salaries and benefits costs of 299,000 teachers and 56,000 instructional aides who work in Texas classrooms. Also included here are the cost associated with 4,800 librarians and the cost of library materials as well as staff development costs.

District operations, including facilities maintenance and operations, transportation, food service, data processing and security, accounts for the next largest share at 21 percent. Included in this area is the cost of nearly 49,000 auxiliary staff who work maintaining school buildings and 22,000 full time equivalent staff who drive and maintain school buses. Utilities and fuel costs are also a significant portion of costs included in this area.

Instructional support accounts for the next largest share of the all funds budget (15 percent). Funded in this area are 6,800 campus principals, 7,900 assistant principals, and 10,000 school counselors, and 5,300 school nurses.

Central administration accounts for the smallest share of the all funds budget at 3 percent. Superintendents, associate superintendents, business managers, and human resources directors are funded in this category. Also funded here is the cost of tax appraisal and collection, legal services, and audit and accounting services.

To provide a more complete picture of the inputs that comprise public education in Texas, the following chart tracks the breakdown of an educational dollar from the perspective of a Texas public school student. All figures are presented in terms of pennies on the total educational dollar using basic educational costs from 2006-07 PEIMS actual financial data.



## How the Education Dollar Relates to the Student

	Incremental Cost
The typical student begins the school-day long before the first bell with a <b>bus ride to school</b> —either because she lives too far to walk or because the district has determined that unsafe conditions warrant the provision of a safe ride. She will also ride the bus home.	3¢
She arrives to find a <b>building is well maintained and clean</b> . The building's <b>technology infrastructure</b> support the proper functioning of <b>computers and software systems</b> that record her attendance, academic performance, and allow her parents to view <b>daily home-work assignments</b> .	9¢
The building is also <b>heated</b> in the winter and <b>cooled</b> in the summer—and the <b>lights</b> work.	3¢
Her parents know her school is made safer by district-supported security staff, and that if she is injured or becomes ill, she will be cared for by the school nurse.	2¢
She goes to class to find a <b>teacher</b> ready to begin instruction.	49¢
While in class, an <b>instructional aide</b> helps the teacher deliver instruction using district-purchased <b>instructional supplies</b> .	9¢
The teacher uses a <b>curriculum</b> that aligns with state standards and builds on information the student learned the year before. The teacher has been <b>trained</b> regarding Texas learning standards and effective instructional practices, and has access to instructional leadership staff who provide support.	3¢
Midway through the day, she goes to the cafeteria for <b>lunch</b> .	5¢
After lunch, she goes to the <b>library</b> to gather information for a research paper.	2¢
After school, she visits the <b>guidance counselor</b> to talk about applying to and paying for college. She is given information about how to find financial aid, how to prepare for the SAT and what courses she will need to take to prepare for post-secondary education.	4¢
Throughout the day, she benefits from a <b>well-run school</b> . Classes begin on time and proceed with a minimum of disruption. The principal ensures staff members have the support they need to be effective and that issues are taken care of quickly so that quality instruction remains the central focus.	5¢
She also benefits from the <b>district level staff</b> who ensure that the checks to her teachers are written on time, that all of the schools are fully staffed, and that campuses have access to the support structures they need.	3¢
At the end of the school day, she rides the bus back home—unless, of course, she stays to participate in an <b>extra-curricular activity</b> .	3¢
<b>Total</b>	<b>\$1.00</b>

### Endnotes

<sup>1</sup> Charter schools are excluded from this analysis.

<sup>2</sup> Basic Educational Costs exclude operating expenditures (object codes 6100 through 6499) within functions 71,81 (facilities and debt services), 61 (community services), 92 (incremental costs associated with chapter 41), 93 (shared services), 97 (tax increment finance payments), and 99 (other). These costs total \$775 million for 2006-07.

<sup>3</sup> Instruction includes functions 11 (direct instruction), 12 (instructional resources and media services), and 13 (curriculum and staff development). Instructional support includes functions 23 (school leadership), 31 (guidance counseling), 36 (extra curricular activities), 21 (instructional leadership), 33 (health services), and 32 (social work). District operations includes functions 51 (facilities maintenance and operations), 34 (transportation), 35 (food service), 53 (data processing), and 52 (security and monitoring).