



ANALYSIS

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Education Funding: How Does Louisiana Compare?

INTRODUCTION

Raising teacher pay to the average of the southern states has been an objective of the Foster administration since 1996. While most agree on the need to increase teacher pay, the most recent debates posed conflicting approaches. One focused on finding additional revenue, the other sought to fund raises from existing revenue by redirecting school spending priorities.

The resulting compromise was to fund a \$140 million teacher pay raise in the 2001-02 school year, partly using expanded gambling taxes and partly by dedicating most of the normal growth in state funding of the Minimum Foundation Program (MFP). This gave teachers and other certificated personnel an across-the-board pay raise of \$2,060, bringing Louisiana's average teacher salary up to an estimated \$36,300 or \$3,081 short of the projected southern state average of \$39,381. The gap would be reduced from the \$4,093 difference in 2000-01.

The demands for increased teacher pay will undoubtedly continue as will the debate over funding. This report examines some of the arguments underlying the belief that local school districts could provide adequate teacher pay without additional state funding. These arguments include the following:

- K-12 education is already relatively well funded in Louisiana.
- The state has greatly increased its funding for education in recent years but the money has not gone to teacher pay raises.
- Education money has been diverted from the classroom to non-instructional services.
- The decline in public school enrollments should have reduced education costs.
- The local school districts have become over-staffed with:
 - ◆ Administrators
 - ◆ Aides
 - ◆ Non-instructional personnel (particularly food service workers)
- The local school districts are not putting up their fair share of funding.

These arguments are based partly on an interpretation of statistical information and, to some degree, on political philosophy. Unfortunately, the debate has been complicated by the continual revision of the comparative education data, the resulting shifts in Louisiana's rankings and differing interpretations of the data.

PAR initially undertook an examination of the national comparative statistics, which have been used to rank Louisiana's education funding and staffing, to deter-

mine how they might best be interpreted. This **Analysis** extends the examination by using the available national and state data to evaluate the arguments listed above. Because a number of these arguments involve changes in staffing and funding, this report examines changes in state data during the five-year period from the 1995-96 school year to 1999-2000—a period of large increases in state funding. This is the latest **actual** data. More current national statistics are only estimates.

Some of the following arguments are not supported by the objective evidence, others are based more on perception than data and are subject to alternate interpretation. However, regardless of their validity, these perceptions can play an important role in shaping public policy.

One argument, advanced in recent legislative sessions, was that teacher

pay raises could be funded simply by redirecting existing funding. This argument assumed that, because Louisiana's per pupil spending was near the southern state average, the existing level of funding was adequate. The education community rejected both the idea that funding was adequate and this method of defining "adequacy."

The argument made two questionable assumptions—that average state spending is adequate for the average state and that it would be adequate for Louisiana. Louisiana's student population differs dramatically from the average and it might be assumed that its education needs and costs differ as well. For example, students eligible for free or reduced lunches are, by definition, considered at-risk. Over 58% of Louisiana's pupils are in this category compared to less than 40% nationwide. It is easy to see how this difference might affect educational practices and costs.

Simple funding comparisons indicate the level of spending that

Argument: Education Funding Is Adequate

might be expected, but say little about its adequacy. The question still remains, is the average per-pupil funding, either for the South or the nation, adequate for Louisiana?

The state's relative fiscal ability is also a factor. For example, should a poor state be expected to fund education at the same level as wealthier states? The other side of this question is, can a poor state afford not to make an extra effort?

The comparisons and state rankings create perceptions that affect policy decisions. An examination of recent comparative data developments reveals the confusion and misperceptions that reliance on early estimates can create.

In early 2000, preliminary estimates by the National Center for Education Statistics (NCES) for the 1998-99 school year indicated that Louisiana's education spending was relatively high for the South. These estimates erroneously ranked Louisiana per-pupil funding unusually high at

31st in the nation and sixth among the 16 states included in the Southern Regional

Education Board (SREB) South. (See Table 1.) Later revised estimates lowered Louisiana's 1998-99 rankings to 41st and 12th, while even later "actual" data raised them slightly to 38th and 10th. The danger of relying on estimates is that later revisions frequently result in changes in a state's data of 10% or more.

In early 2001, an argument was again being made that Louisiana's spending level was relatively high. Preliminary data again, this time for 1999-2000, ranked Louisiana 30th and seventh (well above the 16-state SREB average.) Again, later revisions pushed the ranking back down to 40th and 11th. However, the legislative debates were over and a general impression had been created that Louisiana education was relatively well funded.

Interstate comparison data is subject to error and misinterpretation particularly when estimates are made for a current year for which there is little verified actual data available. The use of inaccurate early estimates over the past

TABLE 1
Louisiana K-12 Expenditures Per Pupil
Estimates, Revised Estimates and Actuals

	1995-96			1996-97			1997-98			1998-99			1999-2000 *			2000-01		
	Per Pupil	National Rank	SREB Rank	Per Pupil	National Rank	SREB Rank	Per Pupil	National Rank	SREB Rank	Per Pupil	National Rank	SREB Rank	Per Pupil	National Rank	SREB Rank	Per Pupil	National Rank	SREB Rank
NCES Early Estimates ¹	\$4,479	40	11	\$4,541	46	14	\$4,598	43	12	\$5,698	31	6	\$6,088	30	7	\$5,983	40	10
NCES Revised Estimate ¹	\$4,342	44	13	\$4,617	43	12	\$5,352	36	9	\$5,408	41	12	\$5,761	39	11	NA	NA	
NCES Actual ²	\$4,447	43	12	\$4,724	41	12	\$5,188	39	11	\$5,548	39	11	NA			NA	NA	
LDOE Reported ³	\$4,468			\$5,073			\$5,178			\$5,562			\$5,814			NA	NA	

SOURCES:

- (1) National Center for Education Statistics, *Early Estimates of Public Elementary and Secondary Education Statistics*, various.
- (2) National Center for Education Statistics, *Statistics in Brief, Revenues and Expenditures for Public Elementary and Secondary Education*, various.
- (3) Louisiana Department of Education, *Annual Financial and Statistical Report*, various.
- (4) National and SREB rankings were calculated by PAR.

NOTES:

* Louisiana's Student Membership for the 1999-2000 NCES early estimates report was erroneously reported as 710,159 students which was later corrected to 756,579 students in the revised estimate.
NA = Not available.

two years has fueled the perception that Louisiana education funding is relatively higher than it is. However the perception and reality may be getting closer. An informal survey of southern states indicates that actual data for 1999-2000 may well end up ranking Louisiana ninth (only slightly below average) for the 16-state South. However, Louisiana will also likely rank about 38th in the nation continuing its position as a low spender among all the states.

The state has been closing the gap between it and the U.S. since the mid-'90s, yet its per-pupil spending was still only about 85% of the national average in 1999-2000.

Personal Income and State Effort

While Louisiana's per-pupil spending is 85% of the national average, its per capita personal income is closer to 80%. Of course, total school spending includes federal money, which inflates Louisiana's apparent effort. A better measure of fiscal effort is to compare education revenues from state and local sources only as a percent of the state's total personal income.

As shown in Table 2, Louisiana's education funding effort rose for several years and then fell back to about the southern average in 1998-99. It never did reach the national average during this period. However, most of the eight poorest southern states were making very high efforts. These eight, including Louisiana, ranked between 39th

TABLE 2
Louisiana K-12 Education Revenues from State and Local Sources
as a Percent of Total State Personal Income
(Excludes Federal Funding)

	1995-96			1996-97			1997-98			1998-99		
	State/Local Education Revenue as % of Personal Income	National Rank	SREB Rank	State/Local Education Revenue as % of Personal Income	National Rank	SREB Rank	State/Local Education Revenue as % of Personal Income	National Rank	SREB Rank	State/Local Education Revenue as % of Personal Income	National Rank	SREB Rank
United States	4.34%			4.36%			4.38%			4.37%		
SREB	4.20			4.18			4.22			4.24		
LOUISIANA	4.09	38	10	4.18	34	9	4.32	30	7	4.26	31	8
Alabama	4.08	39	11	4.10	37	10	4.12	36	10	4.22	34	9
Arkansas	4.38	29	5	4.49	24	5	4.54	22	5	4.34	29	7
Delaware	4.21	33	7	4.19	33	8	4.19	35	9	4.08	37	11
Florida	3.67	46	14	3.62	48	14	3.67	49	15	3.78	47	15
Georgia	4.45	26	4	4.38	28	7	4.58	19	3	4.80	14	2
Kentucky	4.32	31	6	4.40	27	6	4.29	33	8	4.34	28	6
Maryland	4.01	40	12	4.07	39	11	4.11	37	11	4.07	38	12
Mississippi	4.16	35	8	3.98	41	13	4.01	42	13	3.98	40	13
North Carolina	3.62	49	15	3.61	49	15	3.71	48	14	3.95	43	14
Oklahoma	4.09	37	9	4.50	23	4	4.46	27	6	4.48	24	5
South Carolina	4.70	19	3	4.67	18	3	4.58	20	4	4.66	18	3
Tennessee	3.31	50	16	3.38	50	16	3.50	50	16	3.48	50	16
Texas	5.01	11	2	4.82	13	2	4.76	15	2	4.62	20	4
Virginia	4.00	41	13	4.03	40	12	4.08	39	12	4.11	36	10
West Virginia	5.61	4	1	5.66	4	1	5.72	4	1	5.57	4	1

SOURCES:

- (a) **Personal Income:** U.S. Department of Commerce, Bureau of Economic Analysis.
- (b) **State and Local Education Revenues:** Louisiana Department of Education Annual Financial Report data.
- (c) PAR calculations.

and 50th nationally in per-capita personal income. At 4.26% of income in 1998-99, Louisiana's effort exceeded only Alabama (4.22%) and Mississippi (3.96%) in this group. Arkansas and Kentucky (both at 4.34%) were well above Louisiana and near the national average. However, West Virginia (5.57%), South Carolina (4.66%) and Oklahoma (4.48%) were putting

far more of their state personal income into education.

The poorer southern states have generally chosen to make a higher than average effort to fund education. For this group, the average state used 4.48% of its personal income for education.

Recent legislative debates revealed a common perception that little of the

additional state funding for education has actually made its way into teacher pay in recent years. The fact is that, regardless of where the money came from, the actual increase in spending on teacher pay and benefits exceeded the amount of new state funding provided during the study period.

MFP funding to the local school districts rose from \$1.86 billion in 1995-96 to \$2.22 billion in 1999-2000, an increase of \$354.5 million. Of this increase, about \$40 million was needed to continue mandated support staff salary supplements. Thus, compared to 1995-96, only about \$315 million more state money was available for teacher pay raises in 1999-2000. In fact, local school districts spent \$338 million more on classroom teacher salaries in 1999-2000 than they did in 1995-96.

The debate over teacher salaries tends to ignore the cost of related benefits. In Louisiana, contributions for teacher retirement, Medicare, and major medical adds an amount equal to about 23% of salary. Salaries and benefits combined, school districts statewide spent an estimated \$389.1 million more on classroom teacher compensation in 1999-2000 than in 1995-96. More than half of the school districts actually increased spending for teachers above the amount of new money they received from the state.

Teacher salaries rose significantly from 1995-96 to 1999-2000. SREB data for the period shows average Louisiana teacher salaries gained \$6,386 (from \$26,800 to \$33,186), narrowing the gap with the SREB state average, which rose \$4,473 (from \$32,372 to \$36,845).

Argument: Added State Funding Was Not Used for Teacher Pay Raises

While Louisiana spent more on teacher salaries, it also hired more teach-

ers—2,295 were added between 1995 and 1999, a 4.8% increase. This tended to lower the potential growth in average salary. It also raised serious questions concerning the school districts' management decisions to keep teachers in the face of declining enrollments and to hire more teachers instead of raising the pay of the existing staff.

While some districts may not have made optimum staffing decisions, a number of obvious factors tended to encourage school districts to maintain or even expand their teaching staffs. Those factors included: enrollment increases in some districts, enrollment decreases too random in many cases to permit class or school closings, mandates and policies favoring lower class size, and an increase in the number of children designated for special education. In addition, the new accountability program apparently made an impact on staffing policy in many parishes.

SPECIAL NOTE: While this *Analysis* focuses on the 1995-96 to 1999-2000 period, later teacher salary data is available. In 2000-01, Louisiana's average teacher salary fell further behind the SREB leaving a \$4,093 gap. However, when salaries are adjusted for cost-of-living, teacher training and experience, the gap is reduced to \$2,609. (The adjustment formula was adopted by the Education Estimating Conference.) In 2001-02, even with the mandated \$2,060 raise, the gap remained almost unchanged at \$2,690 (using the adjusted SREB average).

The perception that local school districts are not providing their fair share of funding for public education has strong statistical justification. However, despite the severe limits placed on the taxing ability of the local districts, new funding from local sources actually exceeded the growth in state funding in recent years.

In 1995-96, local school districts received or collected over \$3.88 billion from state, local and federal sources. In 1999-2000, this had risen to over \$4.79 billion, an increase of \$911 million or 23.5%. Of that increase, \$442,351,863 (48.6%) came from local sources, \$383,651,356 (42.1%) came from state sources (primarily the MFP), and \$84,763,710 (9.3%) came from federal sources. Most school districts benefitted from increased sales tax collections in a strong economy during the period, but many also exerted a greater local effort by levying tax increases. Constitutional restrictions on the

Argument: The Local Funding Share Is Inadequate

property tax base have greatly limited the use of this revenue source.

The state provides about half of the total funding for public education. However, both the state and federal percentage shares decreased during the five-year period examined while local fund-

ing from all sources rose from 36.8% to 39.0% of the total.

The most recent comparative data shows Louisiana's state funding share only slightly above the national and southern state averages. (See Table 3.) While Louisiana's local funding share (38.3%) is lower than average, it exceeds that of 18 other states and is rising.

TABLE 3
Percentage Distribution of Revenues for Public K-12 Schools, by Source School Year 1998-99

	Local	Intermediate	State	Federal
United States	43.9%	0.3%	48.7%	7.1%
SREB	42.2%	0.1%	49.6%	8.0%
Louisiana	38.1%	0.0%	50.4%	11.5%
LA National Rank	28	NA	26	6
LA SREB Rank	8	NA	10	2

SOURCE: National Center for Education Statistics, *Revenues and Expenditures for Public Elementary and Secondary Education: School Year 1998-99*, May 2001.
NA = Not available..

It is natural to assume that the recent drop in enrollments should have reduced the need for teachers and services and generally resulted in lower expenditures. In fact, the enrollment drop was not of a sufficient size or concentration to permit most local districts to seriously cut staff or services, particularly considering current education goals and mandates.

Argument: The Recent Decline in Enrollment Should Have Resulted in Lower School Costs

From 1995 to 1999, the state's October 1st public school membership count fell by 34,451 students—a modest decline of 4.4% for the five-year period. (See Table 4.) However, the annual decline was quite small each year until the final year when 40% of the student loss occurred. In the same five-year period, 57 net new

public schools began operation under the control of local school boards (an increase of 3.9%) and the number of students served by the Exceptional Children Program rose 5.5%. Thus there were fewer students but they were attending more schools and more students were qualifying for special services.

Louisiana's enrollment decline runs counter to the

upward national trend. Both trends are expected to continue well into the future.

The suggestion that declining enrollments should have resulted in spending cuts frequently met the retort that students do not leave in neat groups of 20 from the same grade and same school. Assuming one classroom for each teacher, the statewide average loss was less than one (0.72) student per classroom. Had the losses been completely random, losing less than one student from each classroom would have made it nearly impossible to combine and discontinue classes; consolidate and close schools; or reduce staffing and services. Of course, the enrollment loss was not entirely random.

All but seven of the state's 66 school districts lost students between 1995-96 and 1999-2000. While as a whole the 59 losing districts lost an average of about 30 students per school, individual districts averaged losses ranging from 4 to 64 students per school. PAR has not examined the actual losses by school within the districts, but it is obvious that some schools would have had heavier losses making them candidates for staff cuts and other cost savings. In fact, a net of five schools were closed in three of the parishes that lost more than 40 students per school.

Statewide, the average size of a public school fell from 546 in 1996 to 499 in 2000. Hypothetically, a 500-student

school could lose 50 pupils (a 10% decrease) and barely feel a difference. For example, if the school had two sixth grade classes each with 30 pupils, a 10% loss would leave each with 27 students, still good-sized classes and much too large to consolidate.

Half of the state's net enrollment decline occurred in seven parish school districts: Jefferson, Orleans, East Baton Rouge, Caddo, St. Landry, Calcasieu and Vernon, in descending order of numbers lost. (See Table 5.) Each of these districts lost roughly one student per classroom, on average. If these losses were evenly distributed, these parishes would have obviously had a difficult time reducing the number of teachers and classrooms, at least in the

TABLE 4
Louisiana Public School District's
School and Student Membership Count
1995-96 to 1999-2000

	1995-1996	1999-2000	# Change	% Change
Student Oct. 1 Membership	785,433	750,982	-34,451	- 4.4%
Number of Schools Under Local School Board Control	1,447	1,504	57	3.9%
Students Being Served by Exceptional Children Program	117,449	123,867	6,418	5.5%
Exceptional Students as % of Total Students	15.0%	16.5%		
At-Risk Students (Participated in Free/Reduced Lunch Program)	451,044	441,219	-9,825	-2.2%
At-Risk Students as % of Total Students	57.4%	58.8%		

SOURCE: Louisiana Department of Education *Annual Financial and Statistical Report* for 1995-96 and 1999-2000, Louisiana Department of Education Free/Reduced Lunch Eligibility data and PAR calculations.

short run. Making the job of cutting staff more difficult was the fact that all but one of these high-loss districts ended the five-year period with a larger percentage of at-risk students, as defined by eligibility for free and reduced lunches. While the MFP adds a 17% weighting factor to the per-pupil state funding for at-risk students, some argue that this still does not fully recognize the costs actually incurred.

Districts losing enrollment also lost MFP funding for those students. In FY 1999-2000, this amounted to \$3,020 per student on average. The local funding, of course, remained in the district to be used for fewer students. A district that could not, or would not, reduce staff and overhead costs commensurate with their student losses would have had to come up with additional revenue from some source to maintain the same expenditure total.

Some school staffing requirements (under state or federal mandates) would not be affected by a moderate enrollment drop. For example, state law requires one guidance counselor for every 400 K-6 students. If an elementary school with 400 students lost 50 students, it would be impractical to have its guidance counselor spend part time at another school to keep up the ratio. In addition, some staffing requirements are based on efficient or safe operations. For example, the size and condition of a school building determines how many maintenance personnel or janitors are needed to operate the facilities, not the number of students in the building.

Some staff reductions can only occur if the school is totally closed but, even when economically justified, closing a school is politically difficult.

Pupil/Teacher Ratio

While K-12 enrollments fell 34,451 statewide from 1995-96 to 1999-2000, the number of teachers employed rose by 2,295. This however was a net increase reflecting 2,596 additional teachers in 47 of the districts while the other 19 districts eliminated 301. As a result, the statewide pupil/teacher ratio dropped from 16.5-to-one to 15.0-to-one. This brought Louisiana's ratio below the national average of 16.1, but still above the ratios of 21 other states.

Most of Louisiana's school districts used the enrollment drop to lower their pupil/teacher ratios. Many of these districts went a step further and hired more teachers as well. For example, over the five years, the Orleans Parish School District lost 3,515 students, but gained 489 teachers (447 full- and 42 part-time). As a result, the

TABLE 5
School Districts with Highest Student Loss 1995-1999

School District	Student Membership Loss 1995 to 1999	# of Schools in 1999	# of Teachers in 1999	Student Membership Loss Per School	Student Membership Loss Per Teacher
Jefferson	3,634	84	3,401	-43.3	-1.07
Orleans	3,515	126	5,023	-27.9	-0.70
East Baton Rouge	3,226	105	3,774	-30.7	-0.85
Caddo	2,991	74	2,982	-40.4	-1.00
St. Landry	1,252	37	1,072	-33.8	-1.17
Calcasieu	1,215	60	2,196	-20.3	-0.55
Vernon	1,153	19	708	-60.7	-1.63

SOURCE: Louisiana Department of Education *Annual Financial and Statistical Report* for 1995-96 and 1999-2000 and PAR calculations.

Orleans pupil/teacher ratio was reduced from 18.5 to 16.0, which was still above the state average. However, nearly all of this reduction in the district's ratio occurred in the fifth year.

In the four years after 1995-96, Orleans enrollment fell 0.0%, 1.1%, 1.2% and 2.0%, respectively. In those same years, the district added 61 teachers, cut 97, cut another 39 and then, in 1999-2000, added 522 new full-time teachers. The district's pupil/teacher ratio plunged from 18.5 to 16.0 in one year. A similar pattern can be observed in the other parishes with large enrollment losses and statewide as well. Statewide, it was in the final year of the five-year period that over 40% of the total enrollment decline and nearly 50% of the total increase in teachers for the period occurred.

Not coincidentally, this major effort to lower the pupil-teacher ratio came in the year after the first school labels were assigned under the state's new accountability program. The reaction by the Orleans school district obviously reflected the fact that half of its elementary schools had been designated "academically unacceptable." The East Baton Rouge Parish School District also had cut teachers for two years and then added 331 full-time teachers in the next two years—possibly anticipating the beginning of the accountability program.

Not only did districts with falling enrollments lower their pupil/teacher ratios, but all of the eight districts that **gained** students also added enough teachers

to lower their pupil/teacher ratios as well. Only three districts (Jackson, Natchitoches and City of Monroe) experienced an increase in pupil/teacher ratios during the five-year period.

A fourth of the districts had fewer than 14 pupils per teacher in 1999-2000—one had only 10.8. These were mostly rural districts with sparse populations and small schools. State funding policies have always helped subsidize smaller school districts and hence smaller schools and classes in those districts.

The Cost of Lower Pupil/Teacher Ratios

If the 2,295 additional teachers had not been hired, as much as \$80 million might have been available to pay existing teachers' raises. This would have had a significant impact on class size, however. Orleans, with one-fourth of the added teachers, might have had another \$15 million or more for raises.

Districts could have gone a step further and eliminated enough teacher positions to maintain the 1995-96 pupil/teacher ratios. Keeping a 16.5 ratio statewide would have eliminated 2,070 teachers. Again, a very rough estimate indicates a potential savings of another \$75 million or so in salaries and benefits.

If Louisiana and its school districts had been satisfied with maintaining the 1995-96 pupil teacher ratios, by 1999-2000 they would have had an extra \$155 million with which to pay the remain-

ing teachers, on average, another \$3,300 a year including salary and related benefits. Accomplishing this, however, would have required extensive class consolidations, school reassignments, course eliminations and even school closings. Each of these steps would have been politically difficult, raising the ire of teachers, parents, federal judges and students alike.

The Benefits of Lower Class Size

The obvious advantage of small classes is allowing teachers to give students more individualized attention. Teachers have more flexibility to develop individual or small group instruction plans. It is logical that this would be of great benefit to the more impressionable children and to children who are not well prepared or have special learning deficits. A large share of Louisiana's public school students fall into those categories.

A consortium monitoring California's class-size reduction program recently reported positive gains for K-3 students placed in smaller classes. The consortium, headed by RAND and the American Institutes for Research (AIR), cites a leading Tennessee study as a primary influence on the program. That extensive study, the group said, "found that smaller classes led to substantial achievement gains for primary-grade students, with gains for poor and minority children almost double those of their peers."

A growing body of research is showing a positive impact of small classes in certain situations, primarily for K-3 and at-risk stu-

TABLE 6
School District Staffing Changes
1995-96 to 1999-2000

Translation/Position Title	1995-96 Total Employees	1999-2000 Total Employees	Difference
INSTRUCTION			
Classroom Teachers	47,736	50,031	2,295
Aide - Instructional Programs	10,183	10,894	711
Therapist/Specialist/Counselor	1,117	1,181	64
Sabbatical Leave	1,004	710	(294)
Supervising Instructors	102	144	42
Other Personnel	36	125	89
Total Staff - Instruction	60,178	63,085	2,907
SUPPORT SERVICES			
Bus Driver	6,829	6,823	(6)
Janitor/Building Maintenance	5,631	5,662	31
Clerical/Secretarial	4,811	4,598	(213)
Therapist/Spec./Counselor	2,147	2,469	322
School Principals	1,469	1,484	15
Supervisors/Managers/Administrators	1,462	1,606	144
Skilled Craftsman	1,277	1,321	44
Head Librarian/Librarian	1,175	1,191	16
Aide	1,116	1,613	497
School Assistant Principals	883	1,031	148
Other Personnel	649	654	5
School Nurse (RN)	238	346	108
Degreed Professional	185	269	84
Non-Classroom Teachers	176	30	(146)
Bus Mechanic	140	160	20
Security/Crossing Guard	130	308	178
Sabbatical Leave	121	121	--
Superintendents	66	66	-
Assistant/Associate/Deputy Superintendents	58	45	(13)
Service Worker	38	34	(4)
Total Staff - Support Services	28,601	29,831	1,230
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Lunch Room Worker	6,591	6,803	212
Parishwide Director/Site Manager - Food Services	1,193	1,343	150
Clerical/Secretarial	356	249	(107)
Other Personnel	354	271	(83)
Skilled Craftsman - Food Services Operations	134	166	32
Other Personnel	29	22	(7)
Total Staff - Non-instructional Services	8,657	8,854	197
FACILITIES ACQUISITION AND CONSTRUCTION SERVICES			
Total Staff - Acquisition/Construction	22	77	55
TOTAL ALL CATEGORIES	97,458	101,847	4,389

SOURCE: Louisiana Department of Education's PEP Database for 1995-96 and 1999-2000 and PAR calculations.

**TABLE 6 (Continued)
School District Staffing Changes
1995-96 to 1999-2000**

NOTES:

Instruction – Instruction includes activities dealing directly with the interaction between teachers and students. Included are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process.

Support Services - Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. This includes pupil support services, instructional staff services, general and school administration, business services, operations and maintenance of plant services, student transportation services, and central services.

Operation of Non-instructional Services – This includes activities concerned with providing non-instructional services to students, staff or the community. The largest part is food service operations, but it also includes enterprise operations and community services.

dents. These findings are reflected in the federal Class-Size Reduction Program which allocated \$1.6 billion for that purpose this year.

PAR has not determined the extent to which Louisiana's recent lowering of the pupil/teacher ratio resulted in a strategic lowering of class size. Research suggests a strategy emphasizing small classes in the primary grades. Actually, the number of classes with fewer than 20 students increased in the lower and middle grades, but also to a lesser degree at the high school level.

Growth in the Number of School Employees

The total number of full- and part-time school district employees rose 4.5% from 1995-96 to 1999-2000 (from 97,458 to 101,847). As shown in Table 6,

two-thirds of the growth in total employees occurred in the instructional categories with 2,295 more teachers and 711 more instructional aides.

Nearly half (49%) of all school employees were classroom teachers throughout the five-year period. However, other employees also assist in instructing students including aides, therapists, speech and reading specialists and others. Together, the teachers and instruction-related staff comprise 62% of all school personnel.

The number of support and service employees rose modestly overall but some categories saw declines. Most notably, two clerical/secretarial categories lost 320 positions and two categories of non-classroom teachers lost 157.

The significant non-instructional employee increases came in

the categories of support service aide (+497), therapist/specialist/counselor (+322), lunchroom worker (+212), security/crossing guard (+178), food services site manager (+150), assistant principal (+148) and school nurse (+108). The rapid growth in security workers, from 130 to 308, reflects heightened concerns over school safety.

While the total number of bus drivers remained about the same (-6), apparently some 264 part-time positions were made full-time during the five-year period.

While there were changes in the use of part-time workers in some job categories, overall, there was only a net increase of 102 part-time positions. Part-time workers are not shown separately in Table 6 as they make up only 1.7 % of all school employees.

A number of factors have contributed to the increase in school personnel. One was the need to staff the 57 additional public schools created for special purposes or in population growth areas. Another factor was the

5.5% rise in the number of students placed in the Exceptional Children Program, which requires additional staffing. State programs affecting local staffing included the new School and District Accountability Program and pre-

GED/Skills Option. Local programs affecting staffing include opening alternative schools, increasing security, adding or increasing technology in the schools, and starting in-school suspension programs.

There is a general impression that school districts hire too many staff

who are not teachers. The fact is that Louisiana ranked 12th highest in the nation and second highest in the SREB states in the total number of school district employees on a per-pupil basis for 1999-2000. (See Table 7.) Louisiana had 139.2 school employees per 1,000 students or nearly 14 more than the U.S. average. Teachers accounted for less than one-third

Argument: School Districts Employ Too Many Non-teachers

SREB region. This category includes the following staff:

of the “extra” employees. Thus, most of the difference between Louisiana and the U.S. average number of school employees per 1,000 students is attributable to employees other than teachers.

In the NCES category “support staff (student/other),” Louisiana ranks very high compared to other states and the

- library and media support,
- professional and supervisory (e.g., school psychologists, social workers, attendance officers),
- data processing,
- health,
- building and equipment maintenance,
- bus drivers,
- security, and
- food service workers.

TABLE 7
Public School Employees Per 1,000 Students
School Year 1999-2000

Type of Employee	U.S.	SREB	Louisiana	National Rank	SREB Rank
Teachers	62.03	64.52	66.13	24	8
Instructional Aides	13.26	14.04	14.37	22	6
Instructional Coordinators and Supervisors	0.83	0.74	1.54	8	2
Guidance Counselors	2.04	2.41	4.35	1	1
Librarians	1.15	1.45	1.58	16	9
Support Staff (Student/Other)	28.37	31.78	36.97	5	3
School Administrators	2.84	3.30	3.42	17	8
School District Administrators	1.18	1.06	0.41	48	15
Administrative Support Staff	8.19	6.41	5.03	46	13
TOTAL STAFF	119.88	125.71	133.80	12	2

SOURCE: National Center for Education Statistics, *Public School Student, Staff, and Graduate Counts by State, School Year 1999-2000* and PAR calculations.

NOTE: The rankings include the District of Columbia.

Some of the factors contributing to Louisiana's relatively high number of teachers are discussed above. Unfortunately, the NCES data does not provide a great deal of detail on the various types of school workers involved and does not clearly distinguish between those who are involved in instruction and those who are not. Also, NCES differs from Louisiana in the way it categorizes workers.

The NCES data does, however, shed light on two common perceptions—that Louisiana's schools employ too many administrators and too many aides. The data indicates the first is a misconception and shows that the second may not be a problem when considered together with other information. The state's number one ranking in the use of guidance counselors raises some interesting questions.

The NCES school employee data combines occupations in a way that prevents interstate com-

parison of many employee groups. Two such groups, lunchroom workers and bus drivers, are generally thought to be quite numerous in Louisiana. Other sources of data shed further light on Louisiana's use of lunchroom workers but there is no readily available data to help compare and analyze the use of bus drivers.

Are There Too Many Administrators?

Some contend that the public school systems employ too many administrators particularly in comparison with private schools. Whether the private and public systems are entirely comparable is debatable. However, compared to public systems nationwide, Louisiana employs relatively few administrators. The state ranks 44th in the nation in the ratio of total administrative staff to pupils. In fact, Louisiana had nearly 2,000 fewer administrative staff posi-

tions than if its school district offices and schools were staffed at the national level. Apparently, the state's parish-wide districts have resulted in economies of scale.

The makeup of Louisiana's administrative staff differs from the nation and the South primarily due to Louisiana's use of large, parish-wide school districts. Relative to the number of students, Louisiana has one-third the number of districts it would have at the national ratio and less than half the number it would have at the SREB ratio. Not surprisingly, Louisiana has relatively fewer administrators at the district office level, on a per-pupil basis, when compared with other states. (See Table 8). However, it has slightly more school administrators and about twice as many instructional coordinators and supervisors.

Louisiana's relatively high number of coordinators and supervisors may, in part, be due simply to differences in how

TABLE 8
Administrative Staff Per 1,000 Students
School Year 1999-2000

Position	U.S.	SREB	Louisiana	National Rank	SREB Rank
Administrators	4.84	5.10	5.37	24	7
Instructional Coordinators and Supervisors	0.83	0.74	1.54	8	2
School Administrators	2.84	3.30	3.42	17	8
School District Administrators	1.18	1.06	0.41	48	15
Administrative Support Staff	8.19	6.41	5.03	46	13
TOTAL ADMINISTRATIVE STAFF	13.04	11.50	10.40	44	13

SOURCE: National Center for Education Statistics, *Public School Student, Staff, and Graduate Counts by State, School Year 1999-2000* and PAR calculations.

NOTE: The rankings include the District of Columbia.

responsibilities are assigned and jobs are classified from state to state. These supervisors may be doing some of the work the more numerous district administrators do in other states. The significant fact, however, is that total administrative staff to pupil ratio is very low.

Are There Too Many Aides?

The large increase in aides in recent years gives the impression that the systems may have become over-staffed in this regard. In fact, Louisiana employs roughly 800 more aides than if it hired at the national per-pupil levels. Assuming an average salary of \$12,000 per aide, the additional cost of the extra aides is roughly estimated at only about \$10 million.

Aides work with students under the supervision of classroom teachers or under other staff

members who perform professional, educational, or teaching assignments. These include teacher aides, library aides, bus aides, etc. In 1999-2000 the local school districts employed 12,507 aides, a 10.7% increase over 1995-96. The vast majority of aides (87%) provide instructional services to students. (See Table 9.) A majority of the 1,613 support service aides are bus attendants.

As shown in Table 9, most of the instructional aides are employed in the areas of special education and special programs. Special programs include pre-kindergarten programs, bilingual education programs (Title VII), and Improving America's Schools Act (IASA) programs, all of which receive federal funding. Compared to national and SREB regional data, Louisiana's staffing in instructional aides is only slightly higher than average. (See Table 7.)

State and federal laws or policies require the use of aides to

allow special needs students to participate in the appropriate educational setting. Federal court rulings require that students be given the assistance they need to participate in regular education classes as applicable. Aides may assist blind or deaf students in regular classrooms, attend severely handicapped students throughout the school day or assist bus drivers in transporting students with disabilities.

Aides are also used to increase instructor/student contact in classes having a high proportion of disadvantaged students. Aides provide more individualized attention without the full cost of an additional teacher.

Are There Too Many Guidance Counselors?

According to NCES data, Louisiana ranked first in the nation and SREB in 1999 in the employment of guidance counselors. On a per-pupil basis, it would appear that Louisiana employed twice as many counselors as the average state. Unfortunately, the NCES category "guidance counselors" includes therapists and other specialists as well as counselors. Of the 3,300 employees in the NCES category, data from Louisiana's own employment reports indicates that as few as 1,158 may have been actual guidance counselors. An even larger share of the NCES total were most likely the 1,460 therapists and specialists working with special education students.

If the NCES data is comparing the same jobs among the states, Louisiana's high ranking in

TABLE 9
Instructional Aide Assignments

Instructional Category	# Employed in 1999-2000	Percent
Regular Programs	1,176	10.8%
Special Education Programs	6,762	62.1
Vocational Programs	51	0.5
Other Instructional Programs	136	1.2
Special Programs	2,691	24.7
Adult/Continuing Education Programs	78	0.7
TOTAL	10,894	100.0%

Source: Louisiana Department of Education's *Summary of District Salaries, 1999-2000* and PAR calculations.

the “guidance counselor” category is likely due more to state policies and the nature of the student body than to local hiring decisions. As in the case of school aides, the very high percentage of the state’s students requiring additional resources obviously plays a significant role.

Assuming the comparison is correct, Louisiana employed about

1,700 more counselors and therapists than it would have at the U.S. average. Because the average salary of these positions is about \$35,000, the additional cost would have been roughly \$60 million.

There is a basis for an argument that Louisiana employs more guidance and therapist personnel than other states. However, it is

supported by murky data and shaky assumptions. The extra personnel may well be justified by the level of services the state has committed itself to provide. However, the comparison data indicates that a review of the state’s policies and the utilization of these personnel would be useful in making this determination.

Some argue that the school districts have been given enough money

to adequately fund the schools and pay teacher raises but the money has been diverted from classroom instruction. In fact, the portion of Louisiana’s school funding going to “instruction” is not out of line compared to the other states and the SREB region. Louisiana does spend more than average in one non-instructional area—food services. However, the food services outlay is largely explained by the state’s much-higher-than-average student participation in the food programs and actually involves very little state or local tax money.

Spending Categories

The most recent actual comparative data (NCES for 1998-99) ranked Louisiana 39th in the U.S. and 11th among the 16 SREB states in total current expenditures per pupil. This data, as shown in Table 10, is reported in three categories: instruction, support ser-

Argument: Resources Are Being Diverted From the Classroom

related to the classroom except food services.

vices and non-instructional services.

Spending on “instruction” involves more than just paying classroom teacher salaries and benefits. It also includes instructional aides, textbooks, workbooks, materials and equipment (e.g. computers). Instruction includes regular education, special education, gifted, vocational-education, pre-K, adult/continuing education and special programs. Significantly, the share of current expenditures going directly into instruction in Louisiana (60.4%) was only slightly below the SREB (61.1%) and U.S. (61.7%) averages.

The share of Louisiana spending on support services (31.5%) was only about two and a half percentage points below the U.S. average. This spending category covers administration, libraries, transportation, facility maintenance, health services, counselors, testing, utilities and nearly every other cost not directly

Non-instructional Services

Louisiana spent 8.1% on the non-instructional category (compared to 4.3% for the U.S.) of which, roughly 98% is typically for food services. Louisiana’s per-pupil spending for non-instructional (food services) was 59% above the U.S. average (\$448 to \$282), which equates to about \$125 million in additional spending. However, cutting the food program or eliminating it entirely would provide little extra money to spend on instruction.

It was federal, not state, money that made this level of spending on food services possible. Of the \$281 million spent in 1999-2000, over \$171 million was from federal reimbursements made on a per-meal basis. Of the remaining \$109 million, only about \$32 million was state money while much of the local portion was from student lunch charges.

A large share of Louisiana students come from poor families and 72% participate in the free and reduced-price lunch program compared to only 52% nationally. In addition, Louisiana participation in the breakfast program was twice the national rate (27% to 14%). It is not surprising that the state's food services costs are relatively high.

The federally supported spending on food services also explains much of the state's relatively heavy school staffing. There is no national data on food services staffing per se, but the spending numbers indicate that nearly a third of the state's extra total staffing can be attributed to

the food program. Between 1995 and 1999, while the number of meals served declined slightly, another 212 lunchroom workers and 150 food services supervisors were added

TABLE 10
Public K-12 School Current Expenditures, 1998-99,
Amount Per Pupil, Percent of Total and Ranking

	Total Amount	Instruction		Support Services		Non-instructional	
		Amount	Percent	Amount	Percent	Amount	Percent
U.S.	\$6,508	\$4,013	61.7%	\$2,213	34.0%	\$282	4.3%
SREB	\$5,758	\$3,516	61.1%	\$1,919	33.3%	\$322	5.6%
LA	\$5,548	\$3,352	60.4%	\$1,748	31.5%	\$448	8.1%
U.S. Rank	39	38	33	42	37	4	1
SREB Rank	11	11	12	12	12	1	1

SOURCE: National Center for Education Statistics, *Statistics in Brief, Revenues and Expenditures for Public Elementary and Secondary Education 1998-99*.

NOTE: The rankings do not include Washington D.C.

“ADEQUACY” AND EDUCATION FUNDING

Over the past decade, supreme court rulings in a dozen states have found a constitutional state responsibility for providing an “adequate” public education as measured by student performance. In several of these cases, the court mandated the state to fund an “adequate” education. This is a change in focus from earlier challenges which dealt primarily with the “equity” of financing.

At its most ambitious, the new approach would have the state set educational goals for an adequate education, establish an appropriate system to measure progress, define the required services and determine the costs. Hampering this approach is the lack of a scientific method to relate instructional practices to student performance. Several states have, however, used various

methods to calculate the cost of reaching certain standards. One approach is to identify schools or school districts that meet the standards and see what they are spending. Another uses professional judgement to create a hypothetical ideal education situation and cost it out. While there is no general consensus yet as to what is adequate, the courts increasingly require states to define “adequacy”

and produce supportable cost figures.

Louisiana's school funding approach has some of the elements involved in a typical adequacy-based approach. The state has developed educational standards that serve as the basis for an accountability plan. The constitutional Minimum Foundation Program produces a basic cost per student and the formula adjusts the basic cost using weights to reflect the extra spending required for different types of students (at-risk, special education, gifted and talented), for vocational education and for small school districts. But, the state approach is far from being adequacy based.

The MFP is designed to provide only a minimum level of support. Before FY 1997-98 a Base Per Pupil Amount was calculated by dividing the prior year's net instructional expenditures by the weighted student membership. The amount was frozen at \$3,020 until FY 2000-01 and then an

annual 2.75% adjustment for inflation was added.

The MFP basically accepts the existing level of spending and continues it by applying an arbitrary inflation adjustment. The MFP reflects the results of state and local policies (e.g. school size, class size and other staffing ratios) but only after the fact. Adequacy based funding would begin by considering the policies and practices needed to achieve educational goals and then determine what it would cost to properly implement them.

The fact is that education spending levels are typically determined politically in competition with other priorities and within specific revenue constraints. Louisiana is no exception. The MFP appears to set a spending level objectively, but it is only part of the overall spending and can be supplemented or cut in a variety of ways.

There is no detailed manual for determining adequate educa-

tion funding, but Louisiana should begin rethinking its funding formula in relation to its standards-based accountability program. Being able to cost out the state's policies and preferred practices would provide a much more useful analysis of the state's spending level than relying on simple comparisons with national or southern state averages.

Education spending is not easily correlated with student performance. There is no magic per-pupil spending amount that will produce desired results. The cost of individual policies (such as teacher pay, class size, school size, use of counselors, etc.) can be optimized, but whether these policies, individually or in concert, are effective cannot be assured. Until education research can definitively correlate education policies and outcomes, state spending comparisons will continue to serve as a very rough measure of adequacy but more importantly as an indication of funding effort and commitment.

SUMMARY

Some critics of the public education system have concluded that the school districts have been given enough money to raise teacher pay to the southern average if only they had managed their finances properly. The arguments supporting this conclusion are of varying validity and the underlying data require careful interpretation.

PAR's findings regarding these arguments are summarized as follows:

● **“Louisiana’s funding for K-12 education is adequate.”**

Erroneous early data estimates in recent years gave a faulty impression that Louisiana's relative spending level was higher than the SREB average. Actual per-pupil spending data ranked Louisiana as 38th in the nation and 10th in the SREB in 1998-99 (down from early estimates of 31st and sixth). The state's rankings had risen for several years.

Actual data for 1999-2000, when released, might bring Louisiana close to the SREB average, which would still place it among the lowest quarter of the states nationally. The state's education funding effort, relative to personal income in 1999-2000, was about average for the South but low compared to the other seven poorest southern states. Whether the current spending level and funding effort is “adequate” remains a political question.

● **“Recent state funding increases were not used for teacher pay.”** During the study period (1995-96 to 1999-2000), school districts actually increased teacher compensation by \$389.1 million, far more than the \$315.3 million in additional money the state made available for pay raises. However, the increase in average pay was eroded by the hiring of 2,295 more teachers and the replacement of retirees with lower-paid beginning teachers.

● **“The local funding share is inadequate.”** The local share of K-12 funding is relatively low although higher than in 18 other states. Despite severe limits on their tax authority, local districts raised or received more new money from their own sources than they received from the state during the study period.

● **“The recent decline in enrollment should have lowered costs.”** Enrollment fell 34,451 in four years; but this was less than one student per teacher on average—too little to allow consolidation of classes in most cases. Furthermore, 40% of the drop occurred in the final year of the period—a year in which most districts were staffing up to meet the challenge of the new accountability program. Enrollment shifts also created new costs—for new schools in a few high growth areas and to provide additional services to special education and at-risk students.

The statewide pupil-teacher ratio was lowered from 16.5-to-

one to 15.0-to-one. Keeping the ratios constant could have saved roughly \$150 million, but might have foregone the potential documented benefits of smaller classes for K-3 and at-risk students. The extent to which the class-size reductions affected these preferred categories of students was not determined.

● **“School districts employ too many non-teachers.”** Louisiana ranked 12th in the U.S. and second in the South in per-pupil school employees in 1999-2000. At 139.2 employees per 1,000 pupils, the state exceeded the U.S. average by nearly 10%. Teachers and food service workers each may account for about a third of the “extra” workers while the remaining third is a result of hiring levels in other non-teacher categories. However, the available data is in categories too broad to allow comparison of most specific types of workers. Further examination of how these workers are employed would be very useful.

● **“Too many administrators?”** Due primarily to the use of large, parish-wide districts and the resulting economies of scale, Louisiana school districts actually employ 2,000 fewer administrators and administrative staff than they would if hiring at national levels.

● **“Too many aides?”** Louisiana employs about 800 more aides than it would at the national hiring levels, but 87% of the aides are instructional aides in special education and other special programs

that receive heavy federal funding support. The number of students eligible for special programs grew 5.5% during the study period.

● **“Too many guidance counselors?”** Louisiana ranked first in the U.S. in a category of employees including counselors, therapists and other specialists. Compared to national staffing levels, Louisiana apparently has 1,700 more of these employees at an added cost of roughly \$60 million. The available data does not reveal a simple explanation for the state’s higher-than-average employment in this area and further examination is called for.

● **“Resources are being diverted from the classroom.”** In 1997-98, 59.9% of the education dollar was spent on instruction. This was only slightly less than the U.S. average of 61.8%.

● **“Too much money for food services?”** Louisiana’s much higher-than-average spending on food services is related to the extremely high share of students using the services and the very high proportion of those who are eligible for free and reduced-price meals. The state provided only about \$32 million of the \$281 million total cost in 1999-2000. Federal reimbursements provided \$171 million and the remainder was mostly paid by students. Cutting the food program would only leave the small state-funded portion available for spending elsewhere.

CONCLUSION

In the five-year period beginning 1995-96, Louisiana school districts received and spent nearly \$1 billion in additional funding, 4,389 school employees were added (including 2,295 teachers) and 57 more schools were created, while student enrollment fell by 34,451. The state's per-pupil spending rose almost to the southern state average but average teacher pay remained well below.

These developments demand an explanation. Some critics attribute them to poor management and bureaucratic empire building. While management may be one factor, a closer look at the numbers suggests a variety of other significant contributing factors. The redistribution of students, the number and concentration of at-risk students, efforts to lower pupil-teacher ratios, an increase in special-education students, new state and local policies and programs are some of the factors involved.

Contrary to some observers' belief, school districts were not

incapable of reducing their teaching staffs—some made major cuts in the early part of the five-year period studied. The surprising finding was that the major increase in new teacher hires coincided with the year the first cycle of the state's new accountability program began. Clearly, many districts whose schools had been labeled as under-performers by the 1998-99 testing program made a concerted effort to increase teacher-pupil contact by hiring additional teachers.

The significant lowering of the pupil-teacher ratio across the state meant that more, not fewer classrooms would be used. This also meant that few schools would be closed. Opting to reduce class size rather than increase teacher salaries may have been a rational decision in terms of the potential for achieving testing gains in the short term. The impact of pay increases on improving teacher quality would only be realized in the long term, if at all.

It is imperative that optimal use be made of the funding that is available. This analysis provides a broad, comparative overview of school funding and staffing. It was not designed to evaluate the effectiveness of current policies or management decisions. A thorough examination of the staffing patterns of the districts, particularly in the non-instructional and support positions, would be extremely useful. A thorough review of state policies affecting school employees is also needed. In addition, with the continued decline in enrollments, policies regarding pupil-teacher ratios, class size, school size, the use of aides and other factors must be clearly developed in light of their potential for increasing student achievement. Class-size policies, for example, should reflect the best education research available. Class size should not be used as an excuse not to eliminate teaching positions or consolidate schools, when appropriate.

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