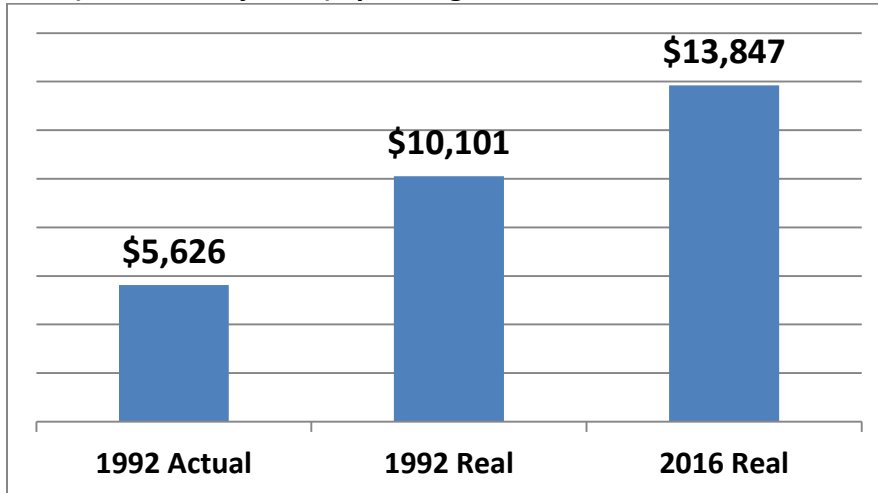


**Ben Scafidi Testimony Before the U.S. House Committee on Education & Labor
February 12, 2019**

Mister Chairman and Distinguished Representatives:

Since 1992, according to publicly available data at the National Center for Education Statistics (NCES) at the U.S. Department of Education real (inflation-adjusted) spending per student in American public schools increased by 37 percent. That is, public school students in 2016 had 37 percent more in real resources devoted to their schooling relative to students in 1992.

Real (Inflation-Adjusted) Spending Increase in U.S. Public Schools, 1992 to 2016



Source: National Center for Education Statistics, U.S. Department of Education:
https://nces.ed.gov/programs/digest/d18/tables/dt18_236.55.asp?current=yes

So, where did these increased resources go? Between 1992 and 2016, there was a 20 percent increase in the number of public school students, and a 30 percent increase in the number of teachers. This fact is commonly known, as class size reductions were implemented throughout the nation.

We reduced class sizes. Where did the rest of the money go?

First, using publicly available data from the NCES, one can sort public school employees into two categories—teachers and everybody else. I will refer to these categories as “teachers” and “all other staff”. The “all other staff” category includes literally everyone employed by public school districts who is not a teacher.

This category of all other staff increased by 52 percent between 1992 and 2016. When compared to the 20 percent increase in students, this category of all other staff increased more than two and a half times the rate as the increase in students. I do not believe this fact is widely known.

As you know, some dislike economists. Perhaps we are too nerdy, perhaps we do not brush our teeth regularly, perhaps we are too direct, or perhaps there are many other good reasons for those negative feelings. But, another reason some dislike economists is because we point out that in real life, when we make choices, there are uncomfortable opportunity costs.

You might expect that if public schools are given a 37 percent increase in real resources that teachers would get a real increase in their salaries. But, you would be mistaken.

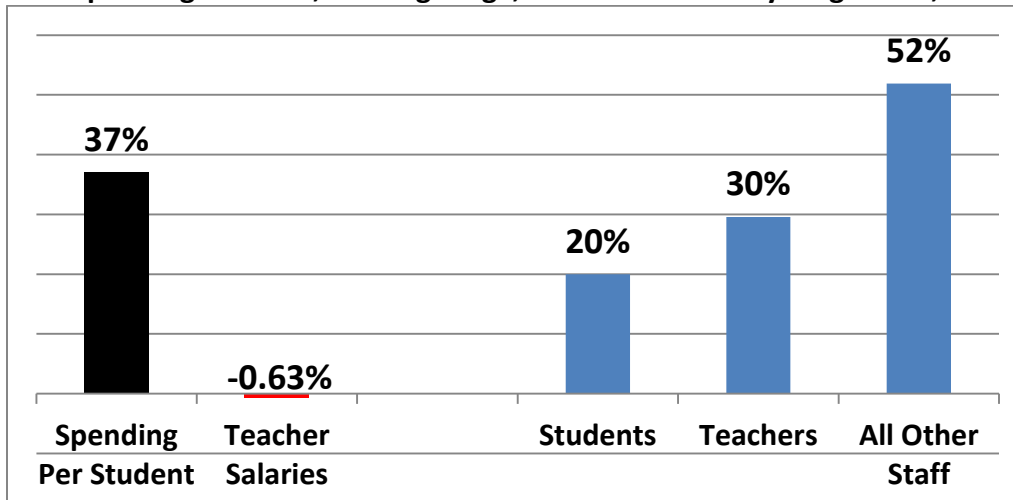
Between 1992 and 2016, again according to data reported by the NCES, real teacher salaries actually declined by just under 1 percentage point. What that means is that, on average, a teacher in 1992 had a slightly higher real salary than a teacher in 2016. Why?

One reason for this stagnation in teacher salaries was the tremendous increase in all other staff. For the sake of illustration, let's keep in place the significant class size reductions since 1992. However, let's suppose the increase in all other staff had been only 20 percent since 1992, where this 20 percent increase in all other staff would match the 20 percent increase in students.

If all other staff had increased 20 percent—to match the increase in students—then a cautious estimate of the savings to the public education system is \$40.8 billion dollars per year in annual recurring savings. Thus, the tremendous increase in all other staff in the American public school system presented a significant opportunity cost.

What could the U.S. public education do instead with that \$40.8 billion per year? One thing would be to give all teachers a \$12,900 per year increase in compensation. Another possibility would be to give over 5 million children scholarships to attend the private schools of their choice.

Real Spending Increase, Staffing Surge, and Teacher Salary Stagnation, 1992 to 2016

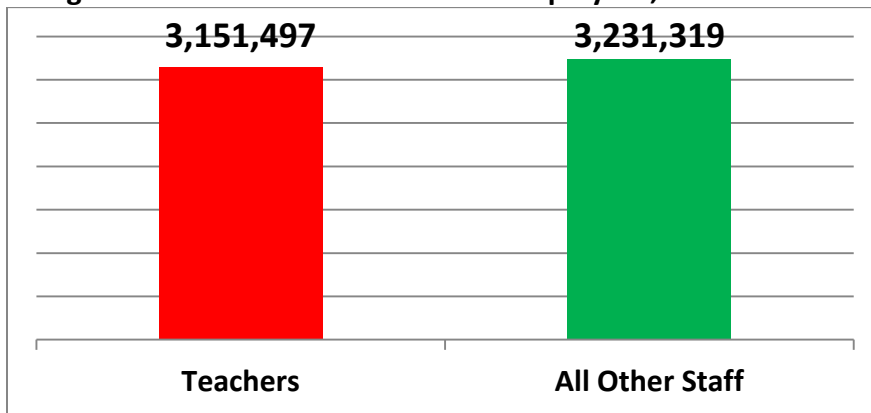


Source: National Center for Education Statistics at the U.S. Department of Education, https://nces.ed.gov/programs/digest/d17/tables/dt17_213.10.asp?current=yes ,

<https://nces.ed.gov/programs/digest/d95/dtab084.asp> ,
https://nces.ed.gov/programs/digest/d17/tables/dt17_203.20.asp?current=yes ,
<https://nces.ed.gov/programs/digest/d95/dtab039.asp> ,
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In a sharp break with American public school history, as of 2016 the majority of public school employees in the United States were not teachers.

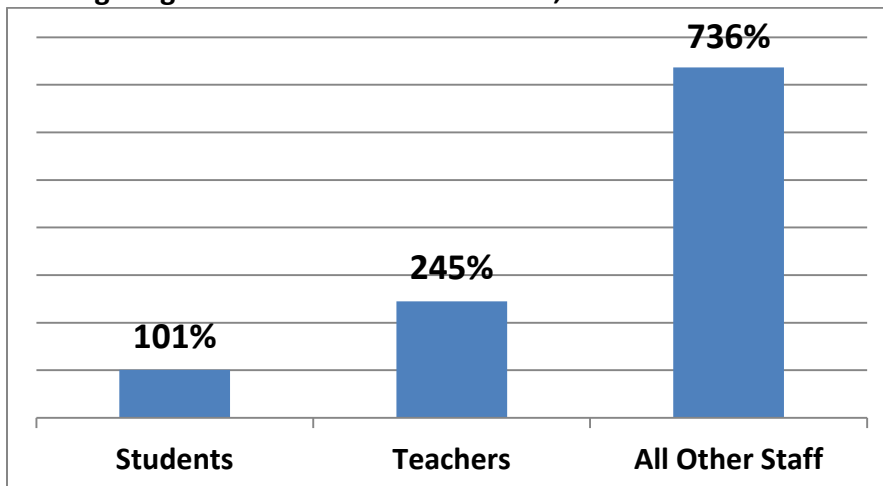
Categories of American Public School Employees, 2016



Source: National Center for Education Statistics at the U.S. Department of Education, https://nces.ed.gov/programs/digest/d17/tables/dt17_213.10.asp?current=yes

This staffing surge in public schools began long before 1992. In fact, this staffing surge has been going on since at least 1950. Since 1950 the number of public school students in America has doubled. The number of teachers employed in our public schools has increased almost two and a half times as fast. But, **the number of all other staff employed in public schools increased more than 7 times the increase in students.**

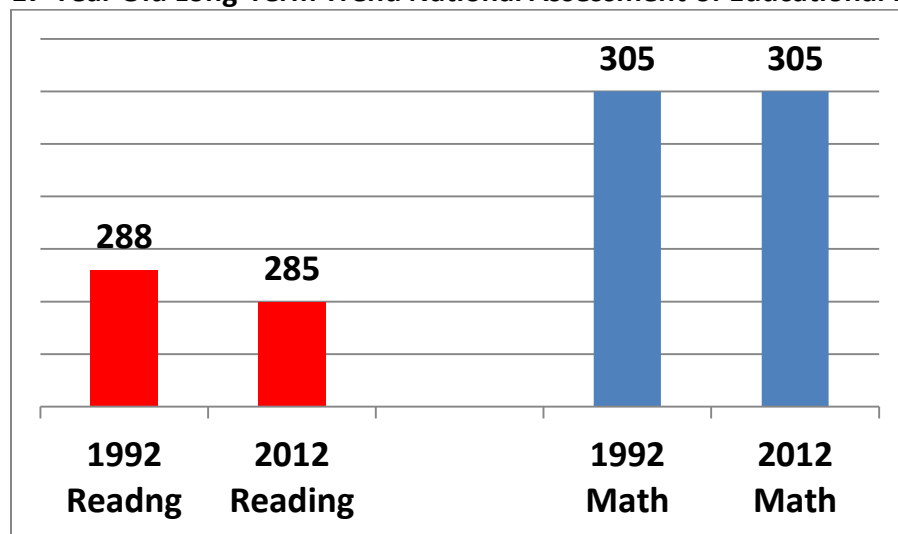
Staffing Surge in American Public Schools, 1950 to 2016



Source: National Center for Education Statistics at the U.S. Department of Education, https://nces.ed.gov/programs/digest/d15/tables/dt15_201.10.asp, https://nces.ed.gov/programs/digest/d17/tables/dt17_203.40.asp?current=yes, https://nces.ed.gov/programs/digest/d17/tables/dt17_213.10.asp?current=yes

These trends could be forgiven if student outcomes had improved tremendously or if American public schools were the envy of the world. According to Long Term Trend scores on the National Assessment of Educational Progress, or NAEP, scores for 17-year olds have been stagnant since 1992.

17-Year Old Long-Term Trend National Assessment of Educational Progress



Source: National Assessment of Educational Progress, <https://nces.ed.gov/nationsreportcard/>

If taxpayers continue to provide significant increases in resources to the conventional U.S. public education system, literally decades of history tells us that there will be significant increases in the employment of all other staff, stagnant teacher salaries, and stagnant outcomes for American students.

Mr. Chairman and distinguished members of the committee, there is a better way. We now have a large research base that indicates that increasing opportunities for American families to exercise choice—to both charter and private schools—would improve long-run outcomes for American students. First, virtually all of the evidence shows that students who were allowed to exercise choice experience significant gains in post-secondary educational attainment and even early labor market earnings. Second, statewide scores on the National Assessment of Educational Progress (NAEP) have showed tremendous gains in both Arizona and Florida—the two states that permit the most choice to charter and private schools. Arizona has had the biggest gains in the nation since 2004 and Florida’s gains have been impressive since 1998—for both states, their eras of enhanced school choice.

Thank you for listening, and I look forward to your questions and the discussion.