



## **Comment: Schools need lesson in smart spending**

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With another special session on school finance and taxation under way, Texans need basic knowledge to cut through the political rhetoric.

Much of how our system operates is not exactly how it was intended to operate. But the fact remains it is broken.

Here are some facts about how the system does — and does not — operate.

Rising property values help finance state government. Through the funding formulas and the Robin Hood equalization system, the state determines how much money each school district is entitled to. If local property taxes are less, the state makes up the difference. If they are more, the state takes the difference. Rising property values mean less state money is needed, freeing state resources to fund other things.

In the 1990s alone, inflation-adjusted per-student spending increased by one-fifth and has tripled since 1970. No more than a handful of school districts have failed to grow spending in excess of enrollment growth and inflation.

The United States gets a poor rate of return on its education spending compared to other nations. The Dallas Federal Reserve Bank, the Organization for Economic Cooperation and Development and the World Bank have all noted the United States academically achieves less than other nations spending far less on public education.

Only half of public school employees in Texas are classified as classroom teachers.

There are fewer than 15 students for every teacher in Texas. In 1960, there were about 24 students for every teacher. Teachers once outnumbered nonteachers and SAT scores were as good or better compared to today.

Robin Hood is a scapegoat. Whether an administrator or school board member is from a rich district or poor district, Robin Hood is always at fault for the district's academic woes. Either it is claimed too much money is taken away from or not enough is received by the district. Only more money will cure whatever ails a school district, according to local officials.

Well-constructed economic research from noted economists Eric Hanushek, Carolyn Hoxby and Richard Vedder, among others, repeatedly shows additional funding for schools is not the answer. The largest single employer, though not the largest industry, in virtually every

community is the local school district. Many legislators support more money for schools even though they know it will not improve test scores or drop-out rates.

Arguments for equity are arguments for spending and spending alone; not about kids.

The system is designed, purposely or not, to extract more taxpayer money. The courts have said that when districts reach a tax rate limit, we have a de facto statewide property tax, which is illegal. Therefore, the state must constantly bribe districts to reduce tax rates with more state money. Meanwhile, property values continue to rise, reducing the state share, giving an excuse for local officials to raise rates back where they were.

School districts are encouraged to tax at the maximum possible rate. The greater the local tax rate, the greater the state subsidy to local districts. Proposed legislation would make this even worse, guaranteeing future biannual "buy downs" of local tax rates with state money.

School officials are encouraged to categorize children. This is because districts get more money for bilingual education than for regular education.

Unfortunately, current legislation does little to solve the problems outlined above.

Ultimately, the only solution is for the state to define a satisfactory educational system as one that provides enough teachers and classrooms and materials to teach capable children the basics, including English immersion. We already more than achieve such a level of funding. We just need to use it better.

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