

[Andrew Coulson](#)

Director, Center for Educational Freedom at the Cato Institute

How to Cut the Budget and Improve Schools

Posted: 12/13/11 04:30 PM ET

With lawmakers and the governor looking to cut \$2 billion from the state budget, everything is on the chopping block -- including public schools. In Washington state, Governor Gregoire wants to raise the sales tax to minimize or avoid those education cuts, so it's worth asking how much have we've raised spending in the past, and what good it's done. The answers are: "lots" and "not much."

In the 2000-01 school year, Washingtonians spent \$7.9 billion on public schooling. We spent \$12.4 billion in 2009-10. Even after adjusting for inflation, that's a two-and-a-half billion dollar increase. Enrollment rose somewhat over those years, but after taking that into account we're still spending \$1.6 billion more than we did 10 years ago.

Did it help our kids learn more? According to the National Assessment of Educational Progress, our elementary and middle school students stagnated in reading and improved by one percent in math. The SATs tell a similar story: they're up half a percent in math and down a quarter of a percent in reading.

Given that spending thousands of millions of additional dollars hasn't noticeably improved outcomes... why keep spending it? If we really care about children's education, the way to show it is by ensuring that every dollar we spend actually accomplishes something.

So step one should be for the governor and legislators to figure out all the ineffective things they have been doing with that extra \$1.6 billion... and stop doing them. Wasting that money is not helping kids. That, by itself, would more or less erase the budget deficit we are currently facing, without hurting educational outcomes.

Step two should be to look at how other states are spending their education dollars, to find out if there are better alternatives: ways of doing more to help every child learn for every dollar we spend. As it happens, there are some highly efficient programs already operating in other states. Just to give one example, Florida has a program that has been found to simultaneously increase student achievement, expand the range of educational

choices open to families, and save millions of dollars every year. It does this by cutting taxes on businesses that donate to k-12 scholarship organizations. Those organizations, in turn, subsidize tuition for low-income families seeking to send their children to independent schools.

According to two separate studies commissioned by the Florida legislature, both students who remain in public schools and students who receive scholarships to attend independent schools improve academically as a result of this program. A further study, by the legislature's own accountability agency, finds that for every dollar the program reduces tax revenues it saves the state \$1.49--a nearly 50 percent return on investment.

Florida's "scholarship tax credit" program is a powerful example of how to achieve better educational outcomes at lower cost. Our legislators and governor should be studying such programs and stimulating a public debate on their merits here in Washington. But first things first. We know that the extra billions we've been spending on our state school system have done little good, and education is too important for us to continue wasting limited resources on things that don't work. We should first end this waste, and then set about learning how other states are achieving more for less.