

Maryland's secret education spending spree

- Marta H. Mossburg

Maryland spends on public education like a Saudi prince in Tiffany's.

According to an analysis of data from the Annual Survey of State Government Finances from the [U.S. Census Bureau](#), all education spending accounted for 47 percent of Maryland's total revenue in 2009, the most recent year available. Health spending, which is always cited as the monster in the state budget, ate 9 percent of total revenue in 2009. By comparison, public education represented 26 percent of total revenue in 2000.

The results are sparkly — on paper. Maryland earned the top spot for the third year in a row in Education Week's survey of the nation's K-12 public schools last week. But for the wealthiest state in the nation, home to some of the most highly educated parents, it would be surprising if it did not score high. And few know how much that ranking costs at a time when the state faces a \$1.6 billion budget gap and legislators are debating whether to raise taxes yet again in a state with one of the largest tax burdens in the nation.

Only 8 percent of Marylanders guessed that the state spends more than \$10,000 per pupil, according to a 2008 poll by the Foundation for Educational Choice. According to 2008 data from the National Center for Educational Statistics, the state spends about \$15,100 per pupil each year, or about double the cost of tuition at most private and parochial schools.

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The reason the real number is unknown is because it is difficult to find out how much each school district spends per pupil.

As Kil Huh, director of research at the nonpartisan Pew Center on the States said, "There are way too many 'other' categories in state finances." He spoke at a policy forum on K-12 education at Washington's free market [Cato](#) Institute on Jan. 11.

Dumping school spending into "other" on balance sheets and decoding what portion of capital spending should be assigned to education can take days or months to decipher, he said. In a March 2010 policy paper, Cato's Adam Schaeffer found that per-pupil spending in the nation's five largest metro areas and Washington, D.C., was 44 percent higher than

officially reported because debt service, employee benefits and capital costs were not included in official per-pupil spending figures.

The lack of transparency is particularly troubling because Maryland and states across the nation are facing at least an \$82 billion shortfall next year, according to the National Conference of State Legislatures.

Unless taxpayers and elected officials know what is being spent on schools, they have no way to tell whether current spending levels are worth it. They need to know now. As Mr. Schaeffer writes, "This disconnect between official accounting and reality raises troubling questions regarding democratic control of public institutions and the ability of citizens to determine whether or not they are getting what they pay for."

It also means legislators are likely shortchanging other parts of the budget. The spending that is available to scrutinize shows it is already happening. As Harford County Executive David Craig wrote in November testimony for the Maryland Association of Counties, financial requirements resulting from the state's education laws have "forced most counties to slash funding for other important services well below prior funding levels, while education funding has essentially been held harmless. To accommodate these reductions, counties have drawn down rainy day and reserve funds, laid off employees, eliminated thousands of additional positions and implemented furlough and pay reductions."

To ensure that the state and counties are spending money appropriately, legislators should prioritize Cato's "Financial Transparency in Education Act" (www.cato.org/pubs/pas/pa662.pdf) this session. It would require each county to build and maintain a searchable website of education spending and post comprehensive per-pupil spending information.

Knowing how much school districts spend would help state residents to know if they are getting good value for each education dollar and whether they could get better results by expanding public and private school choice. As a recent report by Anirban Basu of Sage Policy Group found, Catholic schools in Baltimore save Maryland taxpayers more than \$380 million.

The state and counties can no longer afford an education spending spree disconnected from public scrutiny. Declining home values mean lower property taxes in coming years and a diminished ability to shower schools with new staff and money, as in the previous decade. Maryland should not try to win Education Week's crown jewels by swaddling other essential parts of the budget in rags.

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