

THE ORANGE COUNTY BETA REGISTER

Adam Schaeffer: School district a tax-wasting machine

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The price tag for the Los Angeles Unified School District's Robert F. Kennedy schools complex on the site of the famed Ambassador Hotel has ballooned from \$309 million to \$578 million. A disastrous district payroll and management system has led to costly lawsuits, underpayments, overpayments of \$60 million, heaven knows what else, and is still not fixed.

L.A. Unified is a tax revenue waste-machine firing on all cylinders; a huge, inefficient, sputtering engine that gulps fuel but gets us nowhere. But the recent news stories referenced above only highlight the obvious waste. The district spends far more than it acknowledges or most people even imagine.

LAUSD budgeted \$29,790 per student for fiscal 2008.

Of course, the district claims to spend just \$10,000. In other words, the real spending figure is about 196 percent higher.

This kind of dishonest accounting is a problem across the nation, perpetrated by rich and poor school districts in the North, South, East and West.

We analyzed budgets for 18 U.S. school districts earlier this year and found discrepancies in every district between what schools say they spend per student and the real cost. We found huge gaps between real and stated spending in most of them.

Official per-pupil spending figures give a grossly inaccurate impression of the resources that Americans devote to public education, and LAUSD is, by far, the worst offender. Actually, it's even worse than we initially found in our original analysis.

School districts often exclude major expenses – like capital costs for new buildings or interest payments on the debt they carry – when calculating the per-student spending figure they publicize. Sometimes they even leave out pension payments and insurance benefits for teachers.

This information is essential for putting our fiscal house in order.

It's so simple as to seem trivial. To get control of a budget, you need to know how much you make, how much you spend, and what you're spending it on. American taxpayers spend around \$600 billion a year on K-12 public education. A sobering 27 cents of every tax dollar collected at the state or local level is consumed by the government-run K-12 education system, versus 8 cents for Medicaid.

Education spending is the single most serious burden on state and local budgets, so it's the best place to look for serious savings as this fiscal crisis continues to unfold.

But school district officials and many politicians aren't upfront about the kinds of resources we devote to education. And without a clear idea of spending levels in public and private schools, it's hard for the public and policymakers to know whether the current system is cost-effective or to assess the fiscal impact of

expanding families' options with private school choice programs.

Based on federal data, we estimate the typical private school in the L.A. area spends just under \$8,500 to educate each student, and many far less. L.A. Unified, at almost \$30,000, spends over 250 percent more. Private school choice programs, in other words, aren't just a proven way to increase student achievement; they are a great way to save lots of money.

In Florida, for instance, the state's education tax credit program that funds private school choice saves huge sums every year. The state gains \$1.49 in savings for every \$1 it loses in tax revenue according to a 2008 fiscal impact analysis by the government's Office of Program Policy Analysis & Government Accountability.

We spend more than enough on K-12 education. It's just not being spent effectively. Children, families and taxpayers deserve a better, more efficient system of education.

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