

Paying Private Prep School Prices for Public Schools

Spring 2002

Clare Boothe Luce Policy Institute

112 Elden Street, Suite P
Herndon, Virginia 20170
703-318-0730

In Richmond
804-794-1902

Executive Summary

Virginia faces a serious budget deficit estimated between \$3.5 and \$5 billion in the next 2 to 4 years. State leaders have no easy task in a fragile economy crafting a balanced budget to sustain public services such as roads, higher education, public safety in the aftermath of September 11, parks, and public education.

Virginia Education Association ads claim public schools are “grossly underfunded,” and Northern Virginia legislators are spearheading efforts to raise state sales taxes to increase public school spending. Are public schools truly underfunded, and are tax increases the only—or best—public education solution?

- The state provides more aid to localities for education than for any other governmental purpose.
- *Total Expenditures* for Virginia’s public schools nearly doubled in the last decade, from \$5,470,808,929.69 in 1989-90 to \$9,469,899,452.14 in 1999-2000.
- Virginia’s reported average per-pupil-spending—\$6,821 in 1999-2000—is incomplete. In a common but deceptive practice, the state omits costs of facilities, debt service, summer school, food services, and some educational programs when calculating average per-pupil-spending.
- When *Total Expenditures* figures are used in calculations, average per-pupil-spending for 1999-2000 in Virginia jumps to \$8,426—or about a quarter of a million dollars for each classroom of 30 children.
- Sixteen school districts spent over \$10,000 per student—a cost rivaling tuition at elite private prep schools. Six of these highest spending school districts are in Northern Virginia. One school division spends more per public school student (\$14,475) than Governor Warner pays in private school tuition for his children to attend Burgundy Farm Country Day School (\$14,225).
- Higher school spending (i.e., *inputs*) does not increase education performance or productivity (i.e., *outputs*). Despite a fourteen-year \$2 billion—\$40,000 *extra per pupil*—experiment that produced high quality state-of-the-art public schools, Kansas City still failed to meet any of 11 state educational performance measures. State accreditation of the city’s public schools was revoked in May 2000.
- U.S. education is in a “productivity crisis,” reports a Harvard University economist, “because achievement has been flat or slightly declining, while costs have been escalating rapidly. ... Regardless of which achievement measure we use, we find a decline in productivity of 40 to 50 percent” over the past 30 years. School choice is the policy “most likely to restore school productivity.”
- In Virginia, school choice tuition tax credits would “save the state and localities at least \$656 million in operating costs each year” and offer additional savings in high growth districts by reducing or eliminating “the need to build new public schools in response to rising enrollments.”

The public school industry claims that school choice and competition would hurt public schools.

The opposite is true. Low productivity and rapidly escalating costs are far greater threats to the long-term health of public schools. School choice and competition are the best—and perhaps only—ways to revitalize and strengthen them.

Lil Tuttle, Education Director at the Luce Institute, served on the Virginia State Board of Education from 1995 to 1999.

President Bush's *No Child Left Behind* education reform legislation, signed into law on January 8, 2002, promises a hefty infusion of \$7 billion new federal tax dollars this fiscal year to help troubled public schools and the students in them. As a result, federal tax support, which accounts for about 7% of public schools' revenue, will increase to \$26.5 billion.

These new funds won't satisfy hungry public school systems whose budgets grew in proportion to surpluses in the 1990s.

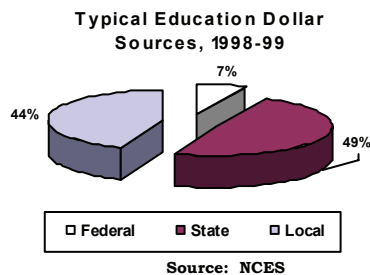
Many local school districts embarked on ambitious expansion programs when cash was plentiful. Now that belt-tightening times are at hand, they are scrambling to find the money to sustain those programs and, in some cases, pay the debt accumulated as a result of them.

Bail Out From State Taxpayers

Northern Virginia legislators are spear-heading efforts to raise taxes to bail out local schools. Delegates James H. Dillard (R-Fairfax) and James M. Scott (D-Fairfax) and Senator Charles J. Colgan (D-Prince William) have introduced bills to raise the state sales tax by .5% and to allow a local referendum to raise the state sales tax up to 1% to fund public school spending.

Lawmakers are under a full court press by the state's public school industry, particularly the Virginia Education Association (VEA), the Virginia School Boards Association (VSBA), and the Virginia PTA. VEA radio ads claim public schools are "grossly underfunded," and the Fairfax Education Association, which seeks a 5% cost-of-living raise plus step increases, plans to issue report cards grading state legislators according to their "efforts to increase money for local schools."¹

Before agreeing to higher taxes, lawmakers would be wise to evaluate current costs and how they are reported.



National Public School Spending Reports

U.S. public schools spent \$302,873,955,000 for current operations in 1998-99 according to the National Center for Education Statistics (NCES).² That amounts to a national average per-pupil-spending of \$6,508.

But these figures do not reflect the *total* spending on public education or the *total* per-pupil costs of operating public schools in the U.S.

For research purposes, public school spending is often separated into two categories: *Current Operational Expenditures*, which includes costs of daily operations only; and *Total Expenditures*, which covers all costs including capital outlay (facilities and debt service) and programs beyond the regular school day.

Researchers typically use *Current Operational Expenditures* instead of *Total Expenditures* to compare public schools between states and across time.

The difference between *reported* public school spending and *total* public school spending, according to NCES, amounted to \$53 billion nationally in 1998-99. If the \$53 billion is added into the equation, the national per-pupil-spending average increases from \$6,508 to \$7,647.

As Table 1 shows, the gap between reported spending and total spending in 1998-99 varied from state to state. Nevada had the largest gap at \$1,812 per pupil, while Rhode Island had the smallest at \$373 per pupil. NCES shows a difference of \$1,103 per student for Virginia. Virginia's own data indicate a larger gap.

Virginia's Public School Spending Reports

By state law, Virginia public school districts must report all spending for school purposes using seven major categories: (i) instruction, (ii) administration, attendance, and health, (iii) pupil transportation, (iv) operation and maintenance, (v) school food services and other noninstructional operations, (vi) facilities, and (vii) debt service and fund transfers.³

Although the Virginia Department of Education compiles district spending data for all seven categories, it does not include all costs in calculating per-pupil-spending for the state or various school dis-

Table 1. States' Total Per Pupil Spending: Daily Operations and Facilities/Debt

	Students Fall 1998	Reported Per Pupil Spending	Total Spending including Facilities/ Debt	Actual Per Pupil Spending	Difference Per Pupil
United States	46,538,585	6,508	355,859,449,000.00	7,647	1,139
Alabama	747,980	5,188	4,626,884,000.00	6,186	998
Alaska	135,373	8,404	1,264,525,000.00	9,341	938
Arizona	848,262	4,672	5,341,305,000.00	6,297	1,624
Arkansas	452,256	4,956	2,480,435,000.00	5,485	529
California	5,926,037	5,801	39,973,279,000.00	6,745	944
Colorado	699,135	5,923	5,024,543,000.00	7,187	1,264
Connecticut	544,698	9,318	5,827,005,000.00	10,698	1,380
Delaware	113,262	7,706	972,747,000.00	8,588	883
Dist of Columbia	71,889	9,650	755,576,000.00	10,510	860
Florida	2,337,633	5,790	16,615,626,000.00	7,108	1,318
Georgia	1,401,291	6,092	10,113,816,000.00	7,217	1,125
Hawaii	188,069	6,081	1,400,063,000.00	7,444	1,363
Idaho	244,722	5,066	1,420,733,000.00	5,805	740
Illinois	2,011,530	6,762	16,255,656,000.00	8,081	1,319
Indiana	989,001	6,772	8,111,363,000.00	8,202	1,430
Iowa	498,214	6,243	3,521,011,000.00	7,067	824
Kansas	472,353	6,015	3,155,418,000.00	6,680	665
Kentucky	655,687	5,560	3,948,832,000.00	6,022	462
Louisiana	768,734	5,548	4,801,137,000.00	6,246	697
Maine	211,051	7,155	1,642,951,000.00	7,785	630
Maryland	841,671	7,326	7,182,797,000.00	8,534	1,208
Massachusetts	962,317	8,260	8,368,976,000.00	8,697	437
Michigan	1,720,287	7,432	13,604,340,000.00	7,908	476
Minnesota	856,455	6,791	7,353,993,000.00	8,587	1,795
Mississippi	502,379	4,565	2,830,349,000.00	5,634	1,069
Missouri	913,494	5,855	6,242,701,000.00	6,834	979
Montana	159,988	5,974	1,052,773,000.00	6,580	607
Nebraska	291,140	6,256	2,086,536,000.00	7,167	911
Nevada	311,061	5,587	2,301,747,000.00	7,400	1,812
New Hampshire	204,713	6,433	1,430,462,000.00	6,988	555
New Jersey	1,268,996	10,145	14,250,489,000.00	11,230	1,084
New Mexico	328,753	5,440	2,116,905,000.00	6,439	999
New York	2,877,143	9,344	30,357,364,000.00	10,551	1,207
North Carolina	1,254,821	5,656	8,712,151,000.00	6,943	1,286
North Dakota	114,927	5,442	711,740,000.00	6,193	751
Ohio	1,842,163	6,627	14,006,167,000.00	7,603	977
Oklahoma	628,492	5,303	3,668,577,000.00	5,837	534
Oregon	542,809	6,828	4,173,853,000.00	7,689	862
Pennsylvania	1,816,414	7,450	16,343,516,000.00	8,998	1,548
Rhode Island	154,785	8,294	1,341,549,000.00	8,667	373
South Carolina	664,600	5,656	4,612,674,000.00	6,941	1,284
South Dakota	132,495	5,259	840,515,000.00	6,344	1,085
Tennessee	905,454	5,123	5,432,316,000.00	6,000	876
Texas	3,945,367	5,685	27,496,479,000.00	6,969	1,284
Utah	481,176	4,210	2,536,260,000.00	5,271	1,061
Vermont	105,120	7,541	853,705,000.00	8,121	581
Virginia	1,124,022	6,350	8,376,912,000.00	7,453	1,103
Washington	998,053	6,110	7,449,610,000.00	7,464	1,354
West Virginia	297,530	6,677	2,207,537,000.00	7,420	743
Wisconsin	879,542	7,527	7,928,144,000.00	9,014	1,487
Wyoming	95,241	6,842	735,411,000.00	7,722	880

Source: National Center for Education Statistics

Figure 1. Costs Included and Excluded in Virginia’s Calculation of Per-Pupil-Spending

<i>Cost included:</i>	<i>Costs excluded:</i>
<i>Administration</i>	<i>Facilities</i>
<i>Instruction</i>	<i>Debt Service</i>
<i>Attendance & Health Services</i>	<i>School Food Services</i>
<i>Pupil Transportation</i>	<i>Summer School</i>
<i>Operation & Maintenance Services</i>	<i>Adult / Other Educational Programs</i>

tricts. Costs of facilities, debt service, school food services, summer school, and adult/other education programs are omitted (Figure 1).

This method produces a distorted picture of public schools’ spending to policymakers and taxpayers who have more than a casual research interest in public school costs. Facilities and debt service are as real a liability to taxpayers as their own mortgage and credit card debt, and they will eventually be required to pay the bills.

Total Spending: Prep School Prices?

Total spending for Virginia’s public schools almost doubled during the past decade, from \$5.4 billion in 1989-90 to \$9.4 billion in 1999-2000 (Figures 2 and 3). Growth in actual spending has outpaced both inflation and school enrollment in recent years (Figure 4). The gap between reported and total spending has

been steadily rising in recent years as well (Figure 5).⁴

The *Superintendent’s Annual Report for 1999-2000* reported an average state per-pupil-spending of \$6,821 based on Operational Expenditures of \$7,665,909,258. At that cost, taxpayers would be spending \$204,630 on average for each classroom of 30 students.

When Total Expenditures of \$9,469,899,452 are used, however, Virginia’s average per-pupil-spending jumps to \$8,426, or about a quarter of a million dollars for each 30-student classroom.

A more accurate picture of public school spending emerges when each local district’s per-pupil-spending is recalculated using Total Expenditures (Table 2).

Sixteen school districts—six in Northern Virginia—spent in excess of \$10,000 per student in 1999-2000 (Figure 6).

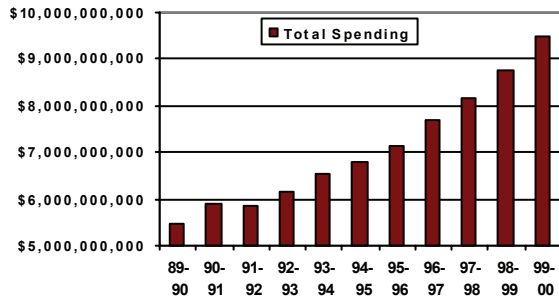
Arlington leads the state in spending at \$14,475 per student. At that price, Arlington taxpayers paid more to

Figure 2. Public School Expenditures in Virginia

	Current Operational Expenditures	Total Expenditures	Number of Students	Total Per Pupil Spending	Reported Per Pupil Spending	Difference
1999-2000	\$7,665,909,258.86	\$9,469,899,452.14	1,123,920	\$8,425.78	\$6,820.69	\$1,605.09
1998-1999	7,063,456,265.71	8,741,692,861.25	1,113,346	7,851.73	6,344.35	1,507.38
1997-1998	6,602,556,846.14	8,165,343,125.29	1,100,007	7,422.99	6,002.29	1,420.70
1996-1997	6,216,924,185.94	7,701,702,507.46	1,085,483	7,095.18	5,727.00	1,368.18
1995-1996	5,821,342,640.45	7,152,240,639.27	1,070,178	6,683.23	5,440.00	1,243.23
1994-1995	5,587,737,486.56	6,810,095,550.36	1,052,260	6,471.88	5,310.00	1,161.88
1993-1994	5,283,298,302.17	6,545,986,442.47	1,035,111	6,323.95	5,104.09	1,219.86
1992-1993	5,082,509,600.49	6,169,059,132.47	1,023,594	6,026.86	4,965.26	1,061.50
1991-1992	4,865,461,603.11	5,836,668,364.04	1,104,758	5,751.78	4,794.70	957.08
1990-1991	4,840,227,150.38	5,886,345,650.02	995,465	5,913.16	4,862.28	1,050.88
1989-1990	4,510,195,901.62	5,470,808,929.69	978,245	5,592.47	4,610.50	981.97

Data Source: Virginia Department of Education

Figure 3. Public School Spending Growth



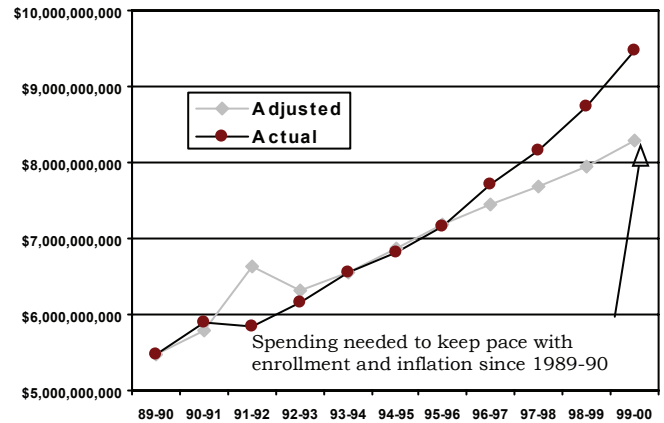
educate each student in their public schools than Governor Mark Warner paid to send each of his children to private Burgundy Farm Country Day School (\$13,555-\$14,225), and almost twice as much as the tuition paid by non-Catholics to attend Arlington’s 1500-student Bishop O’Connell High School (\$7,900).⁴

For the price of public schools in Alexandria (\$13,054), taxpayers in that district could educate 1.5 students at Bishop Ireton High School (\$8,726), a large well-respected private school in the city.

Fairfax County (\$10,352) charged taxpayers over \$2,000 more per student than private Paul VI High School (\$8,250) charged in tuition.

Charlottesville public schools’ per-pupil-spending (\$10,607) has not reached the tuition costs of St. Anne’s-Belfield School (\$13,100), a prestigious day and

Figure 4. Spending: Inflation-Adjusted & Actual



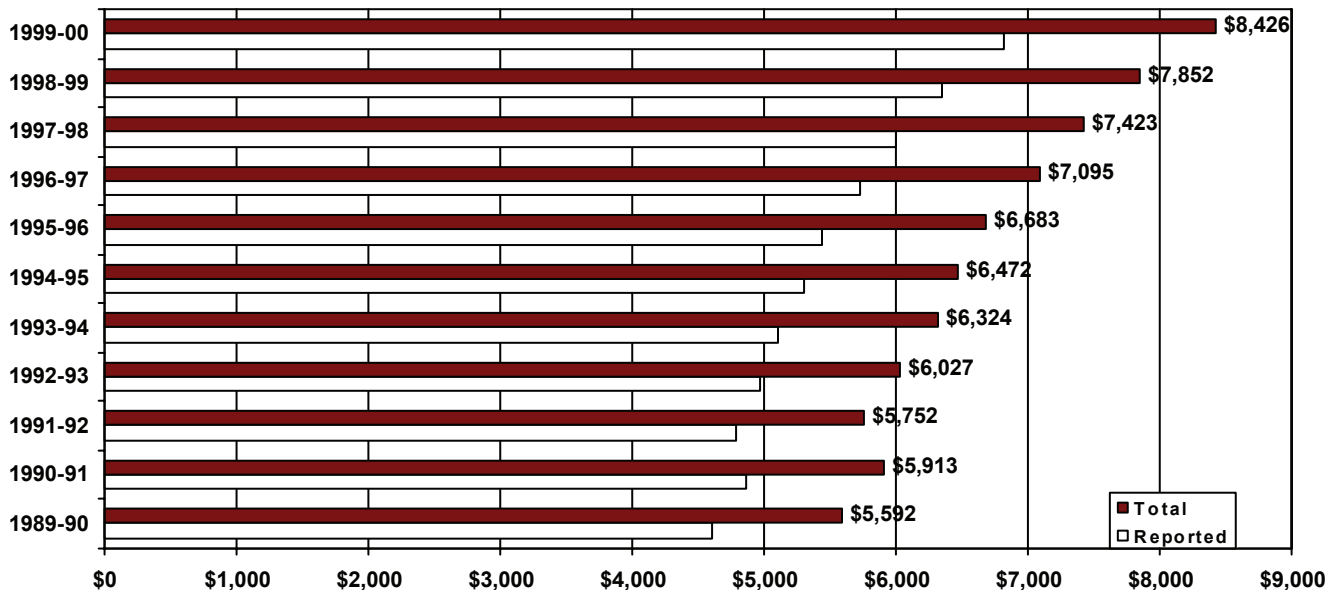
boarding school in the city, but the price tags may be much closer than most Charlottesville residents realize.

Total per-pupil-spending may surprise taxpayers in many other school districts as well.

In the Richmond area, total spending per pupil is overtaking the tuition costs of elite private schools (Figure 7) as well as private schools tailored to meet special education needs.

Northstar (\$8,340), a private school serving learning disabled, ADHD, Dyslexic, and autistic children, charges \$1,400 less per student than Richmond charges taxpayers for students in the city’s public schools.⁶

Figure 5. Average Per-Pupil-Spending: Reported and Total



Data Source: Virginia Department of Education

The Richmond area has about 60 private schools, and new ones are opening each year. A growing number of private schools, including Genesis Preparatory Academy and Kingdom Preparatory Academy, are minority-owned and operated.

Only a handful are expensive; most are small, neighborhood-based schools with tuition rates in the \$2,500 to \$4,500 range.⁷ Taxpayers in the Richmond area could educate two children at most of these private schools for the cost of educating one child in public schools.

Unfair Comparisons?

Opponents may argue that it is unfair to compare public school costs to private school tuition since many private schools receive subsidies from sponsoring organizations.

In reality, both receive subsidies. Private schools may be *partially* subsidized by sponsors; public schools are *wholly* subsidized by taxpayers.

Private schools must restrain costs in order to

maintain competitive tuition prices, attract consumers (parents) to their schools, and succeed in an education free-market.

None of these incentives is at work in the public schools.

Consumers—parents—do not pay direct out-of-pocket costs for their child’s education. As a result, they do not bear the full burden of escalating costs. They may not even be aware of the price that is being paid for their child’s education.

Private schools are partially subsidized by sponsors. Public schools are wholly subsidized by taxpayers.

Producers—public schools—have a guaranteed consumer base, no incentive to restrain costs, and only marginal incentives to improve productivity and performance. (Note: For the first time in Virginia, public schools do face loss of state accreditation for habitually poor performance, but this does not jeopardize schools’ funding. In a perverse incentive,

Figure 6. School Divisions Spending in Excess of \$10,000 Per Student in 1999-2000

	Reported Per Pupil Spending	Total Per Pupil Spending
Arlington County	10,845.82	14,475.43
Falls Church	9,993.88	13,166.33
Alexandria	10,317.73	12,054.22
Giles County	6,380.73	11,411.32
Surry County	9,782.15	11,293.41
Manassas Park	7,193.14	11,144.89
Charles City County	9,347.34	10,816.70
Williamsburg	7,725.20	10,630.75
Charlottesville	9,997.01	10,607.21
Clarke County	6,518.95	10,531.50
Fairfax City	9,033.63	10,500.43
Martinsville	7,335.27	10,387.46
Fairfax County	8,136.64	10,352.05
Madison County	6,884.24	10,241.70
King & Queen County	8,242.32	10,116.83
Lexington	8,949.96	10,082.80

Figure 7. Richmond Area Costs Per Student in 1999-2000: Public and Private

Public Schools— Total Cost Per Student	Private Prep Schools— Tuition Cost Per Student	Other Private Schools— Tuition Cost Per Student
Chesterfield Co—\$7,476.88	Trinity Episcopal — \$9,475	Richmond Montessori — \$6,250
Hanover—\$7,737.93	Collegiate — \$9,100	St. Michaels — \$4,325
Henrico—\$7,476.44	St. Catherine’s — \$8,775	Veritas Classical — \$3,900
Petersburg — \$8,083.77	St. Christopher’s — \$8,775	Blessed Sacrament — \$3,875 (Richmond)
Powhatan—\$7,500.12	Stewart School — \$8,300	Genesis Preparatory — \$3,580
Richmond City—\$9,741.98	Benedictine— \$7,100	Blessed Sacrament — \$3,350 (Powhatan)

habitually low-performing public schools often qualify for increased funding.)

Higher Spending, Higher Achievement?

If higher spending produced higher student and school performance, achievement should have risen dramatically over the past three decades. Spending on U.S. public schools rose from \$3,645 in 1970 to \$6434 in 1995 (in real 1997 dollars), yet National Assessment of Educational Progress (NAEP) reading scores for 17-year-olds during the same period remained virtually unchanged (285.2 in 1971; 286.9 in 1996). Math scores for the same age group were only slightly better, rising from 304 in 1973 to 307 in 1996.⁸

That reality has not diminished the public education industry’s efforts to make *high quality* synonymous with *high spending*.

In its *Quality Counts 2002* report released in January this year, *Education Week* (the public education industry’s newspaper of record) placed heavy emphasis on the ‘adequacy’ of fiscal resources that states make available to district public schools. Admitting that “policymakers disagree on a dollar figure that provides an adequate education,” *Education Week* chose to define it for them.

In a new twist on keeping up with the Joneses, *Education Week* researchers devised a grading

system that calculated the national per-pupil spending average, made adjustments for student needs and cost differences, and ranked each state according to the number of districts within the state whose spending equaled or exceeded that national average.⁹

Since the biggest spenders earned the best grades, the message is unmistakable: any state that wishes to earn high marks for ‘education quality’ will spend more than other states.

The *higher spending/higher achievement* theory was put to its ultimate test in 1985 when a federal court ordered a complete overhaul of Kansas City’s public schools.

“For decades,” Paul Ciotti writes in a Cato Institute chronicle of the Kansas City experiment, “critics of the public schools have been saying, ‘You can’t solve educational problems by throwing money at them.’ The education establishment and its supporters have replied, ‘No one’s ever tried.’ In Kansas City they did try.”¹⁰

Missouri’s fourteen-year \$2 billion experiment bought 15 new schools, 56 magnet schools, state-of-the-art vocational training centers, a world-class athletics department that offered fencing instruction by a former Soviet Olympic team coach, a 40% increase in teachers’ salaries; and a student/teacher ratio at 12 or 13 to 1.¹¹

When local taxpayers balked at tax increases to pay for the overhaul, the court ordered property tax rates doubled and imposed a 1.5% surcharge on wages earned in the city.¹² Missouri was “forced to spend 45% of its education funds on the 9% of the state’s students”

Critics said money can’t solve education problems; proponents replied ‘No one’s ever tried’. In Kansas City, they tried

in the Kansas City district.¹³

“Kansas City did all the things that educators had always said needed to be done to increase student achievement—it reduced class size, decreased teacher workload, increased teacher pay, and dramatically expanded spending per pupil—but none of it worked,” says Ciotti.¹⁴

By 1999 when the federal court ended the project, white enrollment had declined, average test scores were no higher, math scores of middle school students were lower, the black/white achievement gap remained unchanged, and the dropout rate had risen to 60%.¹⁵

“More than 1.6 billion extra dollars [had] been spent on the fewer than 40,000 students, or about \$40,000 extra *per pupil*,” to no avail.¹⁶ “In May 2000, the Missouri Board of Education officially removed accreditation status from the district for failing to meet any of 11 performance standards.”¹⁷

Kansas City spent an extra \$40,000 per pupil — to no avail

Quality versus Productivity

Quality in education, like beauty, is in the eye of the beholder. Some define quality in terms of academic rigor. Others characterize quality in terms of specialty programs such as fine arts, vocational education, or athletics. Still others describe a quality education as a holistic approach that trains the heart (i.e., moral or character education) as well as the mind (i.e., knowledge). School personnel often define quality in terms of salaries, contract arrangements, and facility conditions.

By most of these definitions, Kansas City would be considered a high quality public school district.

But productivity—not quality of buildings, salaries, programs and other ‘inputs’—is the critical problem facing Kansas City and the nation.

Harvard University economist Caroline Minter Hoxby, daughter of a Carter administration undersecretary of education, explains why her research indicates

Education quality, like beauty, is in the eye of the beholder.

the U.S. education sector is in a productivity crisis:

The main symptom of the productivity crisis is the fact that productivity has fallen almost 50 percent in the past 30 years. We measure productivity by dividing a measure of student achievement by per-pupil spending in inflation-adjusted dollars. Regardless of which achievement measure we use, we find a decline in productivity of 40 to 50 percent. This is because achievement has been flat or slightly declining, while costs have been escalating rapidly.

Schools don’t face enough competition. Just imagine competing grocery stores. If one of them decided to increase its prices but offer exactly the same products, people would go to the other grocery stores ... Unfortunately, parents do not have sufficient opportunity to change schools so that they can say, ‘My school is more expensive than before and it doesn’t seem to be doing better than other competing schools. Therefore, I’m going to send my child to another school’ ... competition is too weak to be an effective brake on costs.

By any measure, education productivity has fallen almost 50% in the past 30 years

Citing Milwaukee public schools as an example, Hoxby notes that “schools can improve if they are under serious competition.”

The [Milwaukee public] schools that faced the most competition from the vouchers improved student achievement radically—by about 0.6 of a standard deviation each year. That is an enormous, almost unheard-of, improvement. Keep in mind the schools in question had had a long history of low achievement. Yet they were able to get their act together quickly.

“School choice,” concludes Hoxby, “is probably the policy most likely to restore school

productivity.”¹⁸

Tuition Tax Credits

Growing concern about public school costs and productivity has made school choice a mainstream issue in recent years. Six states currently allow tax credits or deductions for out-of-pocket education expenses or contributions to K-12 scholarship programs for low-income students. Similar legislation was considered in 31 states in 2001, up from 18 states the previous year.¹⁹

School choice tuition tax credit legislation was first introduced in Virginia during the 1999 General Assembly session. Under the proposal, parents would be eligible for state tax credits of up to \$2,500 to offset out-of-pocket education costs of their children. Other corporate and individual taxpayers would receive a tax credit for contributions to scholarship funds that serve children of low-income families.²⁰

A Virginia Institute for Public Policy analysis by Dr. Carlisle E. Moody, the College of William and Mary, and Dr. Jerry Ellig, Mercatus Center at George Mason University, concluded that, on the basis of \$6,194 per-pupil-spending, tuition tax credits would “save the state and localities at least \$656 million in operating costs each year.”

Moreover, high growth localities “would reap additional savings as tuition tax credits reduced or eliminated the need to build new public schools in response to rising enrollments.”²¹

If parents are willing to transfer their children from public schools to less costly private schools, taxpayers should be only too happy to give them a tax incentive to do so.

Hurting or Helping Public Schools?

Escalating public school costs raise legitimate questions about the sustainability of the present public school system.

How much spending is enough? Are other essential public services—roads, higher education, public health and safety, and parks—suffering as a result of public schools’ persistent demands? Where is the ceiling on public school spending?

A recent legislative report noted that Virginia cur-

rently provides more aid to localities for education than for any other governmental purpose. Even so,

authors of the report recommended changes that would *increase* state spending by a minimum of a half billion dollars each year.²²

The public school industry claims that school choice and competition will hurt public schools by withholding much needed money from them.

The opposite is true. The public school system has developed an insatiable appetite for funds. More spending will not help public schools any more than more eating would help severe obesity.

Low productivity and rapidly rising costs are far greater threats to the long-term health of public schools. School choice and competition are the best—and perhaps only—ways to revitalize and strengthen them.

The State provides more aid to localities for education than for any other governmental purpose.

State Audit & Review Commission

Endnotes:

- 1 "Teachers Plan 'Report Cards' for Officials, *The Washington Post*, Metro in Brief, Jan 17, 2002
- 2 Johnson, Frank. "Revenues and Expenditures for Public Elementary and Secondary Education: School Year 1998-99," National Center for Education Statistics [<http://nces.ed.gov/pubs2002/quarterly/fall/q3-6.asp>]
- 3 *Code of Virginia*, Section 22.1-115
- 4 "Superintendents Annual Report to Virginia" 1989-1990 to 1999-2000, Virginia Department of Education, Disbursements by Divisions, Table 13
- 5 "Annual Guide to Private Schools," *Washingtonian*, Nov 2001. [<http://216.33.101.120/schools/private/schools.html>] Source of tuition costs for all Northern Virginia and Charlottesville public/private school comparisons.
- 6 "Book of Lists 2001," *Inside Business: the Richmond Business Journal* (Richmond-area Accredited Private Schools)
- 7 Children First Virginia, a privately-funded scholarship program
- 8 Skandera, Hanna and Sousa, Richard. "Does Improved Student Achievement Require Increased Resources," *School Reform News*, February 2002
- 9 Meyer, Lori, Orlofsky, Greg F., Skinner, Ronald A., and Spicer, Scott. "The State of the States," *Quality Counts 2002* [www.edweek.org/sreports/qc02/templates/article.cfm?slug=17sos.h21]
- 10 Ciotti, Paul. "Money and School Performance: Lessons from the Kansas City Desegregation Experiment," Cato Institute, Policy Analysis No. 298, March 16, 1998. [www.cato.org/pubs/pas/pa-298.pdf]
- 11 Ciotti. See also Coulson, Andrew. *Market Education: The Unknown History*, Transaction Publishers: New Brunswick, 1999, p 208-9
- 12 Ciotti. Note: Taxpayers and property owners appealed the court's order. "Eventually, the issue got to the U.S. Supreme Court, which, by a five-to-four vote, decided in April 1990 that (1) Judge Clark did not have the right to raise taxes by himself but that (2) he could order the district to raise taxes to satisfy its debt obligations."
- 13 Kirkpatrick, David W. "Money as an Excuse, Not an Answer," Blum Center for Parental Freedom in Education, On School Choice, No. 18, January 1997
- 14 Ciotti. See also Coulson, who wrote: "Kansas City did virtually everything that advocates of public schooling claimed would result in increased integration, increased overall achievement, and a smaller 'achievement gap' between the races. None of it worked."
- 15 Coulson
- 16 Kirkpatrick
- 17 "Additional Resources Have Not Improved Education," Mackinac Center for Public Policy [www.mackinac.org/2971]
- 18 Clowes, George A. "How Best to Improve School Productivity: School Choice," an interview with Caroline Minter Hoxby, *School Reform News*, September 2001
- 19 "School Choice 2001: What's Happening in the States," The Heritage Foundation [www.heritage.org/schools/background.html]
- 20 House Bill 1961 Income tax credits for educational expenses & contributions, 2001
- 21 Moody, Carlisle E and Ellig, Jerry. "The Universal Tuition Tax Credit: Achieving Excellence in Education without a Tax Increase," Virginia Institute for Public Policy, September 1999
- 22 "Review of Elementary and Secondary School Funding," Joint Legislative Audit and Review Commission, Draft Report, November 20, 2001.