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It's All About Dollars

By Jon Coupal

A horrible crisis has gripped the California education establishment. Lower test scores? Higher dropout rates? Fewer kids going on to college? Far worse than that. The disaster is that there are fewer kids to teach. A report from the California Legislative Analyst shows K-12 enrollment will *drop* next year by more than 6,000 students, a trend that is predicted to continue through the end of the decade.

But wait a minute — haven't we been told that a big problem with California schools is overcrowding? If our schools are "bursting at the seams," wouldn't a few less students be a good thing and perhaps even improve the learning environment?

Common sense says yes. But common sense and public education policy in California are usually miles apart.

The real cause for the educators' concern is not the kids — it's money. Although 6,000 fewer students may not seem significant in a system that serves over six million students statewide, each student lost means a reduction in total dollars provided to public education, currently more than half of the state budget.

This modest loss is a shock to those in the education community who have come to think of increased enrollment, and the money that goes with it, as the rule — between fiscal years 1991-92 and 2001-02 enrollment increased by an average of 80,000 students each year.

While most teachers, administrations or those who provide services genuinely want our schools to succeed in their mission to graduate educated young people, there is nonetheless a built-in bias toward ever more spending, which includes increases in pay and benefits for employees and more contracts for service providers.

In 2005, the Los Angeles Unified School District ("LAUSD") placed on the ballot its *fourth* bond in eight years. Using the District's own estimates, taxpayers provided a ballot argument opposing this latest $4 Billion bond, saying it should be postponed because of evidence the LAUSD was facing a long-term trend of declining enrollment — more than 16,000 students over the next four years.

Backers of the bond took the authors of the ballot opposition (including this writer) to court in an effort to excise references to the loss of students, but the judge left them in. Moreover, we now know that even those estimates were way too modest. This year, the LAUSD admitted to a one year decline of 30,000 students, confirming that the wise course would have been to delay taking on another $4 Billion in debt that must be retired by property taxpayers.

What we are seeing is the rise of a powerful cadre of pro-spending, pro-bond "lobbyists" from the ranks of those who directly benefit, including school employees, contractors, and bond brokers. The result is that, while often the needs are genuine, just as often the *extent* of the need

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is exaggerated.

And it is a problem that extends well beyond spending on public education. In 1990, backers of Proposition 111 were trying to convince Californians to raise the tax on gasoline — just one of the numerous times that we have been told that there is a "magic bullet" solution to our transportation woes. To raise money for expensive advertising, the campaign sent letters to all those who had ever contracted with CalTrans, reminding them of the benefits they had derived from state contracts and asking them to dig deep to help pass the gas tax increase.

Although a blatant example of how special interests are often behind bond and spending initiatives, it illustrates what is a common occurrence. Look at the list, available on the Secretary of State's website, of those who contributed to the campaign to pass Propositions 1B, 1C, 1D, and 1E on the November ballot. Much of the money was provided by those who expect to do the work, now that this $37 Billion bond package has been approved.

And special interest lobbying continues to be alive and well at the local level. When the Los Angeles City Council placed a $1 Billion housing bond on the last ballot, the several million dollars spent by the campaign in support was provided by, you guessed it, developers who expected to receive contracts if the measure had been approved.

Make no mistake, California has severe infrastructure needs. These have resulted from an abandonment of the policies of the early 1960s, when capital improvements were paid for by a combination of yearly pay-as-you-go outlays and *modest* bond investment.

Over time, the focus has shifted from building and maintaining infrastructure, to spending more on social welfare and government employees, who are now rated as the highest paid in the nation, according to the U.S. Census Bureau.

And no, Proposition 13 is *not* a part of this equation. Governments at all levels have *more* money, after adjusting for population growth and inflation, than they did *prior* to the passage of Proposition 13 in 1978.

What is needed is to refocus our spending priorities. We must take a balanced approach that funds programs in a way that benefits all California residents, not just those whose sole interest in taxing and spending is inflating their personal bottom line.

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