

11 February 2010

Dear Phoenix Union Taxpayer—

We believe that Arizona school districts have plenty of taxpayer money--more than enough to pay for excellent teachers and good administration. The problem is that the money doesn't get into the paychecks of good teachers.

To find per-child costs for Phoenix Union High School District, go to page 68 of the superintendent's report:

<http://www.azed.gov/annualreport/AnnualReport2008/Vol1.pdf>

It shows that Phoenix Union had \$10,131 of resources per student in 2007-2008. That does NOT include "expenditures for land, land improvement, buildings and building improvements, furniture, equipment, or vehicles. Also excluded are Internal Service Fund operations, Community School Fund operations, debt retirement, student activities, and nonpublic school programs, (e.g., adult/continuing education, community college education, community services, and day care centers)." See page 52 for the definitions.

If the average classroom in Phoenix Union has 25 students, that means there was \$253,000 of potential resources in that classroom. Think about that for a moment.

Let's assume an annual reserve of 5 percent AND a ten-percent budget cut. That still leaves \$215,000 of potential resources in that average Phoenix Union classroom.

If Phoenix Union could limit overhead and other programs (library, arts, etc) to 25 percent (\$53,000), it could allocate \$100,000 for the salary and benefits of a good teacher in the classroom of 25, and still allocate \$61,000 towards a special education instructor to work with the IEPs in that classroom.

(The good news is that ed schools and educrats seem to be—finally--getting over their longtime fetish with class size, and beginning to understand what the managers of independent schools have always understood, which is that the quality and motivation of the teacher is vastly more important than class size when it comes to increasing student performance.)

The big question is why so many school districts fail to pay good teachers what they're worth. (Ask teachers in Phoenix Union if they make \$100,000 a year in salary and benefits.)

The reason districts do not pay good teachers what they're worth is that districts are mismanaging their resources. As school district officials will readily point out, districts are under a lot of constraints: it is difficult for them to simply reallocate resources in the ways we have suggested above. But those constraints are all political ones—and ones that the teacher unions and the school board association have mostly championed over the years. For example, much of the blame goes to the labor rules imposed by the teacher unions. Under those rules,

good teachers are paid the same as bad teachers, and bad teachers are not given the pink slips they deserve.

Also, most school districts are very heavy on bureaucratic overhead—mainly personnel, hired in large part to fill out paperwork and (attempt to) comply with various mandates. Unfortunately, the powerful lobbying groups, such as the Arizona Education Association, the Arizona School Boards Association, and the Arizona Association of School Business Officials, that wield so much influence on Arizona’s education legislation have effectively promoted the mandates and the paperwork. Instead of lobbying for management independence, they have lobbied (endlessly) for more money. In response, legislators and the ADE have demanded more in the way of accountability—which, in the minds of central planners, means goading districts into trying out the latest pedagogical fads and having districts fill out more paperwork to see if the latest interventions are bearing any fruit.

Despite all of the money we have thrown at Arizona schools, the educrats tell us that Arizona is 49th in the country in per-pupil spending. Even if Arizona were 49th in the country, the fact is that we are spending \$7,730 per child in the average unified district, and \$9,700 per child for the whole state, including capital costs (we spend much more than we need to on capital)—and that is more than enough money to give Arizona some of the best schools in the country.

The problem with Phoenix Union, and with Arizona education generally, is not a lack of money. The problem is mismanagement.

We are highly skeptical about the notion that more money will lead to increased student performance. There is no evidence whatsoever to support that notion. If you give more money to Arizona school districts, they will very likely continue to waste that money.

America’s government schools have sucked up more and more money for decades. Since 1970 we have more than doubled per-pupil spending, in constant dollars. Sadly, we have very little (if anything) to show for those investments when it comes to student performance:

http://www.heritage.org/research/Education/images/b2179_chart4.gif

The state’s charter schools received \$6,659 per child in 2008 (not counting capital costs). That’s 14 percent less than what the average unified district school gets. And yet, charter schools have proven to do a better job of educating kids, including disadvantaged student populations:

<http://www.nber.org/~schools/charterschoolseval/>

For a brief outline of how to use the charter model to reform Arizona education, check out the latest blog post by *Republic* columnist Bob Robb:

<http://www.azcentral.com/members/Blog/RobertRobb/64748>

Further, many Arizona private schools provide an excellent education for tuition of less than \$5,000 per year:

<http://www.goldwaterinstitute.org/article/1851>

There are proven ways to improve school performance, but they do NOT involve giving lots of money to mismanaged school districts. For ideas, start in Florida:

<http://www.goldwaterinstitute.org/article/2577>

The bottom line is that we need more education for our tax dollars, not more tax dollars for education.

One of the educrats we argued with during a recent override battle accused opponents of overrides of risking doing “irreparable damage for the future of our children.” Yet, that is precisely what we will get if we continue to throw more money at the same old system without demanding fundamental changes in the way districts manage schools.

Districts such as Phoenix Union need to put schools under independent management that has the power to immediately pay good teachers what they’re worth, fire clock-punchers and excess administrators, and streamline overhead. Phoenix Union needs to be exposed to real competition, meaning that students and their parents should be able to take their per-student resources to the schools of their choice.

We recommend voting NO on the Phoenix Union override.

For Liberty,

--Tom

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