



# Bluegrass Beacon

BY JIM WATERS

## **Taxes dance like sugarplums in the heads of politicians**

By Jim Waters

A new Bluegrass Institute report by respected University of Kentucky economists confirms that taxpayers really don't behave like Grinches when it comes to supporting public education.

While Kentucky doesn't sit atop the list in education spending among all states, it does better than all seven other states in the south-central region: Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee and Texas. The commonwealth traditionally gets placed in this area when economic and education issues are analyzed.

Before the Kentucky Education Reform Act, which contained the largest tax and education-spending increase in the state's history, Kentucky ranked fifth in the region. Now, it ranks No. 1. And it has significantly narrowed the gap in spending with states outside the region.

You can find the report, "Educational Spending: Kentucky vs. Other States," online at [www.bipps.org](http://www.bipps.org). Economist Kenneth Troske, director of UK's Center for Business and Economic Research, wrote it along with fellow UK economists William Hoyt and Christopher Jepsen.

I offer their credentials because so often much of education research passed off as "credible" amounts to little more than propaganda for someone trying to dig deeper into your wallet.

For example, some groups publicize "research" claiming that unless Kentucky spends an additional \$70 million on universal preschool, its kids might end up working in a North Pole factory. But study after study shows that the billions spent on big-government pre-k programs in states like Georgia, Oklahoma and Tennessee produce few lasting results. The research shows that if gains come, they disappear after the

early grades.

But gaining taxpayer sympathy becomes easier when you combine taxation with a Santa-like fairytale and an emotional tug. Raising taxes really means helping “the children.”

However, government spending based on emotion – just like personal spending – doesn’t work.

Have you ever gone to the store to buy two things needed for a quick meal and come home with a shopping cart full of items you didn’t need but which your stomach craved? Our political and bureaucratic leaders suffer from similar “shopaholic-ism” using our tax dollars.

It’s rare to hear a politician or bureaucrat call for government to differentiate between *necessary* and *unnecessary* government programs. I’ve heard Kentucky’s governor talk about making cuts – but not about cutting agencies outside government’s responsibility.

While Kentucky’s bridges fall down, we shouldn’t spend money on unproven educational experiments or mental-health programs – until the bridges get fixed. But politicians currently obsessed with raising your taxes know that talking about concrete doesn’t work as well as laying a guilt trip about education on the whole state – while simultaneously producing enough pork to fill every stocking on the mantel.

Operating without priorities and playing on emotions works, just like it does when parents leverage kids during the next few days with stories about Santa Claus. But the emotional tug and spending that comes with it proves costly, the UK study shows:

Kentucky maintains the lowest ratio of teachers relative to total public-school staff of any state in the country, meaning the commonwealth spends a much larger share of its educational budget on administrative, non-teaching staff compared with other states.

Kentucky schools get only 31 percent of their revenue from local sources, compared with 48 percent for schools nationwide. Less

local control over funding means less local control over how our kids are educated.

The education system protects itself from full accountability by a lack of transparency when it comes to how money gets spent. "The education budget in Kentucky is not transparent," the report stated.

What does all this confirm?

When it comes to supporting schools, reports of miserly Kentuckians makes as good a fairytale as "Rudolph the Red-Nosed Reindeer" ever did.

— *Jim Waters is the director of policy and communications for the Bluegrass Institute, Kentucky's free-market think tank. You can reach him at [jwaters@freedomkentucky.com](mailto:jwaters@freedomkentucky.com). Read previously published columns at [www.bipps.org](http://www.bipps.org).*