

POLICY BRIEF

An electronic publication of
The Allegheny Institute for Public Policy

November 8, 2005

Volume 5, Number 44

School Boards Lack Respect for Taxpayers

In October, the Mt. Lebanon School Board adopted a resolution opposing Governor Rendell's plan to make participation in Act 72 mandatory. While there are many good reasons not to participate in Act 72, the Board's opposition to the requirement that tax increases be subject to a voter referendum is not a valid or defensible position. Indeed, it represents the arrogance and high-handedness of elected officials who do not respect the rights of the taxpayers to restrain government spending. And this attitude is by no means limited to Mt. Lebanon. It is widespread among Pennsylvania school boards.

Board members argue they are elected to make decisions and taxpayers must respect and live with their decisions. And in some cases that might be a reasonable stance. However, when it comes to taxes and spending, there can be no substitute for allowing taxpayers to decide how much the district will get to operate schools. After all, taxing and spending are by far the most important decisions the school board will make. Given the tendency of most boards to acquiesce to the demands of employees for higher compensation and parents who constantly press for more programs while ignoring the concerns of taxpayers, it is apparent that the upward spiral of ever greater spending and higher taxes cannot be contained absent a requirement of referenda for tax increases.

What the school board is really saying in opposing tax referenda is that they want total freedom to make spending decisions because they believe they need to satisfy the constituencies pressing for ever greater expenditures knowing they can always raise taxes, if need be, to cover growing outlays. In view of the enormous power teacher unions have stemming from their right to strike and hold school districts hostage, boards will more often than not agree to contract terms that will require future tax hikes. Indeed, last fall the Mt. Lebanon school board agreed to a new, generous, five-year contract almost a year before the old contract expired, purportedly to avoid future labor strife. Tax hikes are virtually guaranteed as a result.

This issue is a classic public choice example wherein special interests get what they want by applying constant pressure. Taxpayers are then forced to pick up the tab. The groups who benefit most from board actions will spend a lot of time and effort making sure they get the results they desire. Taxpayers at large have less incentive to work against the spending that leads to tax increases because the cost per taxpayer is generally lower than the per person benefits gained by the special interest groups. Moreover, taxpayers are

generally not well organized and many have mixed motivations and allegiances by also being members of one or more of the groups benefiting from more spending. As a result, opposition to spending increases is diluted relative to the energy and effort of the pro-spending groups.

One thing is certain. The same focused and determined people who seek more benefits from the schools will also work very hard to get the “right” people elected to school boards. Thus, it is little wonder that most school board members oppose referenda on tax increases. That is what the beneficiary groups want them to do.

There is only one way to correct this problem. And that is to have the state enact legislation requiring every school tax increase to be submitted to the electorate for approval. If the voters believe the extra tax revenue will be used for worthwhile purposes, they will approve board proposed tax increases. This process will force the board to make a very strong case for any tax increase. At the same time, it will give the board some backbone in its dealings with interest groups who are always pushing for more spending. More efficient management, cost savings and researching better ways to accomplish goals will become the modus operandi in financial matters.

School boards must not be allowed to hide behind the excuse that, “we’re doing it for the kids” and get a free pass to raise taxes. We must allow the people who pay for schools to have a say about the amount of money spent. If higher taxes are truly necessary, tax increases will be approved. If not, they won’t.

It is time to level the playing field for hard-pressed taxpayers. We need and, by right, ought to have referenda for school tax increases.

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