

Path to Prosperity

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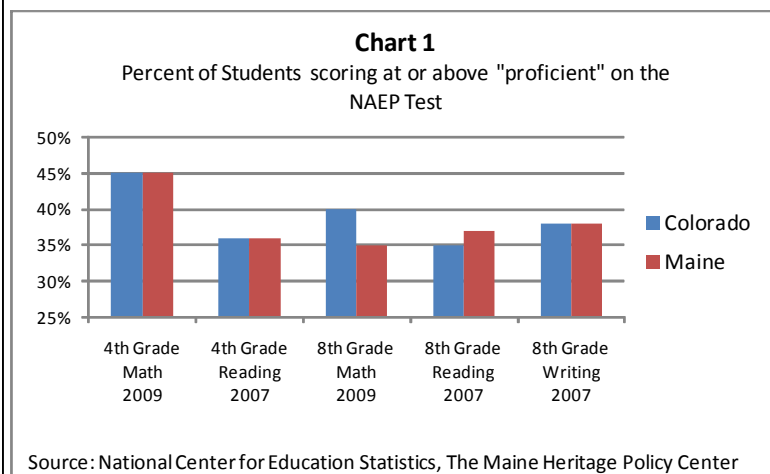
Setting the Record Straight on TABOR and Education in Colorado

Opponents say TABOR has “decimated” Colorado schools and public colleges, but the facts tell a very different story.

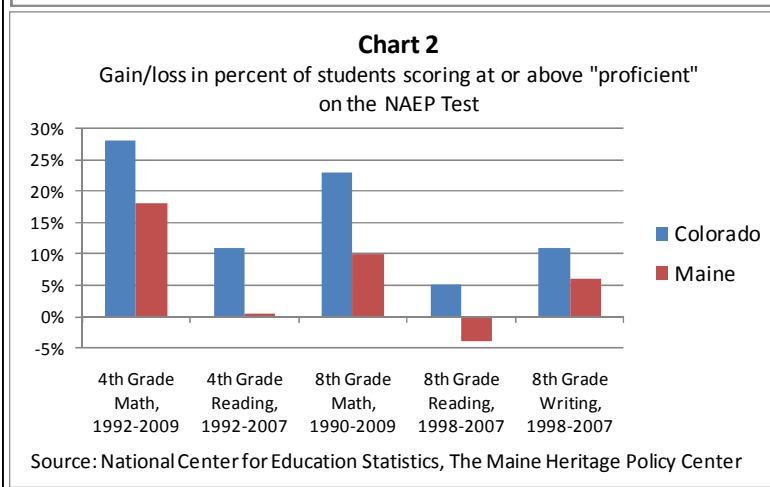
By Stephen Bowen and Dr. William Moloney

To hear the opponents of the Question 4 Taxpayer Bill of Rights tell it, Colorado’s TABOR provision, passed by voters in 1992, has done untold damage to Colorado schools.. However, the data shows that, if anything, Colorado schools have improved under TABOR, sometimes dramatically. In fact, though Colorado schools spend far less than Maine schools on a per-pupil basis, the performance of Colorado students meets or exceeds that of Maine students.

As illustrated in Chart 1 below, students in Colorado and Maine demonstrate virtually identical levels of proficiency in reading, writing and math at both the 4th and 8th grade levels, according to scores on the National Assessment of Educational Progress (NAEP), which is conducted by the National Center for Education Statistics at the U.S. Department of Education. Maine trails Colorado in 8th grade math while the opposite is true in 8th grade reading, but otherwise, students in the two states have identical proficiency scores.¹



While they are at parity today, Colorado students have made far greater proficiency gains than Maine students at every grade level and in every academic field, as illustrated in Chart 2. Colorado 4th graders made a 28 percentage point gain on the NAEP test for math between 1992 and 2009, while Maine students made only an 18 point gain. Colorado 8th graders gained 23 percentage points in math between 1990 and 2007, while Maine students gained only 10 points. While reading scores improved by 5 percentage points for Colorado 8th graders between 1998 and 2007, scores for Maine students dropped by 4 points over the same period. In short, Colorado students were once behind Maine students in all three academic fields at both the 4th and 8th grade levels, but are today, even with the passage of TABOR, equal to Maine students in their levels of proficiency.²



Outcomes on the Scholastic Aptitude Test (SAT) tell a similar story, as average scores for 2005 college-bound seniors in the two states were identical. In 2005, 11,558 Maine students took the SAT, achieving an average score of 508 on the verbal portion of the test and 520 on the math portion. The same year, 12,803 Colorado students took the same test and achieved the same average scores: 508 on the verbal section and 520 in math.³ Colorado’s college-bound seniors don’t seem to have suffered under TABOR.

Advanced Placement

While Colorado students are on par with Maine students in terms of general achievement, as indicated by scores on the NAEP tests, Colorado students outperform Maine students by a wide margin on the Advanced Placement (AP) test, which measures the attainment of college-level skills and knowledge. According to the 2008 *Quality Counts* report from the EPE Research Center, Colorado ranked 11th in the nation in the percent of AP test takers with a score of 3 or above. Maine ranked 21st in the nation on this indicator.⁴

Colorado has also seen far greater improvement in AP scores than Maine. The same *Quality Counts* report ranks Colorado 4th in the nation in the gains made on AP scores from 2000 to 2006. Maine ranked 27th on this indicator by comparison.⁵

Per-Pupil Spending

Opponents of the Question 4 TABOR provision persist in advancing the myth that education spending in Colorado has plummeted since voters enacted TABOR in 1992. As indicated in Chart 3 below, per-pupil spending in Colorado does trail the Maine and U.S. average, as it did prior to the enactment of TABOR, but Colorado's school spending has increased every year since 1992, rising 75 percent over that time.⁶ In fact, Colorado voters chose in 2000 to enact Amendment 23, which increased K-12 education funding above the TABOR limits.

The claim made by TABOR opponents that Colorado's education spending is 49th in the nation is based on a deceptive use of the data. Measuring per-pupil spending as a percent of personal income, as TABOR opponents do, does indeed give Colorado a low ranking, but by this method, New Mexico, which actually spends less per-pupil than Colorado does, ranks in the top ten of all the states. The 50th state by this measure is Florida, which has seen dramatic performance gains over the past few years.⁷

Ranking states by per-pupil spending as a percent of personal income punishes more prosperous states because it presumes that as average incomes rise, spending on education should rise as well. The case could just as easily be made, however, that the more prosperous states *are* more prosperous because they successfully control rising education spending, freeing up economic resources for job creation.

The simple fact is that despite the supposedly devastating effects of TABOR, Colorado schools have seen impressive performance gains and are, today, producing student outcomes that rival states spending far more, such as Maine.

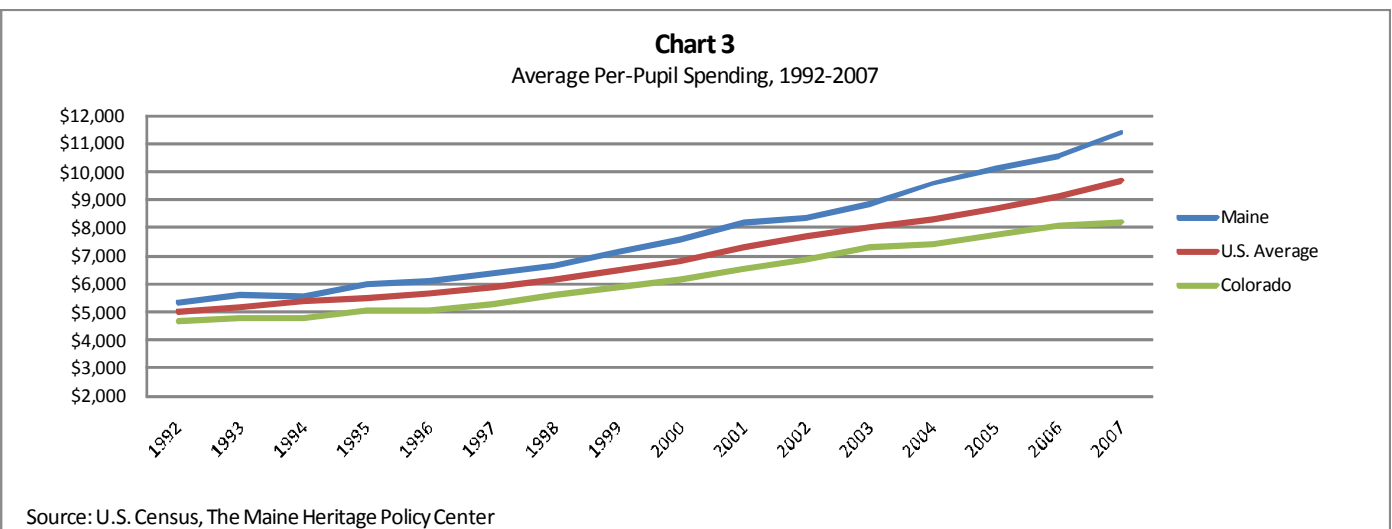
Teacher Salaries

Though opponents of Question 4 insist that Colorado teachers endure some of the lowest salaries in the nation, the nation's second largest teacher union, the American Federation of Teachers (AFT), disagrees.

In its most recent salary survey, the AFT ranked Colorado 28th in the nation for teacher salaries, right in the middle of the pack. Maine, by comparison, ranked 42nd in the nation, having dropped from 35th place the year before. Furthermore, Colorado, unlike Maine, has teacher salaries that are highly competitive with nearby states. When ranked against its Rocky Mountain neighbors, Colorado had the second-highest average teacher salary. Maine, in contrast, had the lowest teacher salaries in the entire Northeast.⁸

The AFT's salary survey also reveals that Colorado is well above the national average in terms of beginning teacher salaries, ranking 15th in the nation. Maine, by comparison, ranked 44th.⁹

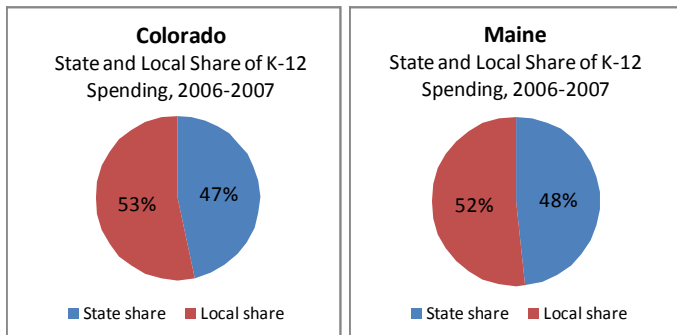
Far from trailing the nation in teacher salaries, data from the teachers' unions themselves show Colorado to be outpacing Maine and at or above national levels for teacher pay.



State and Local Share of Education Funding

Opponents of Question 4 insist that the TABOR initiative will raise property taxes by shrinking the state’s share of total K-12 education funding. As state funding is cut, it is argued, local spending will have to increase.

However, the most recent data from the U.S. Census, illustrated in the charts below, shows that as recently as the 2006-2007 school year, the state of Colorado’s share of total statewide K-12 spending was virtually identical to the share paid by the state of Maine, despite TABOR having been in place in Colorado since 1992. Both states paid for slightly less than half of total K-12 spending during the 2006-2007 school year.¹⁰

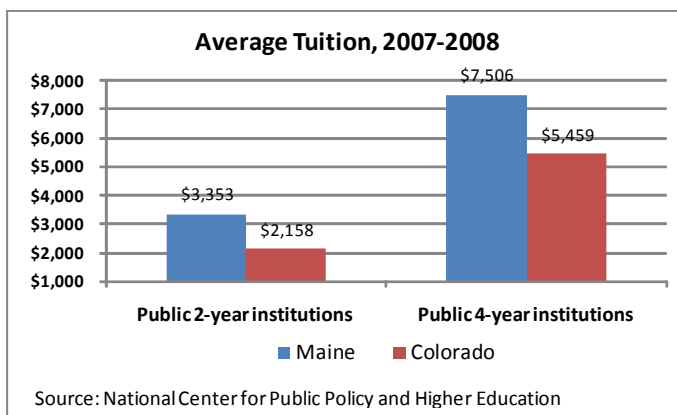


Higher Education

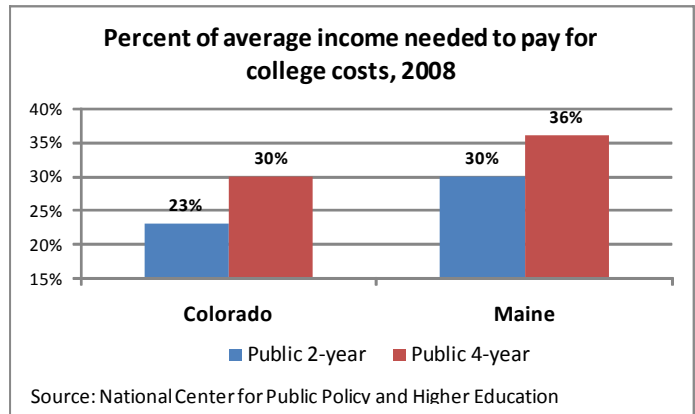
According to Question 4 opponents, TABOR has “de-funded” higher education in Colorado, making college more costly for Colorado residents. The facts, again, tell a far different story.

According to the most recent *Measuring Up* report from the National Center for Public Policy and Higher Education, higher education is actually more affordable in Colorado than it is in Maine.

As indicated in the table below, the average annual costs minus average financial aid for a 2-year public college in Maine are 55 percent higher than in Colorado. Costs for a 4-year public college are 38 percent higher. Students attending a 4-year public college in Maine can expect to pay an additional \$2,000 per year than students in Colorado.¹¹



These higher tuitions, combined with the lower average incomes of Maine residents, mean that college is far less affordable for Maine families than it is for families in Colorado. As the table below indicates, data from the *Measuring Up* report reveals that Maine families can expect to devote a higher percentage of their average incomes to cover college costs than Colorado families. In fact, the 30 percent of income that the average Maine family spends for a student to enroll for one year at a 2-year public college in Maine would buy the same student a year at a 4-year public college in Colorado.¹²



College affordability is an even bigger issue for low income residents. According to *Measuring Up*, the 40 percent of the population with the lowest incomes would need to commit 43 percent of their annual incomes to cover the cost of a year at a 2-year public college in Maine, but would need to commit only 33 percent of their incomes to cover the same college costs in Colorado.¹³

Privatizing the University of Colorado?

The Maine Center for Economic Policy’s Christopher St. John has repeatedly claimed that higher education in Colorado is in such dire straits that there are “discussions” in Colorado around privatizing the colleges of the University of Colorado system. The *Denver Post* reports, however, that the privatization “discussions” in question involve a single member of the general public – not a state legislator, not state government official, not a university system official – who suggested at a public hearing that privatization be considered. As the *Post* reported, nobody in the University of Colorado system is proposing privatization and, in fact, when asked about ideas for cost containment, the university president suggested “relief from state rules and regulations.”¹⁴ Mr. St. John’s claim that privatization is being seriously considered is yet another fabrication by TABOR critics.

Conclusion

Opponents of the Question 4 Taxpayer Bill of Rights initiative have made education a central focus of their campaign, claiming that TABOR has been a “destructive” force which has

“devastated” Colorado’s schools and colleges. The data they use in support of these claims, though, is almost exclusively input data such as spending levels.

Output data tells a far different story. Colorado’s K-12 schools are producing student outcomes that are as good as or better than those of Maine’s schools, despite the fact that Colorado spends less per-pupil. In fact, Colorado students have improved their performance at a faster pace than Maine students, which suggests that Colorado students will begin to outperform Maine students before very long.

As for higher education, it remains more affordable in Colorado than it is in Maine despite the fact that TABOR has been on the books in Colorado since 1992. Indeed, the high level of prosperity that TABOR has brought to Colorado has made higher education more affordable by raising the incomes of Coloradans. Colorado families spend a smaller share of their incomes to pay for college than Maine families do.

The best indicator of whether TABOR has “devastated” Colorado’s schools and colleges is, of course, whether Coloradans think it has. In the fall of 2008, less than a year ago, Coloradans were presented with a ballot initiative that would have effectively repealed the TABOR law. Colorado voters defeated the measure by a ten point margin.

Clearly, Colorado voters have decided that TABOR is worth keeping. They have also decided that their state’s schools and colleges are spending and, more importantly, performing at an acceptable level. If they thought otherwise, they would use the power TABOR gives them to make needed reforms, as they did by increasing K-12 funding through Amendment 23 in 2000.

TABOR is about letting the people decide, which explains why, despite all the false claims about its “devastating” effects, it remains on the books today and remains as popular with Colorado voters as ever.

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Stephen Bowen directs the Center for Education Excellence at The Maine Heritage Policy Center. He may be reached at jsmoody@mainepolicy.org.

Dr. William Moloney is the former Colorado Education Commissioner. He may be reached at moloneyvision@aol.com.

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Editor and director of communications, Martin Sheehan, can be reached at msheehan@mainepolicy.org.

P.O. Box 7829, Portland, ME 04112, Phone: 207.321.2550 Fax: 207.773.4385

<http://www.mainepolicy.org>

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info@mainepolicy.org