

Talk

about Today's Public Schools

Editor's Note:

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Investing in public education now pays dividends in the future.

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I say to anyone who will listen that the state of Texas should invest more in public education. Most of the time I base that argument on the moral and ethical implications of investing in our future citizens. In my mind, investing in young people is simply the right thing to do. Today I want to make the same argument – we need to invest more in the schools that educate our future citizens – but make it a purely economic argument. For help, I turn to a famous Texas economist, M. Ray Perryman. Perryman is well-known across the state and nation for his decades of work advising business and policy leaders. Recently, Perryman published an analysis of how additional investment in education would impact the Texas economy. Perryman says, “The reality is that Texas lags behind virtually every other state in the United States (and all of the major competitors for high-quality economic growth) in terms of per pupil spending – and the gap is widening.” To back up that statement, the non-partisan Legislative Budget Board reports that in the years between 2010 and 2014, inflation-adjusted funding per pupil actually fell 9.5 percent in Texas. In that same time period, only four other states cut funding to schools more than Texas. And that cut of 9.5 percent in inflation-adjusted spending came at a time when the Texas economy performed far better than most other states.

Perryman goes on to say, “The irony is that investments in education actually pay for themselves many times over when you consider the benefits, which range from increased productivity to decreased need for social services.” Now to the numbers. Perryman says that the

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Long-term return on each additional dollar of state investment is \$49.69 in additional spending in the Texas economy. In other words, for each additional dollar spent, the state would generate a return on that investment of nearly \$50! We should all be so fortunate in our personal financial situations. Perryman goes on to compare that return to other types of investments. For instance, an additional dollar spent on a private sector initiative generates \$2.82. Other public sector investments, such as transportation infrastructure, generate \$7.62 per additional \$1. Clearly, investment in education makes sense even if you ignore the moral and ethical rationale.

The Texas Legislature will convene in early 2017 and again they will have a choice to make. Will lawmakers simply budget for the next two years and call it a success or will they take a long range view and begin to make strategic investments that will carry Texas into future prosperity? If past results predict future behavior, I am not optimistic. Only with investment in the human capital of our state can Texas continue to flourish. There are obvious moral, ethical, and economic rationale that back up this kind of investment.

In the July edition of *Texas Lone Star* magazine, Perryman concludes, "What if I told you about an investment that would yield almost \$50 for every \$1 you invested? What if on top of that, it improved lives, increased volunteerism, and otherwise paid major dividends to individuals and society? A "no brainer," right? Similar logic applies to strategic investments by the state in public education, and it's irrational and shortsighted to ignore the tremendous return on this particular investment of taxpayer dollars." Well said, sir. Well said.