As incoming president of SDAS, I elected to speak on a topic that stands to impact the health and future of science education and research in South Dakota. You might think that the recent session of the South Dakota Legislature made my choice of topics obvious and I would agree. No one in South Dakota could ignore this year’s debate over public education funding, and given the outcome of the legislative session and with the help of some research on my part, I have concluded that the K-12 system is truly jeopardized by inadequate state support. Of course, public higher education has taken serious blows recently, too, but I believe the situation in K-12 education is most dire because a continued policy of chronically underfunding public education in this state threatens the integrity of the K-12 system. Those of us in the business of postsecondary education have every reason to worry about students coming to us inadequately prepared for college. We all want students who are ready to succeed in college, with the knowledge, skills, and aptitude that enable their success. However, as long as education funding is treated as discretionary spending by our state politicians, the outlook for universal quality education in South Dakota gets bleaker year by year.

Education is a tremendously complicated and controversial issue with many interrelated aspects, but I want to focus here and now on funding of the K-12 system in our state. Gov. Daugaard introduced HB 1234 this year to “reform” education in South Dakota, contending in his January 10, 2012 “State of the State” address that the state had spent a lot of money on K-12 education but had realized unsatisfactory results. He noted that since 1971, enrollment in South Dakota public schools has fallen by nearly 50,000 pupils (a 28.5% decline). Over the same period, more than 850 teachers (up 10%) and over 3,500 staff (up 65%) have been added due to requirements of Individuals with Disabilities Act, Title IX, and increased graduation requirements. Consequently, per student funding rose from about $4,000 per student to about $9,000 in that 40-year period. Not mentioned by the governor are the increased cost to school districts of educators’ health plans, new curricula, and the higher cost of heating and cooling buildings and running buses. Certainly those factors weigh into the per-pupil cost calculation, too.

The governor cited the ACT and NAEP scores of South Dakota students as evidence of a poor return on the increased investment in education. For example, ACT scores of South Dakota high school students were noted to be consistently
above average in the country, but they had remained steady for many years, varying between 21 and 22. NAEP scores for 4th and 8th graders in reading and math were noted to slip relative to other states in recent years, although less so for 8th graders than 4th graders. Apparently these results indicated to the governor a need to “reform” education in South Dakota, and since additional money over the years had made no difference, it was time to try a new approach. Citing no evidence, Gov. Daugaard asserted that the single most important factor in student learning success is a good teacher -- class size, physical facilities, and access to technology are less important. Thus was born the governor’s “Investing in Teaching” initiative wherein it is proposed that $5,000 merit pay be awarded to the top 20% of teachers and $2,500 bonuses be given for those teaching in critical needs areas, e.g., science and math. For $15 million to be appropriated in the future, state government could thereby do its part in a very economical way to improve educational outcomes for South Dakota students.

Is it possible, however, that HB 1234, as it was amended, modified in minor ways to improve palatability among lawmakers, and then passed by just one vote in the Legislature, served to obscure the real problem faced by public school systems in South Dakota? Are there issues that make teaching in South Dakota a more challenging job than elsewhere? Consider first of all how South Dakota really invests in its teachers. The state ranks 50th among the states in average teacher salary and has for many years. Now, we are more ensconced in 50th place than ever. After last year’s 8.6% cut in state aid to schools, South Dakota saw a 9.3% drop in average teacher pay from the 2009-2010 school year (NEA Rankings & Estimates, Dec. 2010, Summary Table G, p. 92). Why such a big drop relative to the cut? Because many veteran teachers threw in the towel, either retiring or quitting to go elsewhere. Some left the profession for new opportunities. South Dakota's average teacher pay of $35,201 is now just 63% of the national average (http://madvilletimes.com/2011/06/south-dakota-teacher-pay-last-again-63-of-national-average/). For a long time, North Dakota has ranked 49th in teacher pay. It still does. But with an average teacher pay of $44,266, the difference between the Dakotas is now over $9,000 per year. All of this readily accessible information is a black eye on public education in South Dakota. How can this state expect to attract dedicated, highly qualified and effective teachers given these statistics?

Recall that HB 1234 would provide $2,500 bonuses for critical needs teachers. Originally the bill specified math and science teachers but was changed to allow flexibility for districts to apply the bonuses to other difficult-to-fill positions. The list of teacher shortages posted on the South Dakota Department of Education’s web site shows why that change was made. That list has doubled since 2007-2008, with virtually all subject areas (13) listed as having teacher shortages (Teacher Shortage Areas Nationwide Listing 1990-1991 through 2012-2013. April 2012. U.S. Department of Education Office of Postsecondary Education). Surely a $2,500 bonus will fix the problem! (See average teacher pay comparisons above.)

Again, teacher pay in South Dakota is the poorest by far among the 50 states. It has been repeatedly asserted by some in the legislature that school districts set teacher wages, not the state. So, surely state aid to the districts is enough to
support competitive salaries. Let’s see how South Dakota invests in education. Districts receive money principally from two sources: property taxes and the state general fund. Recall that in South Dakota we spend around $9,000 per pupil. Of this, the state’s share dropped from $4,805 in 2010-11 (and 2009-10) to $4,390 in 2011-12 (-8.6%). With the 2.3% inflationary increase for 2012-13, the state’s share will rise to $4,491. South Dakota reports the state’s share of education spending went from 56.1% to 52.6% between 2009-10 and 2010-11, and then will go back upward to 53.8% with the 2.3% increase in 2011-12 (State Aid to K-12 General Education Funding Formula, Revised March, 2012. S.D. Dept. of Education.)

Another way to view the state’s share of education spending is as reported by the National Education Association. They show a local (and others) share of education spending of 49.9% for 2009-10 and for 2010-11 (estimated). The remainder of spending is reported as 30.3% state and 19.7% federal in 2009-10 and 30.2% state/19.9% federal (estimated) in 2010-11 (NEA Rankings & Estimates, December 2010, Summary Tables H and I, pp. 93-94). In other words, much of the funding the state claims to spend on education, nearly 20% of the total, is federal money. At the 2010-2011 level of state spending on K-12 education, South Dakota ranks 49th in the percent of cost covered by state government (Op. cit. Table F-10, p. 42). Only Illinois provides a lower percent coverage by the state.

The question arises “How much aid should the state provide to school districts for them to sustain a quality program?” Dr. Roger DeGroot, Superintendent of Brookings Schools answered that question in response to a query from a legislator. Given some time to research an answer, he responded, “The magic number is about $6,270 per student – about $1,600 more than Gov. Dennis Daugaard has proposed for the 2012-2013 school year.” (Brookings Register, ‘How Much Do Schools Need?’ Jan. 20, 2012). Of course, this estimate is only from one district, and estimates would be expected to vary among districts. One thing is obvious. An additional $15 million in state aid wouldn’t come close to covering an increase on that order statewide. Clearly, state government is abdicating its fiduciary responsibility to provide for the education of children in South Dakota.

Can South Dakota afford to pay more for education? In FY 2010, South Dakota ranked 46th in per capita tax collection among the 50 states, and it ranked 47th in percentage of per capita income (4.2%) going to state taxes (Federation of Tax Administrators, http://www.taxadmin.org/). This amounts to $1,607 per person, one of the very lowest state tax burdens in the nation. South Dakota politicians have long described the state as one of the poorest in the country, one that could ill afford higher taxes, and especially an income tax of any kind. In 2010, South Dakota per capita income rose to 22nd in the nation, amounting to $39,593. Simultaneously median household income dropped from $51,600 in 2008 to $45,669 in 2010 ("South Dakota’s per capita Income in 2010 22nd in Nation", Rapid City Journal, Oct. 7, 2011). This means that the income increase was highly focused and not shared generally by the state’s population.

According to the online publication ‘Who Pays?’ (Institute on Taxation and Economic Policy, http://www.itepnet.org) South Dakota has the third most regressive tax system among the 50 states. The lowest 20% income bracket pays
around 11% of their income in state and local taxes. In contrast, the upper 1% bracket pays around 2% of their income in state and local taxes. With no income tax, the state relies principally on a 4% sales tax, a contractors excise tax, a bank franchise tax, proceeds from the state lottery, and lesser sources. A concentrated increase in income, especially in upper brackets, thus has no impact on state revenues unless and until some of that income is used to make purchases, build, start a bank, or gamble. As long as South Dakota’s tax structure remains as is, the state’s efforts to fund education and other state-sponsored enterprises will diminish. Federal spending in the state is destined to decline due to the need to address the federal deficit, and South Dakota’s obligation to programs like Medicaid will climb because it is indexed to per capita income. Perhaps revenues needed to operate state government should also be linked at least partly to income. That would make South Dakota’s tax system more equitable and more stable. Whatever the source, state revenues designated for education in South Dakota must increase or a decline in the quality of education is inevitable.

My research into the facts, the statistics, and (unavoidably) the politics of K-12 education funding in South Dakota has led me to some uncomfortable conclusions about this issue. First, South Dakota cannot hide a poor environment for teachers. The state’s record of education funding and how teachers are treated in South Dakota is online for all to discover and leads me to conclude that unless and until teachers and school administrators are valued as professionals, we will lose top educators to other states. South Dakota must compete for good educators rather than penalize the good ones it has. Rewarding just 20% of teachers with merit pay is tantamount to telling the other 80% they are not doing a good job – a demoralizing proposition at best. Secondly, the state is demanding increased control over education while simultaneously cutting its own investment in education. Part of HB 1234 establishes panels to oversee teacher evaluation statewide and thereby adds another layer of bureaucracy that promises to further dilute the amount of state aid getting to the local level. This is yet another modern example of how greater effort to assess an enterprise (teaching students) without additional funding simply dilutes the resources needed for actually doing the job (again, teaching students). It has also led to the self-defeating mantra of “Do more with less” that is so pervasive in state government. Logic demands that an insistence for increased control over school districts needs to be matched by greater, not less, state-level investment.

One encouraging outcome of this year’s discussion of education funding has been increased public awareness and action on the issue. Enough signatures were gathered on petitions to refer HB 1234 to a public vote in the November 2012 election. Additionally, an initiated referendum to impose a 1% sales tax increase with the proceeds designated for K-12 education and Medicaid will also be on the 2012 ballot. For the sake of education in South Dakota, we can hope that these efforts succeed and that voters do not allow politicians to subvert their intentions. The latter can’t happen if education is viewed and promoted as it should be, with a sense of pride and altruism. As a society we need to take ownership of our public school systems and not let them fall prey to budget cutting in the name of frugality in state government. We frequently hear about how much our nation’s future depends on a sound system of education, yet apathy has gotten
us to where we are with underfunding education in this state. South Dakotans need to understand that good quality education requires more robust financial underpinnings and not simply a “carrot and stick” approach toward the teaching profession. I hope you will join in urging our politicians to increase the state-based funding for K-12 education in South Dakota. In countless ways all of our futures depend on it.