

Smaller Schools Make Fiscal, Education Sense

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The 2010 legislative session is right around the corner and, while solving New Mexico's difficult budget problems — hopefully without raising taxes — will likely be the Legislature's primary task, reforming K-12 education demands attention as well. First and foremost, those who have supported higher taxes for education will need to understand that the economy simply can't handle it.

However, there are reforms that can be enacted at no additional cost to taxpayers that will address the serious shortcomings in a system that is failing too many children. Last year, the respected "Diplomas Count" report found that only 54 percent of New Mexico kids graduated in four years, although the state reports a slightly higher number. The bottom line is that New Mexico's K-12 education system is in need of serious reform.

One important reform is to shrink the size of the schools our children attend. Although it is unusual for us here at the Rio Grande Foundation to agree with Think New Mexico, there is one point on which they are right: Smaller schools make economic as well as educational sense.

The conventional wisdom is that the bigger you build a school, the less expensive it is per student.

Yet the data do not support that assumption. An analysis of the construction costs of all new schools built in New Mexico since 2003 (the year the New Mexico Public School Facilities Authority began systematically collecting this data) shows that school construction cost per student has no consistent correlation with school size.

In other words, it costs no more per student to build a school for 500 students than it does to build a school for 2,500.

The data shows that most schools built recently in New Mexico cost \$20,000 to \$50,000 per student to construct. The most expensive schools have tended to be the very largest or the very smallest schools, with the less expensive schools ranging from about 300 to 800 students.

This analysis demonstrates that both large and small schools can be built very expensively or very inexpensively. One 482-student school in Gadsden cost only \$25,975 per student, while a 2,200-student school in Albuquerque cost \$47,705 per student.

The numbers on school construction cost have been vetted by a team of graduate students at UNM's Anderson School of Business. Their statistical analysis found, with 95 percent certainty, that there is no correlation between a school's size and the cost per student to construct it. They concluded that, contrary to the conventional wisdom, larger schools are not always less expensive to construct — indeed, they are just as likely to be more expensive on a per-student basis.

In addition to costing no more to construct, smaller schools cost less to operate than larger schools. The research demonstrates that schools larger than about 900 students incur higher costs in administration (because they require more levels of bureaucracy to run them), transportation (because they must transport students from far beyond the immediate neighborhood), and security (because the number of violent incidents per student goes up sharply as school size increases).

Building smaller schools will not (and we would not support if it did) require an extra penny in new spending. Instead, legislation to be introduced in 2010 would amend the existing Public School Capital Outlay Fund so that the school construction dollars New Mexico spends every year are spent more wisely on smaller schools.

The best news about smaller schools is that they represent a "choice" mechanism. Smaller schools mean more options for children and parents. Thus, it is no surprise that smaller schools have been correlated with both higher academic performance and a reduction in criminal behavior in the schools as well.

The benefits of educational choice are why the Rio Grande Foundation has and continues to support education tax credits, which would allow individuals and businesses to take a credit against their New Mexico taxes and donate that money to a scholarship organization that would help the state's poor children by giving them choices as to where they want to go to school. This can be done without hurting the existing government-run schools.

More money has not been the solution for New Mexico's education woes in the past, and money alone — even if we had it right now — will not solve the problems in the near future. It's time for the Legislature to get creative by embracing education tax credits and smaller schools.

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