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Your Tax Dollars at Work

by John R. La Plante

When a family or single person has trouble making ends meet, that's usually a good time to look for unnecessary spending. With the State of Oklahoma facing a budget crunch as well (and many politicians suggesting tax increases), it is time to look at the unnecessary spending going on in the name of Oklahomans. In no particular order, here are a few examples.

When it comes to fraud, waste, and abuse, the Grand River Dam Authority takes center stage. According to State Auditor and Inspector Jeff McMahan, the authority spent \$926,000 on questionable gifts and expenses between 1999 and 2002, and he warned that his audit "barely scratched the surface" of ill-advised spending. Dubious purchases have included golf outings, artwork, certain tuition reimbursements, and pay for top executives that exceed the legal salary cap for state officials. The Authority, created by the Legislature in 1935 to construct and maintain dams for flood control and hydroelectric power generation, responds by saying that it isn't a state agency.

Government-run schools are another area rife with abuse and waste. Under a set of incentives that some officials call "the bounty system," school districts get more government aid for each student who is diagnosed with a learning disability. The result? Increased revenue for the school, higher bills for taxpayers, and sometimes, inappropriate education for students. Dr. Jay Greene, a scholar with the Manhattan Institute, estimates that over 9,000 Oklahoma students per year are placed in special education thanks in large part to the financial incentives for putting them there. The financial cost to taxpayers of the state: an extra \$53 million annually. The human cost to thousands of wrongly diagnosed students: unknown.

The Oklahoma City school district has a more fundamental problem: it cannot account for its money. As The Daily Oklahoman recently reported, "Oklahoma City Public Schools' financial accounting records are in such terrible shape that auditors have been unable to confirm how much money the district has or how much it owes." Eight months after the end of its fiscal year, it still could not balance its books. Carlson & Cottrell, the district's independent auditors, were highly critical and issued a disclaimer, concluding that the school's records were unreliable. When this sort of activity went on at Enron, the company went into bankruptcy, and there were calls for jail time for top executives. No such outrage for the schools, however. Since taxpayers across the state pay for 58 percent of local school budgets, the cost of this folly is borne by taxpayers statewide.

The child care division in the Oklahoma Department of Human Services is in the business of promoting institutionalized day care – or at least making it easier for parents to use day care. Using federal dollars, the division "disseminate[s]" to parents and the general public information that will promote informed child care choices." You may have heard the radio ads lately; a \$780,433 advertising campaign includes radio advertisements telling parents how to choose a day care center. Is it really the role of government in a free society to help parents choose among options when it comes to supervising their own children? Since some research suggests that over-reliance on day care can be harmful to children, the message of the ad campaign (if there has to be a campaign at all) could just as easily be: "Please consider the novel idea of raising them yourself."

Government at the federal and state level is full of self-serving boards, commissions, and agencies that are meant to support a particular industry. One example in Oklahoma is the

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Peanut Commission, which seeks to “promote, by education and research, the greater use of Oklahoma grown peanuts.” The six members of this board are appointed by the governor, who surely must have other things to think about than who will be on yet another board. In Fiscal Year 2002, the commission had a budget of \$388,000. At least the Commission was able, with the help of the Oklahoma Wheat Commission, to construct a 900-pound peanut butter and jelly sandwich. While no appropriated state dollars were involved, the question remains: can’t a trade group accomplish the same thing without government involvement?

Oklahoma Today is the state’s official magazine. This tourism-themed magazine has a staff of three, and it relies on freelancers for much of its content. The bimonthly circulation is 38,500 for each issue. The Web site for this award-winning magazine boasts that the typical subscriber is a “57-year-old, professionally employed, affluent, educated, home owner,” with a household income of \$70,000. This is well over the state median income of approximately \$49,000 for a family of four. Low-income families, then, are handing their hard-earned money over to the State of Oklahoma to use to spend on the recreational interests of people who could otherwise pay the full cost of the publication.

Speaking subsidizing recreational interests, did you know the State of Oklahoma owns and operates ... golf courses? The state owns and operates 10 courses, ranging from Quartz Mountain, near Lone Wolf in the southwest, to Spavinaw State Park, near Disney in the northeast. The state has hit one into the rough with this spending mis-priority. Though golf can be a pleasurable enjoyment, there is no reason why it should be supported by or through state government. According to Golf Magazine’s Web site, there are, counting the state-owned courses, 197 golf courses in Oklahoma. Selling off the state courses would not only gain the state some much-needed cash, it would send a powerful signal: the entertainment of some will not be underwritten by the taxes of all.

These are just a few activities, randomly plucked from the thousands of programs, offices, and activities of state and local government in Oklahoma. Some are plagued by fraud, waste, and abuse. Others simply make you stop and wonder “Why is government involved in this, anyway?”

In lean times, it’s more important than ever to examine what is conducted in the name of the public good.

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