Children as Pawns

The Politics of Educational Reform

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ght in—parents, schools, or state governments? What do we do when the children are not learning effectively? The debate over social promotion starts simply, but it ends with more questions than answers. The fundamental questions remain: What are our goals for education, and how do achieve them? Arguing over which children to hold back and which to promote does not address the real problems in our schools; instead, it ids them.

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Does More Money Make Schools Better?

> Schools as a whole demonstrate an inability to use available resources effectively. There is little reason to believe that an additional dollar put into a school will improve student achievement.
>
> —Eric A. Hanushek, 1981

> [T]he fact that so many children attend schools with limited resources demands that policymakers examine empirical evidence about the question of whether money matters. Our findings . . . demonstrate that money, and the resources those dollars buy, do matter to the quality of a child's education.
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> —Rob Greenwald, Larry V. Hedges, and Richard D. Laine, 1996

Education costs money. And it costs a great deal more money now than it did in the past. There are multiple reasons for the growing cost of public education. Most of the increase during the 1950s and 1960s came from rising teacher salaries and shrinking class sizes. More recent increases have stemmed largely from other factors, such as skyrocketing spending for children who need special education or compensatory help.[1] Historically, the bulk of school funds have come from local taxes. In recent decades, however, state governments' contributions to local school districts have grown markedly and are now equal to the amount contributed by local sources. Each provides roughly 45 percent of the money in school district budgets (that is the national average; some states differ dramatically). Funds from the federal government make up most of the other 10 percent. Public schools take up about one-third of state budgets, on average, but they face growing competition from other public services such as Medicaid and prisons.

Many education issues revolve, at least in part, around whether schools can afford them. But money alone is not the answer to the problems of schools. A question that runs throughout this volume, and throughout debates over school funding, is whether or not education dollars are being spent efficiently. It is important to recognize that not all schools face the same costs. It costs more to educate a child who needs special education classes than it does to educate a child in mainstream classes. It generally costs more to educate disadvantaged children than children from middle-class backgrounds. Experienced teachers approaching retirement cost more than young teachers just starting out. Transportation to school, subsidized lunches, bilingual education, advanced-placement courses, and many other costs vary from one school to the next, depending on the needs of each school's particular student population.[2] And of course many schools want to provide more than the basics for their students. What school wouldn't like to have an up-to-date computer lab or a new gymnasium? (All schools want these things, actually, but for school districts struggling to pay teachers and repair crumbling buildings, even providing the basics is difficult.) All of these issues involve money. Debates about school funding are part of debates about education as a whole, whether they are openly recognized as such or not.

At the heart of debates about school finance lie two questions: Does the amount of money a school has in its budget affect student achievement, and How much is required for an "adequate" education? The answer to the first question may seem obvious—money matters, since without it schools cannot exist—but the evaluation evidence is not completely straightforward on how much (or if) money matters, beyond having enough money to pay for buildings, teachers, and basic resources such as textbooks. The second question, though different in nature, is even more complicated. We simply do not know how much is required for an adequate education, partly because there is no agreement on what that would involve.

The court system has been a major arena of conflict over school funding. Plaintiffs have brought lawsuits in both state and federal courts seeking to have numerous states' methods of financing public education found in violation of either the U.S. Constitution or state constitutions. In fact, most state finance systems have been challenged at least once in the past three decades, and in some states the cases have been in and out of court for decades. One argument is that school financing systems that provide far more money to school districts in wealthy communities than to those in poorer communities violate the principle of equal protection. Another argument is that such unequal financing violates individual state constitution guarantees regarding education, since children in poor communities receive far fewer educational resources (which presumably leads to an inferior education) than do children in affluent communities. By the late 1990s, only a few states had *not* had lawsuits brought against their school funding systems. In nineteen different states, school financing approaches had been found unconstitutional, though how much actually changed varied greatly from state to state.[3] In many places, most notably New Jersey, the conflict has expanded to become one of court against legislature. In these cases, courts order reforms but legislatures are unable to agree on how to meet those orders, or are simply unwilling to comply with court mandates.

During the 1970s and 1980s, the central goal of plaintiffs was usually to provide "equitable" funding to all school districts within a given state; in other words, to reduce or eliminate the often enormous gap between the per-pupil expenditures of schools in wealthy communities and schools in working-class and impoverished communities. In the 1990s, however, much of the effort was aimed at providing an "adequate" education for children in low-wealth districts. Neither goal has proven easily achieved.

A Brief History of Public School Funding

The U.S. Constitution does not discuss education. From the beginning of the republic, by the terms of the Tenth Amendment, schools were the responsibility of local communities and state governments.[4] In the early decades of the nation's existence states did little, leaving the education of children up to parents and their towns and cities. The beginnings of the public school system we now know came in the 1830s and 1840s. Early public schools received funds from a variety of sources, including parental contributions, local taxation, and money from the state, with the mixture varying from place to place. The battle to create public "common schools" in those years was fought district by district. For common schools to exist in any number they needed tax money directly targeted for their use, and the decision about raising taxes was usually a local one. As David Nasaw writes, "The campaign for the common schools—through the later 1830s and 1840s—was no more and no less than a campaign for public taxation." Supporters of public schools argued that people should be willing to pay taxes for them because schools were an investment in a stable and secure society. Opponents of compulsory school taxes viewed them as an assault on private property, since property owners would have to pay the taxes even if they did not have any children in school.[5] Thus opposition to taxes (new or increased) for public schools existed from the start, as did the general argument that all should pay because schools were for the good of society. Efforts to limit the money spent on schools also arose early in the development of public schools, and they played out in numerous ways. In the midnineteenth century, female teachers were already being hired in growing numbers, at least in part because their salaries were far lower than those of male teachers. As David Tyack and Elisabeth Hansot write, "City after city decided to replace male teachers with women," so that "by 1890 women held 92 percent of the teaching jobs in all cities with populations exceeding ten thousand."[6]

In the early twentieth century, roughly 80 percent of the funding for public schools came from local revenues. A new approach to funding schools developed in the 1920s that would play a role in reducing dependence on local money: foundation funding, so called because it provided the basic financial foundation for school districts. When a state created a foundation program, it required local communities to tax property and guaranteed that each district would receive a specific minimum per-pupil amount. If local property taxes did not supply enough to reach that amount, the state would supply the rest.[7]

Over the first three decades of the twentieth century, the cost of public schooling was widely discussed. Schooling was expected to be "efficient" and to be run in a businesslike manner; that is, it should not cost too much.[8] It was hardly a coincidence that this shift occurred as schools were dealing with growing numbers of immigrant children. According to Tyack, in the 1930s and 1940s a growing number of educators began to notice (and point out) that educational resources and opportunities were distributed very unevenly across the nation's communities. The most expensive schools spent many times as much on each of their students as the poorest schools. Schools that were largely rural generally spent the least, with segregated schools for African-American children having the fewest resources. James D. Anderson has shown that most of what those schools did have was contributed by African-Americans themselves, who were at the same

time taxed to support white schools from which their children were excluded.[9]

From the late 1940s to the 1960s, spending on America's public schools rose dramatically. There were a number of reasons for this, including pressure by teachers, labor groups, and the cold war. The spending was not geared toward equalizing schools in different communities, regions, or states, however; inequality of school resources continued to be a basic fact of American education. Spending has continued to rise in recent decades, in large part because the services offered by schools have expanded. Schools today employ more nonteaching staff: teacher aides, counselors, and a variety of support staff. And as we shall see later in this chapter, efforts to provide more equitable funding to schools within individual states have sometimes led to higher spending. In addition, students are now far more likely to attend high school, and to graduate, than they were early in the century.[10]

For most of the nation's history, federal involvement in local education has been very limited. Attempts in Congress to increase federal involvement usually have gone nowhere; as Diane Ravitch writes, they have "traditionally foundered for three reasons: race, religion, and fear of federal control." Whether to provide federal funds to racially segregated schools in the South, and to private—especially Catholic—schools were sticking points that could not be easily resolved.[11] Once the logjam was broken by Lyndon Johnson's Great Society programs, federal spending on education shot up by 1,400 percent in the 1960s and 1970s. Spending by state and local governments on elementary and secondary schools also skyrocketed during these years, but federal spending rose most rapidly, going from 4.4 percent of total educational spending in 1960 to 9.8 percent by 1980. Much of the new money came in categorical programs that targeted disadvantaged children, most notably the Elementary and Secondary Education Act of 1965. Under President Ronald Reagan in the 1980s, the percentage of funding for elementary and secondary schools that came from the federal government reversed course, dropping to 6.2 percent by 1987.[12]

Money comes to school districts from many sources and in many forms, some with strings attached. Federal funding usually comes in categorical programs that are targeted for very specific uses. Some federal money is directed to provide compensatory education for children from disadvantaged backgrounds; other federal money is targeted toward children with disabilities. State funds can also come in categorical programs, directed to some of the same areas that federal programs target as well as such others as buying computers and repairing buildings. More fundamentally, states also usually provide a basic level of funding to all schools through foundation funding, on which other, more specific, programs, such as special education, can be built. Alternately, states can adjust for students with special needs through "pupil weighting" rather than categorical programs. In this approach, students with certain characteristics are assigned a "weight." A student requiring no special help might have a funding weight of 1.0, while a student who qualifies for a free lunch program might be at a weight of 1.2, and a student who is in special education would have a higher weight, say 2.1. In practice, what this means is that for every dollar a school district receives for the student with a pupil weight of 1.0, it receives $1.20 for the student in the free lunch program, and $2.10 for the student in special education. This approach equalizes funding between different school districts fairly efficiently, but it has drawbacks, the most notable being that it may encourage schools to label students in ways that may be inaccurate and not to the students' own advantage.[13]

The Coleman Report

In 1965 the U.S. Office of Education, at the request of Congress, conducted a detailed survey on educational opportunity. The resulting report was published in 1966, with James S. Coleman as lead author. Generally known as the Coleman Report, it was heavily publicized and has been widely cited ever since. *Equality of Educational Opportunity* examined student achievement, segregation, and a number of other issues. It found that "the great majority" of students in America attended schools that were highly segregated. Among minority children, African-Americans were, not surprisingly, the most heavily segregated, but white children were the most thoroughly segregated from other groups (which is another way of saying that children of color were allowed to mix with one another but not with white children).[14]

The report's central finding regarding student achievement was perhaps its most striking claim: that by far the strongest factor affecting how well a student did in school was the student's family background. Children from families of means (middle-class to wealthy) had high achievement, while children from low-income backgrounds had low achievement. The quality of schooling a child received seemed to make little difference.[15] This meant, if correct, that the amount of money spent on a school did not matter, since it might be able to affect school quality—which apparently did not matter much—but it could not change what actually mattered, which was student background. For decades after its publication, the Coleman Report shaped people's assumptions about why children succeeded in school. Not surprisingly, its argument led to considerable debate. Other scholars soon questioned the Coleman Report's findings.[16] Despite the report's many flaws, however, it remains a landmark in educational research, and many of its findings—right or wrong—still echo through debates about education policy.

For the purposes of this discussion, what matters is that the Coleman Report influenced the nature of school finance lawsuits. It threw into question the commonsense argument that student achievement was related to the level of school funding. The resulting doubt about that relationship was one reason that school finance lawsuits centered on questions of *fairness* when there were large disparities between what different school districts had to spend. School inputs, such as funding levels, were featured rather than school outcomes, such as student achievement, because the connection between the two was less certain after the Coleman Report.[17]

A Push for Equity: *Serrano, Rodriguez,* and Their Successors

The civil rights movement affected how schools are financed, just as it affected segregation in schools and the extent of federal involvement in public schools. Court challenges to the ways states funded their schools arose in the 1960s and 1970s out of a desire for equal educational opportunity for disadvantaged children. They were built on the conviction that states' heavy reliance on local property taxes to fund schools kept this equal opportunity out of reach, because it led to wide gaps in funding between school districts, which in turn meant differences in the quality of education. State legislatures had developed and continued this system of financing public elementary and secondary schools, and reformers believed, with good reason, that those same legislatures had little interest in changing the status quo. As a result, people seeking to change the ways schools were funded, to create more opportunity for children in disadvantaged districts, turned to the court system.

School finance cases brought in state courts based their claims on state constitutions, focusing either on the principle of equal protection or on constitutional articles regarding the education to be provided to a state's citizens. The nature of the education clauses in state constitutions varied widely, not surprisingly; it was often put to the courts to determine whether individual state constitutions mandated a more equitable school funding plan than was in place. Since the late 1960s, most states have faced at least one court challenge to their funding approach. The complaints have generally followed the same basic argument. A state government's reliance on property taxes leaves school districts with small tax bases unable to spend as much per child as wealthier communities. This results in the creation and maintenance of large gaps between schooling opportunities for children in wealthy districts and children in poor districts.[18]

School funding cases litigated in federal courts, however, have usually relied on the U.S. Constitution's equal protection clause. They argue that state financing, if it leads to wide disparities between the educational resources for children in wealthy school districts and those for children in working-class and poor districts, constitutes unfair treatment toward the latter. Related to this (though not identical) is the argument that such unequal financing causes children in the latter communities to be deprived of effective and appropriate schooling.[19]

What would become the most prominent lawsuit against how any state financed its public schools was filed in California in 1968. At the time, about one-third of the funding for California's public schools came from the state while more than half came from local property taxes. Furthermore, the way in which state aid was distributed did little to reduce the inequities between school districts created by the heavy reliance on local taxes. In the late 1960s, for example, the Beverly Hills school district spent more than twice as much per student as did nearby Baldwin Park. The plaintiffs in *Serrano v. Priest* believed that the state's dependence on property taxes to fund schools placed children from low-income neighborhoods at a severe educational disadvantage. The strategy of the plaintiffs' lawyers was to convince the courts that the system was unfair and should be declared unconstitutional, not to determine a new system; that was to be left to the legislature. They decided to sue in state court rather than federal court because the California Supreme Court, where they expected the case would eventually be decided, was viewed as more willing to consider such issues.[20]

When hearings for *Serrano v. Priest* began in Los Angeles County Superior Court in August 1968, the case received little attention. The plaintiffs used published statistics comparing the funding of rich school districts to

that of poor school districts. It was easy to demonstrate that while poor districts taxed themselves at higher rates than did rich districts, they still wound up with far less money per pupil. The defense accepted the evidence regarding different funding levels from one school district to another but argued that there was no constitutional issue at stake, and asked that the case be dismissed without a trial. In early 1969 the superior court agreed and dismissed the case.[21]

The attorneys for John Serrano, Jr., and the other plaintiffs appealed that decision. The state court of appeals based its decision on a recent action by the U.S. Supreme Court in *McInnis v. Shapiro,* in which the Court had accepted a district court's decision against the plaintiffs in a school finance case. The court of appeals ruled against the plaintiffs, stating that the two cases were basically the same, and that the issue had already been settled. In early 1971, however, after further appeal, the California Supreme Court agreed to hear *Serrano v. Priest.* In the intervening period several important books making varied arguments for greater school equity had appeared. In addition, the plaintiffs' lawyers were forced by the appeals court's decision to change their approach. Before the superior court and the appeals court, they had taken what Richard Elmore and Milbrey McLaughlin call a "kitchen sink approach" by including a wide array of arguments. Before the California Supreme Court, however, they shifted to a more focused approach, arguing that the state's school finance system was unfair because the quality of education depended on the wealth of each school district.[22]

In August 1971 the California Supreme Court agreed with the plaintiffs by a six-to-one majority. It accepted virtually all of the arguments advanced by the *Serrano* lawyers, stating that the state's school funding system "invidiously discriminates against the poor because it makes the quality of a child's education a function of the wealth of his parents and neighbors." The decision recognized the right to an education as "a fundamental interest which cannot be conditioned on wealth." As a result, the court stated, "If the allegations of the complaint are sustained, the financial system must fall and the statutes comprising it must be found unconstitutional" under the equal protection clause. Not surprisingly, the court's ruling received far more attention than the case had when originally begun three years before. The court's finding, which became known as *Serrano I,* sent the case back to the California Superior Court (which had dismissed it in 1969) to determine the facts of the case.[23]

Before the superior court readdressed the case, the U.S. Supreme Court's ruling in another school-finance case, *San Antonio Independent School District et al. v. Rodriguez,* (discussed below), was issued, and the California legislature passed a new tax bill that made some changes in the way schools were financed. Both of these events had the potential to weaken the *Serrano* case. The trial in the superior court began at the end of 1972, and the court's decision was finally issued in September 1974. The court found that the objectionable features of the state's school financing system had not been eliminated, as large disparities would continue to exist in the funding levels of different school districts. As a result, the court ruled for the plaintiffs and declared the state's funding system unconstitutional by the state constitution's equal protection clause. The state legislature was given six years to develop a new system that would leave per-pupil funding differences between districts at no more than $100; the court did not specify what kind of system should be used to achieve this goal. The defendants appealed, but to no avail; in 1976 the California Supreme Court affirmed the superior court's ruling for the plaintiffs by a narrow four-to-three margin in what was known as *Serrano II.* So far as the supreme court's majority was concerned, student achievement and money were definitely related. The court stated that achievement tests did not measure everything that mattered about a child's "educational experience," but that even when tests were used to measure educational quality, "differences in dollars do produce differences in pupil achievement." Wealthier districts had "a substantial advantage in obtaining higher quality staff, program expansion and variety, beneficial teacher-pupil ratios and class sizes, modern equipment and materials, and high-quality buildings."[24]

The legislature's first attempt to change the school funding formula in late 1972—partly in response to *Serrano I*—was really a tax bill with some additional funding for schools, and it did not satisfy the courts. Developing a formula that would meet the court's mandate was chiefly a political problem; coalitions in support of school finance reform changed over time and never had as much strength as the *Serrano* plaintiffs and lawyers would have liked. Even so, the legislature's next attempt was a more plausible response to the state supreme court's affirmation of *Serrano II* and included a more effective equalizing approach that shifted tax revenues from wealthy school districts to disadvantaged ones. Governor Jerry Brown signed the bill into law in September 1977. Not everyone agreed that it was a good law, though; one *Serrano* lawyer called it "a gigantic fraud."[25]

Before the new law was fully in place, however, came the death knell for better school funding for poor school districts, and for quality public education in California in general: Proposition 13. The statewide referendum, passed in June 1978 by a two-thirds majority of California voters, placed strict limits on local property taxation, thereby making the 1977 school funding law, S.B. 65, impossible to implement. With the new limits on local property taxation, the state share of public school spending shot up to 70 percent the next year. Over the next few years funding levels did even out somewhat between wealthy and disadvantaged school districts in California, but it was because funding in general was dropping, not because poor school districts were receiving greatly increased funding. In other words, what equalization occurred was through "leveling down," not leveling up.[26]

In 1983 the California Superior Court found that the state government was in compliance with the *Serrano* rulings. Just over 93 percent of the state's public elementary and secondary schools were receiving virtually the same amount of per-pupil funding, as required by the court's 1974 ruling, and the court viewed the 6.8 percent of schools falling outside the range to be an acceptably small proportion. Although the court found against the plaintiffs and for the state regarding the question of whether schools were equitably funded, it also noted that the state's schools did not receive enough money to provide an excellent education. (And indeed they did not. Between the 1960s and the 1980s, California went from having one of the highest per-pupil expenditure levels in the nation to having one of the lowest; student test scores followed suit.) In 1986 the state court of appeals upheld the 1983 ruling.[27]

The most significant school finance case to enter federal courts and then reach the U.S. Supreme Court was *San Antonio Independent School District et al. v. Rodriguez.* The plaintiffs in the case were children in Texas school districts with low property values. They claimed that the sizable school funding gap between affluent and poor communities caused by dependence on property taxes violated the U.S. Constitution's equal protection clause. They compared two school districts, Alamo Heights and Edgewood, both in the San Antonio area. The state provided approximately $220 per pupil to each school district. In Alamo Heights, a residential area of considerable means, property values were high, leading to a local contribution of another $333 per pupil, for a total of $558 for each student. Edgewood, an inner-city community, taxed itself at a higher rate for its schools than did Alamo Heights, but because property values in Edgewood were quite low, its contribution amounted to only $26 per pupil. Combined with state money, Edgewood had a total of $248 per pupil, which was less than half what Alamo Heights had to spend on each of its students. The plaintiffs found this system of financing public education discriminatory, and believed it unfairly provided an inferior education for children from less affluent communities.[28]

The federal court in Texas that heard the case agreed with the *San Antonio v. Rodriguez* plaintiffs, finding that education was a "fundamental interest" and that Texas's system violated the Fourteenth Amendment's equal protection clause. When the case reached the United States Supreme Court, however, it found a less hospitable audience under new Chief Justice Warren Burger. Elmore and McLaughlin write that "there was a growing sentiment among school finance lawyers that *San Antonio v. Rodriguez* was the wrong case at the wrong time." And so it was; the Supreme Court found for the defendants and reversed the district court's ruling by a narrow five-to-four margin.[29]

The Court's 1973 ruling in *San Antonio v. Rodriguez* is one of the most important in the history of school finance legislation. The Court upheld Texas's method of funding its schools. One of the central reasons for this ruling was that the Court found that the facts in evidence did not show that most poor people lived in poor districts, and that therefore there was no basis to view the system as discriminatory. Texas's system of financing its schools was upheld; rather than discriminatory, it was seen by the Court as a legitimate system that protected local control of public education. Nothing in the Constitution stated that school systems must be comparable to one another, either within states or between states. The Court went so far as to state that there was no fundamental right to education in the Constitution. This was a dramatic step backward from its ruling two decades earlier in *Brown v. Board of Education of Topeka*, where the Court had found education to be a highly important government function.[30]

The Supreme Court's ruling that highly unequal funding of different school districts within a state was constitutional made it difficult—though not impossible—for later efforts to challenge state methods of financing public education in federal courts. In a later ruling in another case, *Papason v. Allain*, the Court stated that its ruling in *Rodriguez* should not automatically protect any and all variations in state methods for financing schools. They might be unconstitutional under the equal protection

clause if it could be shown that they were not rationally connected to an important state interest. By and large, however, the Supreme Court's various rulings continued to leave control of education funding in the hands of state legislatures. As a result, since *Rodriguez* most legal challenges to state school financing plans have been made in state courts.[31]

In the 1970s and 1980s, at least six states faced challenges to their school funding systems based on equal protection clauses in their state constitutions. Most states survived the challenge; only Connecticut was found to be in violation of its state constitution. Challenges to how states financed their public schools based on federal equal protection law fared just as poorly in the 1970s and 1980s. Only Wyoming's system was deemed unconstitutional. The Wyoming Supreme Court found education to be a fundamental right, and that the state had failed to prove that its method of financing schools served a compelling interest; as a result, the court declared the state's school funding system unconstitutional. Courts that supported existing funding systems that led to wide disparities from one district to another did so for a variety of reasons. Some doubted that funding levels were closely related to student achievement, while others considered local control to be more important than equitable funding, or were hesitant to intrude on educational issues because they were the prerogative of the legislature.[32]

Across the 1980s things began to shift slightly in favor of plaintiffs who sought more equitable school funding arrangements. By the late 1980s, nine states had had their school financing systems deemed unconstitutional by the courts for one reason or another. In many of these states, legislative solutions had not proven satisfactory and court cases continued to argue that the school funding methods in place were unconstitutional. In a few states, legislatures changed their approach to funding public schools because of the threat of lawsuits. In most states, however, courts found school finance systems to be constitutional. They did not do so because school funding was equitable, but instead because neither equal protection nor state education clauses required that funding be equitable across all school districts.[33]

While these lawsuits often accomplished far less than their initiators and supporters had hoped, some did have an impact. In 1970 in California, local taxes supplied far more money to overall spending on public elementary and secondary schools than did state funds. By 1986, that relationship had reversed dramatically, with state revenues supplying almost three times as much money as local revenues. In fact if the state had not stepped in after Proposition 13's assault on property taxes, California's schools, already struggling, would have been complete disasters. More important (at least to the *Serrano* plaintiffs), during that same period the percentage of education spending from the state of California that went to equalizing spending across school districts rose considerably. The same thing occurred in other states, such as New Jersey and Connecticut, in which courts ruled against state practices for financing schools.[34]

In the 1970s and 1980s there seemed to be little rigorous evidence showing that increasing school resources did in fact lead to higher student achievement, so the legal battles for more equitable funding might seem misguided. But plaintiffs seeking more funding for schools in lower-income communities knew that those same schools had older textbooks, inferior or nonexistent labs, inferior classroom spaces, and many other deficiencies when compared with more affluent schools. It seemed obvious to these plaintiffs, and to many others, that improving each of these areas would help students. Where courts have ruled in favor of lawsuits seeking more equal funding, they have agreed with this commonsense view rather than with what the evidence seemed to say about increased school funding. As William Camp, David Thompson, and John Crain wrote in 1990, "The courts have ruled that in the absence of convincing evidence to the contrary, a positive link between resource allocation and student achievement must be assumed."[35] Even so, it is important to understand what evaluation has had to say. What did the evidence actually show in the 1980s? How has that changed in the 1990s?

Evidence: From "Does Money Matter?" to "How Does Money Matter?"

Hundreds of studies have been done on the relationship between school funding levels and student achievement. One approach, known as production-function or input-output studies, examines the relationship between various inputs to education, including funding, and measurable outcomes. Other inputs besides funding that such studies often take into account include parental education and income, teacher experience, class size, and the demographics of the school as a whole. Some examine individual schools or groups of schools, while others look at school districts or even larger units. The results of these studies vary dramatically, as does their

quality. Because of the varied nature of the studies done on school funding and their findings, the best way to try to understand what the evidence has to say is to review all of the studies together (or at least all of the higher-quality studies). The most influential figure in debates about school finance in the 1980s was Eric Hanushek, a professor of economics and political science at the University of Rochester, who did just that. In 1981 Hanushek published a journal article titled "Throwing Money at Schools," which argued (if the title isn't enough of a clue) against the movement to increase school budgets. Hanushek began by pointing out that spending on education had risen sharply over several decades, during which time student achievement seemed to stagnate or even decline. Such an argument, however, is based on a simplistic understanding of historical change and is virtually meaningless, because numerous other issues that affect student achievement were also changing during that time. But Hanushek soon turned to the substance of his research, which was built on more solid ground.[36]

Hanushek looked at the results of twenty-nine studies that examined, in one form or another, the relationship between school expenditures and student outcomes. Within the twenty-nine studies there were a total of 130 analyses of the effect of money on achievement. The studies varied greatly. Some looked at multiple districts, while others focused on one school district; some used standardized tests to judge outcomes, while other used grades, dropout rates, or other factors. Some of the studies were of secondary school, others of elementary school; some looked at individual students, while others looked at the aggregate scores of students within a school or a school district. To understand what all these studies taken together meant, Hanushek used a method known as vote counting. For each of the seven "inputs" to schooling he was interested in—per-pupil expenditure, teacher experience, teacher-pupil ratio, and four others—he counted the number of studies that showed a statistically significant positive relationship with student achievement.[37]

An example may make Hanushek's approach easier to understand. Out of the 130 separate analyses Hanushek examined, 55 included per-pupil expenses. Of those 55, only 5 showed a statistically significant relationship in which higher expenditures and high student performance went together. At the same time, 3 of those 55 analyses showed that higher per-pupil expenditures were related to *lower* student performance. In the remaining 47 studies, the relationship between student performance and per-pupil expenditures was not statistically significant. Hanushek reported that in 23 of the cases higher expenditures related (very weakly) to higher student performance, while in 13 cases they related (again weakly) to lower student performance. In 11 of the analyses, the relationship between the two was not described by the authors of the original studies, except to say that it was not statistically significant.[38]

Hanushek's conclusion, quite understandably, was that the evidence did not show that increasing spending on schools led to higher student achievement. Of the seven "input" factors he examined for a relationship to student performance, the only one for which a number of the studies showed a significant connection to high performance was teacher experience. Out of the 104 analyses looking at teacher experience, 36 found it to be statistically significant: 30 of those found it related to higher student performance, and 6 found it related to lower student performance. Surprisingly, Hanushek nonetheless dismissed the importance of teacher experience, writing that if it "actually had a significant beneficial effect, it is unlikely that so few studies would pick up that fact." He concluded that "higher school expenditures per pupil bear no visible relationship to higher student performance," though he admitted that money might perhaps have a positive impact in some circumstances. Hanushek also stated that this showed that school finance lawsuits, seeking more money as the way to improve schools, were off target. This argument might have seemed nonsensical to many teachers and to reformers seeking to improve public schools, especially schools in disadvantaged inner-city and rural areas. But Hanushek was not going by what *seemed* obvious; he was basing his conclusion on studies others had done examining the effects of funding on education. In the Reagan era this argument appealed tremendously to conservatives nationwide, especially coming from a professor asserting that he had proof. Hanushek became a well-known expert in some conservative circles, and he testified as an expert in school finance cases.[39]

Hanushek published several more articles on school finance, including an influential work in 1989 in which he summarized the findings of thirty-eight studies on the relationship between school inputs and student performance that contained a total of 187 separate analyses. Once again he used the vote-counting approach in reviewing and summarizing the studies. After examining this larger pool of evidence, Hanushek's conclusions were basically the same as they had been in 1981: "Variations in school expenditures are not systematically related to variations in student performance." Teacher experience once again showed the strongest relationship to higher student achievement. Of the 150 analyses of this relationship, 40 found a statistically significant relationship demonstrating that more teacher experience related to higher student performance (while 10 found higher teacher experience significantly related to lower student achievement). As he had in 1981, however, Hanushek downplayed this evidence. Hanushek was emphatic that money did not make a difference: "*There is no strong or systematic relationship between school expenditures and student performance.*" As a result, he claimed, court cases seeking higher, and more equitable, levels of funding for schools in disadvantaged communities, such as those described earlier in this chapter, were "misguided." (He did argue—based on other research and against the findings of the Coleman Report—that teachers and schools could make a difference: "*Teachers and schools differ dramatically in their effectiveness.*"[40]

Hanushek's work was extremely influential, but not everyone was convinced by his arguments. Morton Hunt tells the story of how Richard Laine, a graduate student at the University of Chicago concerned with school reform, did not believe Hanushek's results, and subsequently took a class on research methods taught by Larry Hedges, an expert on research synthesis, so that he would understand Hanushek's methods. Laine quickly found that Hanushek's approach, vote counting, was not a very well respected research method. Laine convinced several other graduate students to collaborate with him on a meta-analysis of the studies Hanushek had used; he believed the far more sophisticated statistical methods of meta-analysis would give them a more rigorous and accurate result than Hanushek's approach.[41]

The seminar paper Laine and his colleagues wrote, based on a meta-analysis of the same data Hanushek had synthesized to argue that money did not matter, had markedly different conclusions. Instead of no effects, they found that every additional $100 spent per pupil (in 1989 dollars) would increase student achievement by one-fifth of a standard deviation, a significant gain. With help from Hedges, Laine and Rob Greenwald expanded their examination of the data. The result was published in 1994 in *Educational Researcher,* the same journal that had published Hanushek's influential review five years earlier.[42]

Hedges, Laine, and Greenwald's meta-analysis examined the same seven inputs to schooling—per-pupil expenditure, teacher experience, teacher salary, teacher-student ratio, teacher education, facilities, and administrative inputs—as had Hanushek in his 1989 article. But their results were very different. First they took on Hanushek's interpretation of his vote-counting results. Hedges and his colleagues pointed out that if per-pupil expenditure and student achievement were truly unrelated, then only 5 percent of the studies Hanushek examined would have had statistically significant outcomes, half of them positive relationships and half of them negative. But for teacher experience (which Hanushek had dismissed), 35 percent of the studies had statistically significant results, which was seven times what would be expected if there were no connection. To Hedges, Laine, and Greenwald, even vote counting, if done properly, showed that money *did* matter.[43]

But that argument was a prelude to the main event, their own meta-analysis of the same data Hanushek had used in his review. Whereas Hanushek had concluded that *none* of the seven inputs he examined was positively related to student outcomes, Hedges, Laine, and Greenwald found that *most* of the inputs were related to student performance. The evidence was strongest for the impact of per-pupil expenditures and teacher experience. In sum, Hedges and his colleagues found that the data, which Hanushek had decided showed money did not affect student achievement, led to "exactly the opposite conclusion," that "expenditures are positively related to school outcomes."[44]

Hanushek disagreed, in an article published in the next issue of *Educational Researcher.* His tone throughout showed a certain disdain for the meta-analytic approach taken by Hedges, Laine, amd Greenwald; he referred to "their statistical manipulations and their zeal." Hanushek criticized meta-analysis in general, and the way they had employed it in particular. He reiterated his belief that since expenditures had gone up dramatically over several decades but test scores had not, money could not matter—an argument that was naive at best and moreover showed a misunderstanding of historical change, educational complexity, or perhaps both. Astoundingly, Hanushek then replied that they had asked "the wrong question" and that "policy interpretations do not depend really on the statistical issues." He reiterated his belief that money made little or no difference in most cases, and that the idea that money could (or might have to) be part of the solution was "misleading and potentially dangerous."[45] Hedges, Laine, and Greenwald replied in the same journal issue, defending meta-analytic technique in general, their specific use of it, and the policy conclusions they had drawn from it.[46] On technical (and logical) grounds

they had the better of the debate, though what any individual reader takes from the debate may depend largely on which argument that reader wants to be true.

That was not the last of it. In 1996 Greenwald, Hedges, and Laine published another meta-analysis on the effects of school finance, and Hanushek was again given the opportunity of replying, this time in the same journal issue. Greenwald and his colleagues brought together sixty research studies for their meta-analysis. They included twenty-nine of the thirty-eight studies Hanushek had used in 1989 (and they had used in 1994), along with thirty-one more studies found after an exhaustive search. The results differed in minor ways from those of two years earlier, but their overall conclusion was similar: a variety of resources were related to student performance, and the connection was strong enough "to suggest that moderate increases in spending may be associated with significant increases in performance." Greenwald, Hedges, and Laine were careful to point out that they did "not argue that money is everything. How we spend the money and the incentives we create for both children and teachers are equally important." Confident that they had answered the question "Does money matter?" they argued for the need to answer another, "How does money matter?"[47]

Hanushek agreed that the latter question was more important and admitted, more than he had in the past, that when resources were used efficiently by schools, they did in fact make a difference. He continued to question the meta-analytic approach on a variety of technical grounds, however. And more interesting, he seemed to put words in their mouths, claiming (among other things) that Greenwald and his colleagues assumed schools were working well. The heart of Hanushek's criticism was that their selection process biased their results to find stronger effects on student achievement than actually exist; in fact they seem to have taken pains to avoid selection bias. Hanushek even claimed that meta-analysis was not an appropriate approach to examining studies from different settings, but so long as a meta-analysis is done properly, that is actually one of the main strengths of the method, and one of the reasons it was developed. All in all, in his response he sometimes comes across more as someone determined to defend his position than someone taking part in an unbiased debate over either research methods or school resources.[48]

Who is right? Hedges, Laine, and Greenwald. While meta-analysis is not a perfect technique, and can be performed poorly, their use of it seems sound, and far more rigorous than Hanushek's vote counting. Hanushek's approach to studying the data is seriously flawed. As Richard Light and David Pillemer put it, vote counting "ignores sample size, effect size, and research design. Serious errors can result."[49] Hanushek's unwillingness to acknowledge that even vote counting showed teacher experience to be related to improved student performance casts a harsh light on any claims to impartiality on his part.[50] Of course, he is right to say that increasing school funding will not *automatically* improve student achievement. Hedges, Laine, and Greenwald do not claim that, only that it often does make a difference. But to make effective education policy we need to know far more than their work shows; as they all agree, we need to know how to use money wisely, and unfortunately school finance evaluations offer limited guidance on that question.

New Jersey

No court case, and no state, bridges the struggle over school financing in the years from the 1970s to the late 1990s as dramatically as New Jersey. In 1970 a lawsuit was brought against New Jersey's method of financing its public schools. The suit, *Robinson v. Cahill*, argued that children attending school in districts with low property values were at a strong disadvantage compared with children in more affluent areas, much as the *Serrano* plaintiffs argued in California. The New Jersey state constitution states that children should receive a "thorough and efficient system of free public schools." According to the plaintiffs, the extremely unequal funding of some schools meant that the system as a whole fell short of that constitutional mandate.[51]

New Jersey courts agreed with the plaintiffs, capped off by the state supreme court's ruling of 1973. The plaintiffs' argument contained a claim that equal protection was being violated, but the New Jersey Supreme Court did not agree. Regarding the education article in the state constitution, however, the high court ruled in the plaintiffs' favor. The court maintained in *Robinson v. Cahill* that the state's funding method violated the constitutional clause guaranteeing a "thorough and efficient system" of schools for the state's children. The wide disparities between the funding levels of different school systems in New Jersey meant that this was not being provided. In the long run, this reliance on a constitutional guarantee regarding education would have different implications than the reliance on

equal protection in California's *Serrano* decisions. In the short run, however, in the decision that became known as *Robinson I*, the court gave the legislature until the end of 1974 to develop a remedy for the unequal funding, and it had to be in place by July 1975. When the legislature delayed, the court extended its deadlines.[52]

By 1975, however, the New Jersey Supreme Court decided that it had waited long enough and developed orders for redistributing state funds. The legislature finally acted before the court's order went into effect, passing the Public School Education Act in the same year. The act provided a long list of educational goals, but it was not fully funded. The court approved the act while recognizing that it needed to be funded, and withheld full approval until it was actually in place so that its results could be examined. In the summer of 1976, the court shut the state's public school system down briefly because the legislature had not yet funded the act appropriately. The legislature, which had been opposing the governor's call for a state income tax to provide the needed funds, gave in after a week and created the income tax. State funding for elementary and secondary education rose by 40 percent between 1975–76 and 1976–77. By 1981 the New Jersey school budget was more than twice what it had been five years before. Where California achieved *relative* equalization—enough to satisfy the court system—by lowering funding (due largely to Proposition 13), New Jersey tried to achieve it by increasing funding.[53]

In New Jersey, however, wide disparities continued to exist among the funding levels of different school districts, and as a result a new court challenge to the financing system arose in 1981. The Education Law Center filed *Abbott v. Burke* on behalf of twenty students living and attending public schools in Camden and three other disadvantaged communities. The plaintiffs claimed that local property taxes still supplied the bulk of funding for public schools, and that as a result there were still large differences in funding levels between different school districts. To the plaintiffs, this showed that the school financing system was still in violation of the state constitution, because it did not provide them with a "thorough and efficient" education. (They also believed it violated the equal protection clauses of the state and federal constitutions.) In 1984, after a lower court had dismissed the case, an appeals court reversed the lower court's dismissal and sent the case back to the chancery division; in 1985, the state supreme court reversed the appellate court decision and sent the case to the state's commissioner of education. The commissioner subsequently rejected the idea that there is a strong relationship between per-pupil expenditure and the quality of education; subsequent educational reforms enacted in the late 1980s did not try to equalize funding across the state.[54]

By 1990 the case was again before the New Jersey Supreme Court, which unanimously ruled for the plaintiffs. "We find that under the present system the evidence compels but one conclusion: the poorer the district and the greater its need, the less the money available, and the worse the education. That system is neither thorough nor efficient," and therefore the Public School Education Act of 1975 was declared unconstitutional "as applied to poorer urban school districts." The court's *Abbott II* decision focused on students in twenty-eight of the state's poor school districts, and left much of the state's system intact. The court was very specific, stating that students in those school districts could benefit from a quality education, deserved to receive one, and that the state should spend as much for the basic education of those children as it did in the wealthiest districts. Unlike the commissioner of education, the court believed that money mattered. It stated that "the decisions regularly made by school districts, the Commissioner, and the Board are based on the premise that what money buys affects the quality of education"; as a result, the court agreed with "the conventional wisdom" that money was an important factor in educational quality. Money alone, however, would not suffice: "substantial, far-reaching change" was also required in the targeted districts. The shift in focus from the ruling in *Robinson I* in 1973 was dramatic. Then, students all deserved a basic, minimum level of education. The 1990 *Abbott II* ruling went far beyond that, implying that the state might have to spend *more* per pupil in disadvantaged school districts to provide something approaching legitimate equal educational opportunity.[55]

The New Jersey legislature responded to the court's ruling with the Quality Education Act of 1990, which it amended in 1991. The original act would have distributed more money from state coffers to disadvantaged school districts than to wealthier ones. After this met strong resistance around the state, however, Governor James Florio and Democrats in the legislature agreed to a revision that took one-third of the additional money that had been targeted to education and shifted it to relieve property taxes. In response, the Education Law Center asked the state supreme court to intervene and set a deadline for the legislature to develop a new plan to equalize funding. By the summer of 1992 the case was in court again, this time in superior court. In its defense, the state argued that the earlier ruling, that funding should be "guaranteed," should not be taken as literally as the plaintiffs believed. It admitted that the Quality Education Act did not create parity among all the state's school districts but believed that it had done enough to start things moving in the right direction. The superior court disagreed and found the Quality Education Act unconstitutional. In 1994 the state supreme court agreed in its *Abbott III* ruling, but in recognition of the increase in funding to poor districts since 1990, the court announced it would intervene only if the state did not reach "substantial equivalence" by 1997.[56]

But the persistence of the Education Law Center, and the resistance of New Jersey politicians to requests to fully equalize funding (and antagonize many of the state's voters in the process), meant that both sides were soon back in court. In 1996 the state supreme court denied a motion by the plaintiffs, partly because the legislature was debating how to change the school finance system. After passage of the Comprehensive Educational Improvement and Financing Act of 1996, the plaintiffs renewed their motion. This time the New Jersey Supreme Court agreed to hear the case. In May 1997 the court again found for the plaintiffs, ruling the state's new effort unconstitutional. The court pointed out that the state had had seven years since the *Abbott II* ruling to equalize funding, and more than two decades since *Robinson I*, and had still failed to do so. Tired of waiting, the court called for allocating several hundred million dollars in additional funds to disadvantaged school districts by September. The state's next efforts focused on both whole-school reform and more equitable funding, and finally met the court's approval, although the court did order the state to provide more extensive kindergarten and preschool programs. Most observers thought that *Abbott v. Burke* had finally come to an end. But when the state moved slowly to make kindergarten and preschool classes more readily available in twenty-eight "special needs districts," the Education Law Center went back to court.[57]

A Push for Adequacy: Courts and Legislatures in the 1990s

In the midst of the New Jersey saga, the 1980s ended with the legal tide in school finance cases turning in favor of plaintiffs. In 1989 and 1990 five different state high courts ruled on whether their state's school funding methods were constitutional, and only one court (Wisconsin) upheld the existing method. Along with New Jersey, courts in Texas, Kentucky, and

Montana ruled against the ways in which schools were financed. Perhaps partly because of these triumphs by plaintiffs, the 1990s saw "a new wave of litigation" that expanded the kinds of issues raised in discussing state school funding methods.[58]

In Kentucky, a court ruling led to an overhaul of the state's public school system that went far beyond funding issues. In *Rose v. Council for Better Education, Inc.*, the plaintiffs claimed that Kentucky's method of financing its schools violated the state constitution, which stated that the legislature was to provide "an efficient system of common schools." The lower court agreed, even writing that many of Kentucky's children were "suffering from an extreme case of educational malnutrition." The case was appealed to the Kentucky Supreme Court, which agreed with the lower court's ruling and then went well beyond it by declaring the *entire Kentucky public school system* to be unconstitutional.[59]

The Kentucky legislature's response was a far cry from the New Jersey legislature's reluctance. The Kentucky Education Reform Act of 1990 not only changed how the state's elementary and secondary schools were financed, it also changed how they were governed, and sought to improve student achievement through a variety of coordinated measures. By 1993 school funding had risen by 19 percent (adjusted for inflation). At least as important, equity between districts had improved, with the advantage the highest per-pupil expenditure areas had over the lowest dropping from 2.5 times to 1.6 times. (One of the ways the legislature raised funding was by increasing the state sales tax.) By the late 1990s there had been impressive changes in the structure of Kentucky's educational system, although practice in classrooms was changing less rapidly.[60]

The impact of the Kentucky Supreme Court's ruling was felt in other states throughout the 1990s. The greatest effects have been seen in Alabama and Massachusetts, where courts "have directly followed the Kentucky precedent" by declaring their state's public schools to fall short of state constitutional guarantees. Both states even used the Kentucky Supreme Court's ruling about what an adequate education entailed.[61] Significant changes in school financing were not limited to courts and legislatures in the 1990s. In 1994 Michigan voters approved a fundamental change in how the state's public schools were financed. They voted to replace property taxes with an increase in the state sales tax and cigarette tax. The new system also included minimum per-pupil spending amounts and placed upper limits on what school districts could spend.[62]

New Jersey is not the only state where efforts to make school funding more equitable have moved back and forth from courts to legislatures over several decades. Sizable disparities among the funds available to different school districts still existed in California in the 1990s. On several occasions a number of school districts joined forces to take the state to court. In one instance, more than one hundred school districts joined together, but they dropped their lawsuit because they were unable to raise the necessary money. (Meanwhile, the state appropriated $1.8 million to fight the prospective lawsuit.) In 1979 the West Virginia Supreme Court described the overarching goals that an acceptable public school system would seek to meet. Four years later a lower court approved the educational "master plan" of the state's legislature and education department. By 1997, however, the state's supreme court was again involved, ruling that the plan had not been completely followed and ordering that it had to be followed the next year.[63]

In Ohio in 1991, plaintiffs filed a lawsuit charging that their schools were not providing an adequate education. The court ruled in their favor, depending on the Kentucky ruling describing an adequate education. (In the 1970s the Ohio Supreme Court had denied a challenge to the state's school funding approach that had been based on an equity argument.) The case was appealed to the state's highest court, which ruled for the plaintiffs in 1997, criticizing the state's dependence on property taxes and giving the legislature a year to adopt a better school funding approach.[64] The Ohio legislature's response did not start by looking at how to make funding more equitable, however. Instead, it replied more to the lower court's argument about an adequate education than to the supreme court's ruling regarding equitable funding. The legislature used what is known by some as the "successful schools" approach. This method seeks to identify schools with student test scores that are well above average, adjusted for the composition of the student body. The state's foundation level of funding is then based on the per-pupil average within those successful schools.[65]

One of the greatest ongoing differences between schools in wealthy districts and those in disadvantaged districts is the state of their buildings. America's school buildings are, in many instances, in a state of desperate need. By the mid-1990s there was a need for well above $100 *billion* in repairs, and that figure has undoubtedly grown since then. On average, local taxes pay for about four-fifths of the construction of new school buildings. Given the limited wealth of some communities, this clearly increases inequity between school districts. Many states do pass school construction bonds, which account for the remaining 20 percent of construction funding. While helpful, however, that 20 percent is not nearly enough to make up for the tremendous disparity between what wealthy districts and disadvantaged districts can afford to spend on school buildings. In 1994 an Arizona court addressed this issue, ruling the state's school financing system unconstitutional because it did not provide more equitably for educational facilities. In a subsequent decision the Arizona Supreme Court, by a three-to-two margin, refused to limit its ruling to building and maintenance issues because it saw them as symptomatic of broader problems in the state's public schools. Over the next three years, the court rejected two different school financing plans the state legislature developed in response.[66]

By the late 1990s, nearly twenty state courts had found the school funding mechanisms within their states to be unconstitutional, and lawsuits were ongoing in a number of other states, including New York.[67] While lawsuits have usually not managed to lead to truly equitable public school systems, even in the states where courts found state finance systems unconstitutional, they have had an impact. State attempts to reduce inequality between school districts have succeeded somewhat, estimated in the range of 19 percent to 37 percent. They are also believed to have led to approximately a 12 percent increase in per-pupil spending in low-income school districts, and a smaller increase in moderate-income school districts. And of course they have led to some reduction in local control of public schools.[68]

The ironic thing about all the efforts within states such as New Jersey to create more equitable funding among their school districts is that there may be even greater inequality *between* states than there is *within* states. One estimate holds that well over half of the variation in spending per student across the nation comes from the differences between states, not the differences between wealthy and poor districts within individual states. The gap between states diminishes somewhat if the different costs from one state to another are taken into account (land, construction costs, and teacher salaries all run far higher in New York than in rural states, for example), but it remains a major reason for the differences between school districts' budgets.[69]

The shift of focus in court cases in the 1990s, from equity to adequacy, is a promising one for the future of disadvantaged students. Equity cases tend

to focus on educational inputs, while adequacy cases tend to focus more on educational outcomes (how students are actually performing).[70] Given the uncertainty about the effects of greater inputs, effort focused more on what schools achieve with their students is likely to lead to greater impacts on student achievement. Kentucky may show the difference between equity and adequacy most clearly. If the main concern is equity, all students should have somewhat similar educational opportunities, but those do not have to be very impressive. As in California in the 1980s, the gap between rich districts and poor districts can be closed by leveling funding, even if that means shifting both funding and the quality of education downward. (Other equity cases have led to more spending in low property-wealth districts, however; the problem in California was related to Proposition 13, not just reliance on the equity argument.)

In cases where adequacy is required by courts, however, there may be a greater likelihood that school funding will be leveled upward. When adequacy is defined as meaning all children should be provided with a school that gives them a legitimate chance at educational success, it can lead to more financing and school reform in ways that equity cases have not. But the two issues overlap; Paul Minorini and Stephen Sugarman are correct to argue that the difference between the two approaches is not necessarily very large.[71]

History clearly shows that a court ruling ordering a legislature to change how schools function does not mean that huge changes will result. Court rulings about education are often resisted by legislatures, by school officials, or by significant portions of the public. Resistance to *Brown v. Board of Education* (and to subsequent local court orders that established busing) is the most well known example, but there was also considerable resistance in some places to school funding rulings that called for more equitable treatment. New Jersey is probably the most obvious example of how legislatures and the voting public can effectively resist court decisions, but similar roadblocks have been thrown up elsewhere. And the effects of Proposition 13 in California are a striking example of how other factors can make court rulings almost irrelevant.

What about in schools themselves? What difference does money make? The evaluation evidence is not completely clear-cut. In the 1980s, Eric Hanushek's work was considered close to definitive, and Hanushek himself became a major figure in school finance cases. In the 1990s, however, Hedges, Greenwald, and Laine performed several meta-analyses that show per-pupil expenditures do make a real difference in student achievement, and their work is more rigorous and compelling than Hanushek's. Both sides of the debate, however, would probably agree that money does not solve a school's problems by itself; it has to be used intelligently. For many schools in disadvantaged communities, or with student populations where large percentages of the children live in poverty, more money is necessary but clearly not sufficient. At any rate, the evidence about whether money matters has played a generally limited role in school finance decisions. Legal arguments have played a far greater role, as has evidence about the disparity between the funding levels of different school districts. Furthermore, many judges have relied more on what seemed to them the obvious connection between money and quality of education than on expert testimony one way or the other.

In a way, the debate over whether money matters is misleading; it is about whether an extra few hundred dollars per child will have a meaningful impact on a school that already has buildings, teachers, and resources. But suppose one were to make a more radical comparison, between a school that has only a few hundreds dollars per student and one with tens of thousands of dollars per student. In the first case, school might consist of hundreds of students in one leaky auditorium, lectured at by an inexperienced teacher, without textbooks, a library, or computers to broaden their educational experience. In the second case, classes might hold only a handful of students each, taught by people with years of teaching experience, with advanced lab equipment and a computer for every student. Taken to such extremes, it becomes obvious that money does not just matter, it matters a great deal. In the real world, however, increases in funding will generally be by hundreds of dollars per student, not thousands, and many different programs compete for that extra money.

Every issue in this book is, in a very real way, partly about money. Chapter 1 shows that Head Start, an extremely popular program with mixed evaluation results, has never reached anywhere near the "full funding" status promised by the twentieth century's last two presidents. Chapter 2 shows the difficulty of finding successful methods for teaching language-minority children; at the least, such methods probably will require highly trained teachers and small classrooms, both of which are expensive. Chapter 3 shows that smaller classes, which are the most expensive of the issues detailed in this book, also have the strongest support in the evaluation literature. Chapter 4 shows that the debate over whether to promote children

automatically or retain them in a grade if they are not advancing quickly enough is something of a false issue; the real need seems to be more extensive help as children start to fall behind, which is another very expensive offering. And there are any number of educational reforms not discussed in this book, many (but not all) of which cost money. We need to know which have the most impact on what kind of student, and we need to know how various reform possibilities interact. To have the kind of quality schooling many of us *claim* we want for all children, we will need to spend more money than we do now. But we cannot spend infinite amounts, so we need to know what will pay off most regularly and most effectively.

Even if the evidence were to become crystal clear about how to build superb schools in every school district, it would be an extraordinarily difficult thing to do, in part because the financing of schools would remain, fundamentally, a political issue. To increase school budgets, taxes have to be increased somewhere; should they be local property taxes, or state sales or income taxes, or should the federal government greatly increase its contribution? How can the public—most of which does not have children of school age—be convinced that more money should go to schools rather than their own more direct needs? Perhaps the first step is wider recognition by politicians and citizens that, while money will not automatically make a difference, it is a necessary component of any true educational reform, especially when it comes to our most troubled schools.