

**WWS 594f**  
**Political Economy of Education Finance**

Tuesday 7-10 PM  
014 Robertson Hall

**Course Outline**

Providing primary and secondary education absorbs over 20% of state and local government expenditures in the U.S. This provision is done in a highly decentralized way through more than 14,000 school districts that rely on resources from local, state, and (to a lesser extent) federal sources. The magnitude of spending needs and the large disparities in economic capabilities across school districts create great challenges for financing public education. Financing schools has become an arena for debate not only about education but also about redistribution. This course studies the political, legal, and economic challenges involved in education finance and the diverse ways being attempted to cope with them.

Many of the readings for the course are collected in the following volume, which is on reserve in Stokes Library and is also available for purchase at Labyrinth Books:

- Helen F. Ladd and Edward B. Fiske, eds. *Handbook of Research in Education Finance and Policy*, Routledge, 2008. [Call no.: LB2824 .H36 2008]

The following are also on reserve in Stokes Library:

- Allan Odden and Lawrence O. Picus, *School Finance: A Policy Perspective*, 4<sup>th</sup> ed., McGraw-Hill, 2008. [Call no.: LB2825 .O315 2008]
- Martin R. West and Paul E. Peterson, eds., *School Money Trials: The Legal Pursuit of Educational Adequacy*, Brookings, 2007. [Call no.: KF4155 .S36 2007]
- John Yinger, ed. *Helping Children Left Behind: State Aid and the Pursuit of Educational Equity*, MIT Press, 2004. [Call no.: LB2825 .H38 2004]

Additional readings are available on the Blackboard web site of the course.

The issues to be investigated involve the interaction of political, economic, and legal considerations. To a large extent, the emphasis among these will be driven by the interests of the participants in the course. In addition to class participation, the main deliverable in the course will be an oral class presentation that will address a particular aspect of the education finance situation: either as a general problem or in light of the policies of a particular state. More details on this assignment will be available at the beginning of the course.

### **Topical outline**

The outline below provides a road map for the topics to be covered.

Main readings are indicated by \*. Supplementary readings will be provided to class participants who wish to pursue specific topics in greater depth.

### **I. Introduction and Overview**

The structure of K-12 public education finance in the U.S.; overview of main issues

Ladd and Fiske:

\* Chapter 1, Springer, Houck, and Guthrie, "History and Scholarship Regarding United States Education Finance and Policy"

\* Chapter 3, Koski and Hahnel, "The Past, Present and Possible Futures of Educational Finance Reform Litigation"

Chapter 17, Gordon, "The Changing Federal Role in Education Finance and Governance"

\*Corcoran, Romer, and Rosenthal, "The Troubled Quest for Equality in School Finance", available on Blackboard under Course Materials

\* "Some Rich Districts Get Richer as Aid is Rushed to Schools", *New York Times*, 22 March 2009

### **II. The Political Economy of Decentralized School Finance**

The political economy of education as a locally provided collective good funded by local resources as well as funds from state and federal governments; intergovernmental aid as a mechanism for providing resources to school districts and for redistribution

Ladd and Fiske:

\* Chapter 15, Picus, Goertz, and Odden, "Intergovernmental Aid Formulas and Case Studies"

Yinger:

\* Chapter 1, Yinger, "State Aid and the Pursuit of Educational Equity: An Overview"  
Appendix B, "Guide to State Operating Aid Programs"

### **III. Concepts and Measurement of School Finance Equity and Adequacy**

Ladd and Fiske:

\* Chapter 12, Baker and Green, "Conceptions of Equity and Adequacy in School Finance"

\* Chapter 13, Downes and Stiefel, "Measuring Equity and Adequacy in School Finance"

#### **IV. School Finance Litigation**

The courts as a venue for school finance reform

- \* West and Peterson, “The Adequacy Lawsuit: A Critical Appraisal,” available on Blackboard under Course Materials
- \* Briffault, “Adding Adequacy to Equity”, available on Blackboard under Course Materials
- \* Hanushek, “The Alchemy of ‘Costing Out’ ”, available on Blackboard under Course Materials

#### **V. Impact of Finance Reform**

How has school finance reform affected various aspects of education finance and outcomes?

Ladd and Fiske:

- \* Chapter 19, Corcoran and Evans, “Equity, Adequacy, and the Evolving State Role in Education Finance”
- Chapter 21, Downes and Figlio, “Tax and Expenditure Limits, School Finance, and School Quality”

Fischel, “Did *Serrano* Cause Proposition 13?”, available on Blackboard under Course Materials

Card and Paine, “School Finance Reform, the Distribution of School Spending, and the Distribution of Test Scores”, available on Blackboard under Course Materials

Many of the chapters in Yinger deal with case studies of reform in various states