



School Finance & Equal Educational Opportunity

Bruce D. Baker
Rutgers University



Political Backdrop

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"We spend more than any other state in the country,"

"It ain't about the money. It's about how you spend it – and the results."



[Except for that rectangle that sits on top of Colorado]



<http://blogs.wsj.com/metropolis/2014/02/11/cuomo-on-education-funding-lawsuit-it-aint-about-the-money/>

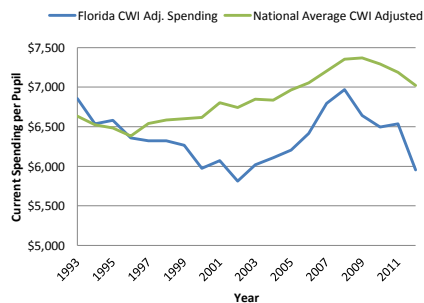
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"We're spending a lot of money on education, and when you look at the results, it's not great."



Florida School Spending 1993-2012



http://blogs.orlandosentinel.com/news_politics/2011/10/s-cott-anthropology-and-journalism-dont-pay-and-neither-do-capes.html

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Rep. Dave Brat (R-VA)

<http://thinkprogress.org/education/2015/02/13/3623158/brat-education-plato/>

"Socrates trained Plato in on a rock and then Plato trained in Aristotle roughly speaking on a rock. So, huge funding is not necessary to achieve the greatest minds and the greatest intellects in history."
[sic]



The 4 Legged Stool of Denial

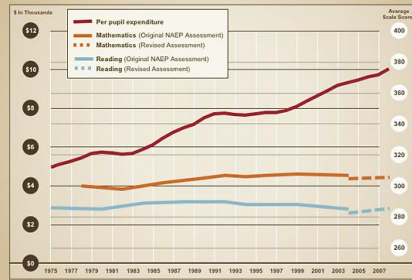
- **Leg 1:** Vote-counting tallies of dated, crude statistical studies of correlations between spending and outcomes
 - Misrepresentations of Coleman Report
 - The Hanushekian *Cloud of Uncertainty* (& cycle of self-citation)
- **Leg 2:** Misleading tales of fiscal disaster
 - Kansas City (deseg) & New Jersey
 - [add Wyoming, Kentucky, Massachusetts?]
- **Leg 3:** The Graph
 - Doubling/tripling spending & NAEP “virtually” flat
- **Leg 4:** The Graph – International version
 - US spends more than other countries, but does worse on PISA

Public Discourse & “The Graph”

From Junkcharts.typepad.com

“Using double axes earns justified heckles but using two gridlines is a scandal! A scatter plot is the default for this type of data. (See next section for why this particular set of data is not informative anyway.)”

How Much We've Been Spending VS. How Well We've Been Doing

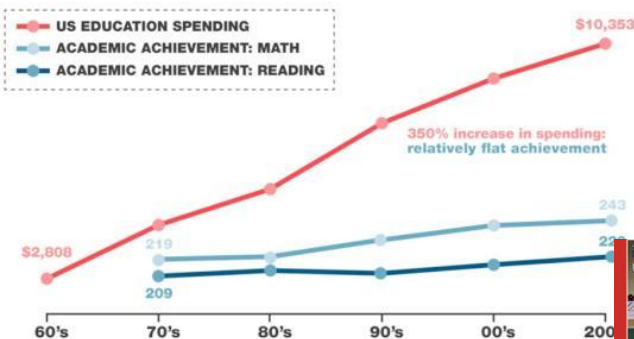


“Our student achievement has remained virtually flat”

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THE GRAPH Rhee-vised!

U.S. Spending and Achievement



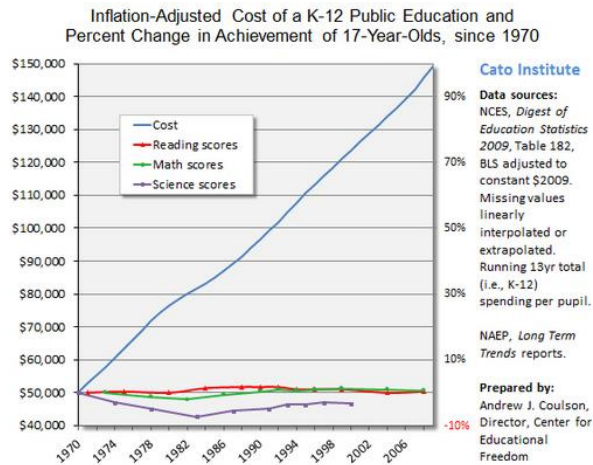
studentsfirst A movement to transform public education

Source: U.S. Department of Education, National Education Statistics and NAEP Long Term



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THE GRAPH-Extreme (Cato) Edition!

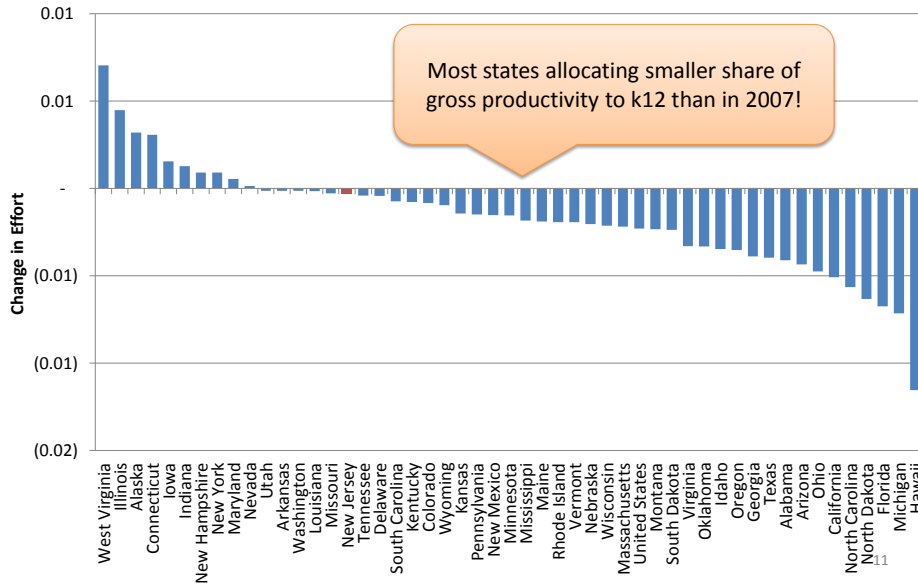


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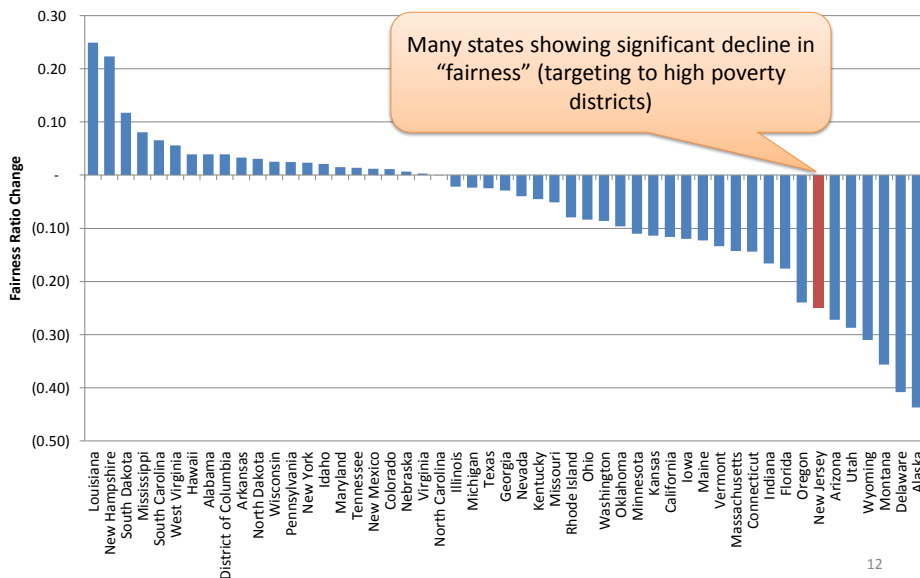
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THE STATE UNIVERSITY
OF NEW JERSEY

The Great Recession & State School Finance Systems

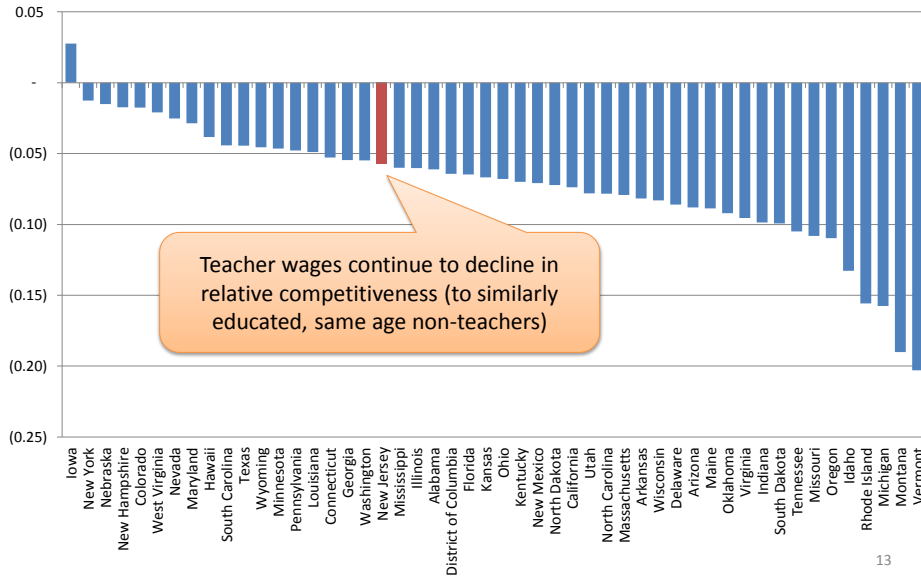
Change in State Effort Ratio 2007 to 2012



Change in Spending Fairness Ratio 2007 to 2012

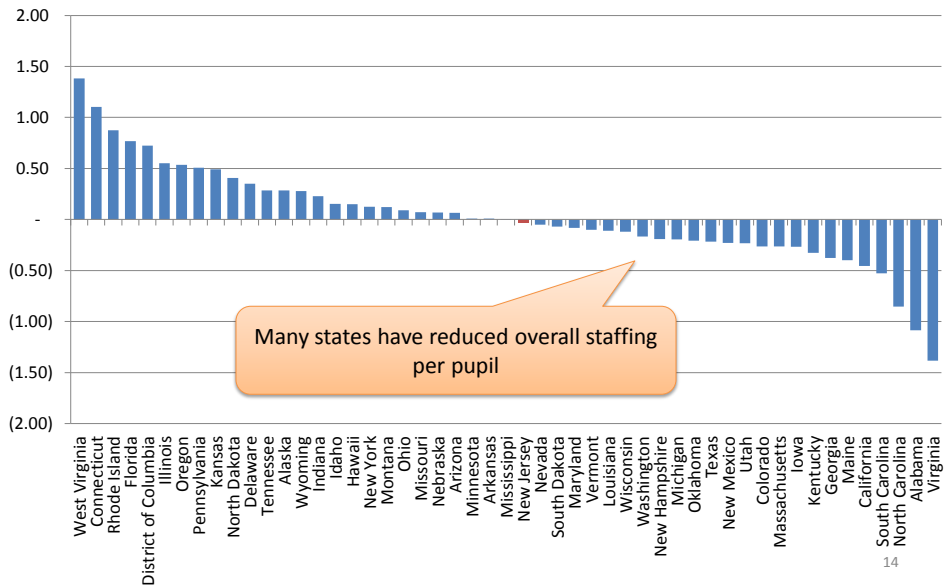


Wage Competitiveness Change from 2007 to 2012



13

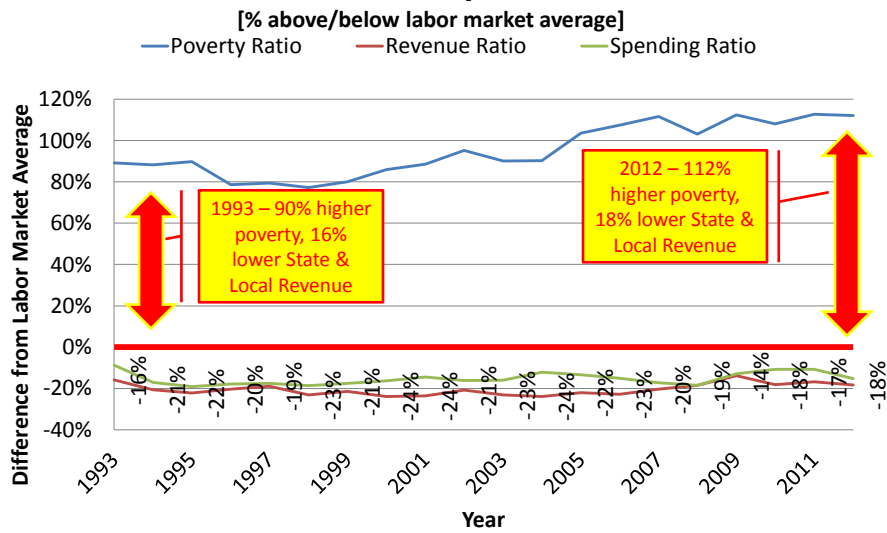
Change in Teachers per 100 Pupils



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Persistent Deprivation

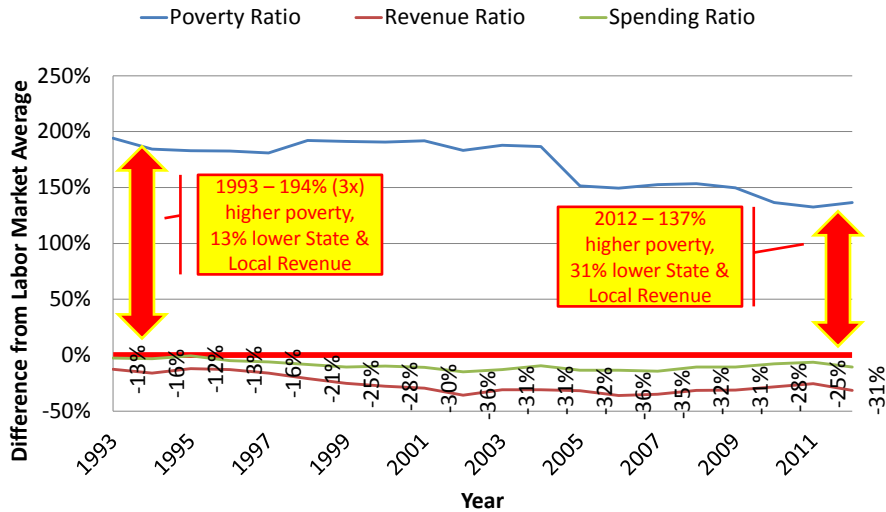
Philadelphia



Data Sources: U.S. Census Bureau Fiscal Survey of Local Governments (F-33: <http://www.census.gov/govs/school/>) & Small Area Income and Poverty Estimates (<http://www.census.gov/did/www/saipe/data/schools/data/index.html>)

Reading, PA

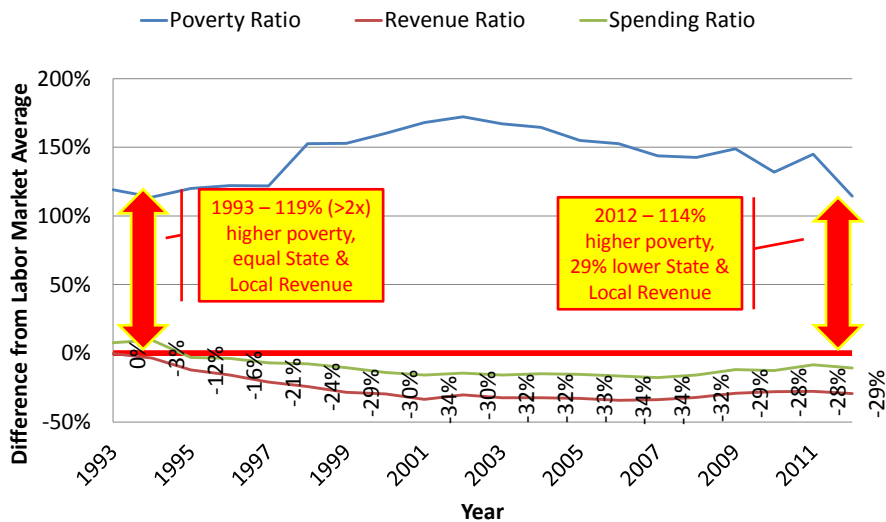
[% above/below labor market average]



Data Sources: U.S. Census Bureau Fiscal Survey of Local Governments (F-33: <http://www.census.gov/govs/school/>) & Small Area Income and Poverty Estimates (<http://www.census.gov/did/www/saipe/data/schools/data/index.html>)

Allentown, PA

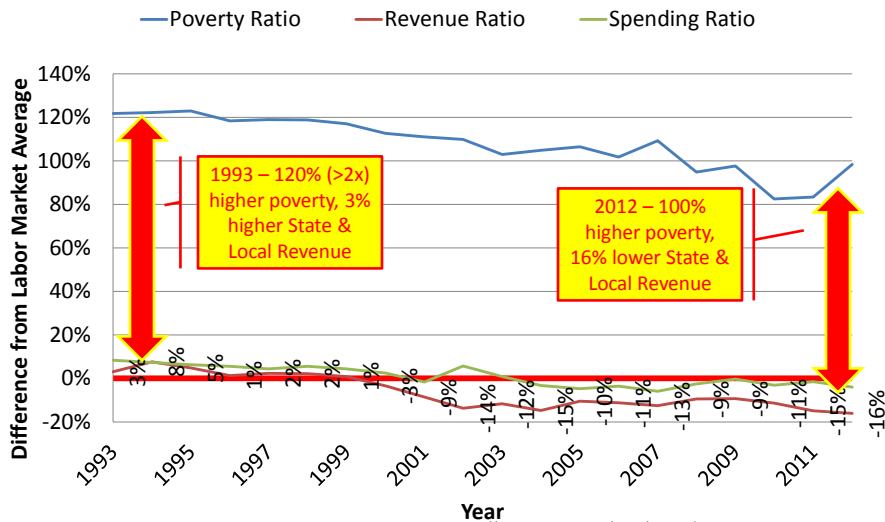
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Data Sources: U.S. Census Bureau Fiscal Survey of Local Governments (F-33: <http://www.census.gov/govs/school/>) & Small Area Income and Poverty Estimates (<http://www.census.gov/did/www/saipe/data/schools/data/index.html>)

Utica, NY

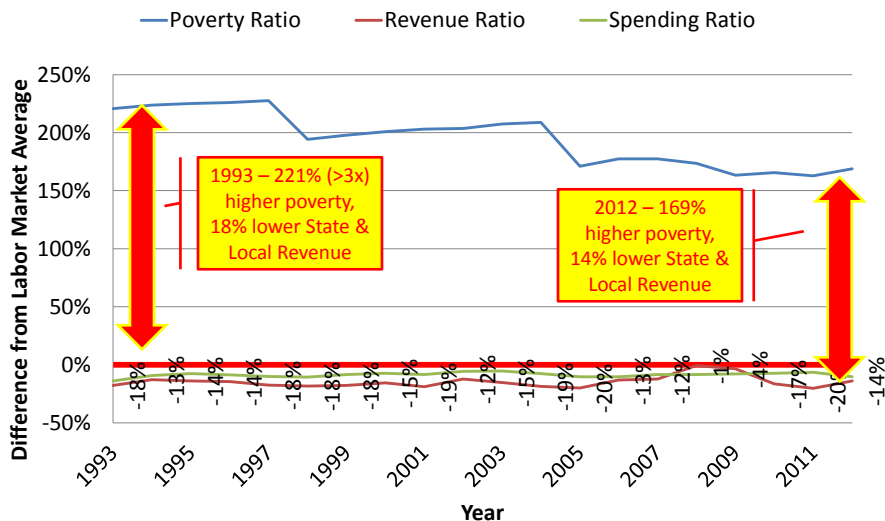
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Bridgeport, CT

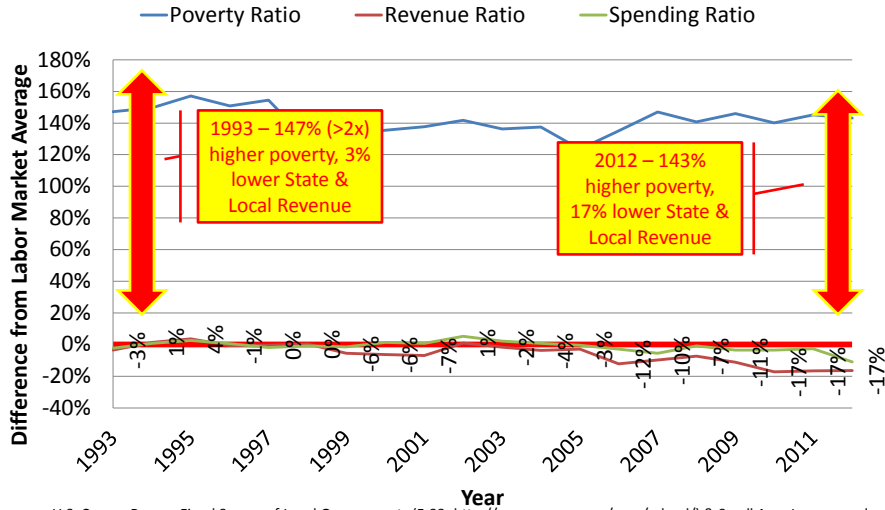
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Data Sources: U.S. Census Bureau Fiscal Survey of Local Governments (F-33: <http://www.census.gov/govs/school/>) & Small Area Income and Poverty Estimates (<http://www.census.gov/did/www/saipe/data/schools/data/index.html>)

New Britain, CT

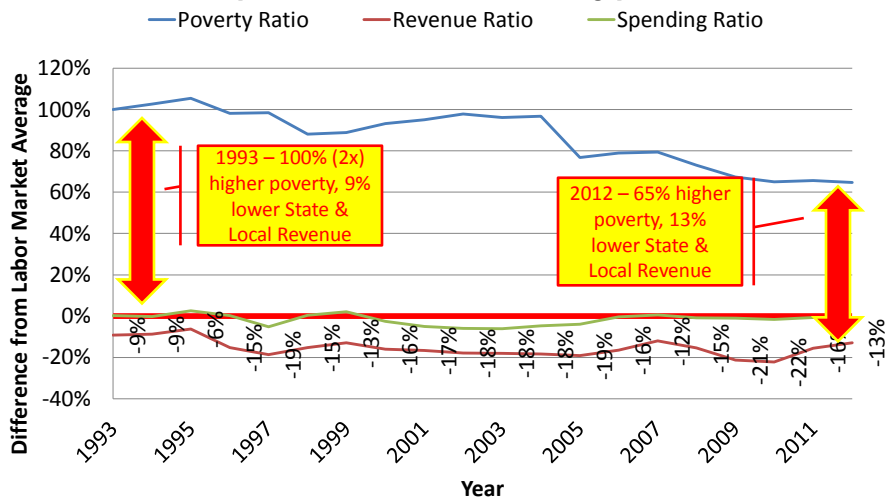
[% above/below labor market average]



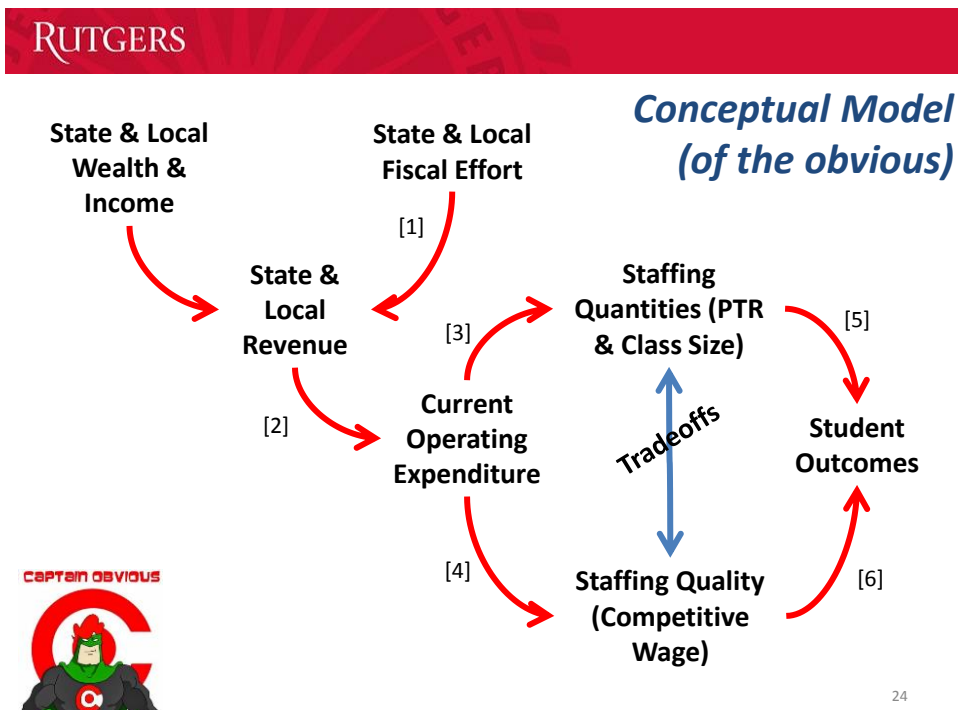
Data Sources: U.S. Census Bureau Fiscal Survey of Local Governments (F-33: <http://www.census.gov/govs/school/>) & Small Area Income and Poverty Estimates (<http://www.census.gov/did/www/saipe/data/schools/data/index.html>)

Chicago

[% above/below labor market average]

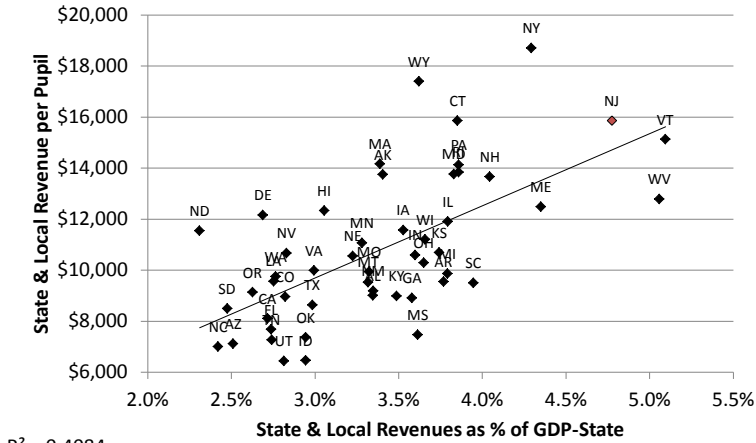


Data Sources: U.S. Census Bureau Fiscal Survey of Local Governments (F-33: <http://www.census.gov/govs/school/>) & Small Area Income and Poverty Estimates (<http://www.census.gov/did/www/saipe/data/schools/data/index.html>)



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Relationship between Effort and Revenue
2011-12



States applying more "effort" tend to have higher funding levels!

CAPTAIN OBVIOUS



State & Local Fiscal Effort

[1]

State & Local Revenue

25

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As revenue climbs, so does per pupil spending, and as revenue falls...

CAPTAIN OBVIOUS

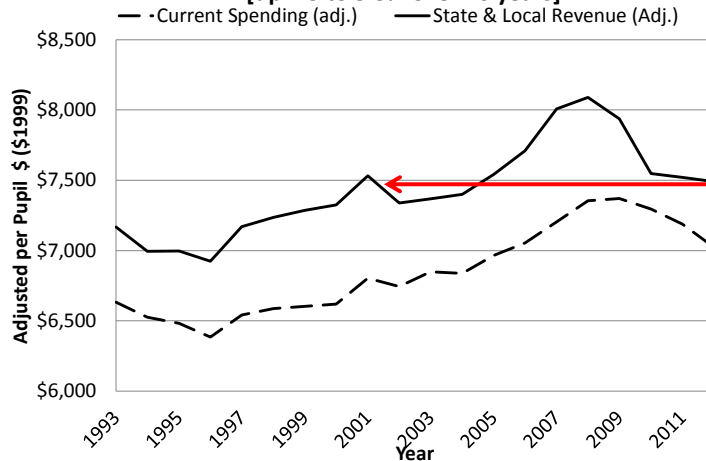


State & Local Revenue

[2]

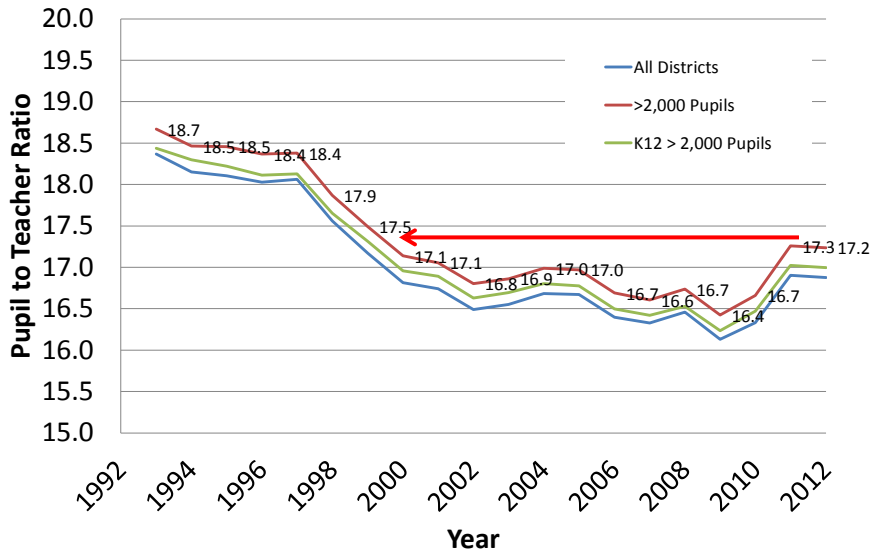
Current Operating Expenditure

Input Price Adjusted Revenue and Spending
[up 4.5 to 5.5% over 20 years]



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Pupil to Teacher Ratios over Time



Staffing Quantities (PTR & Class Size)

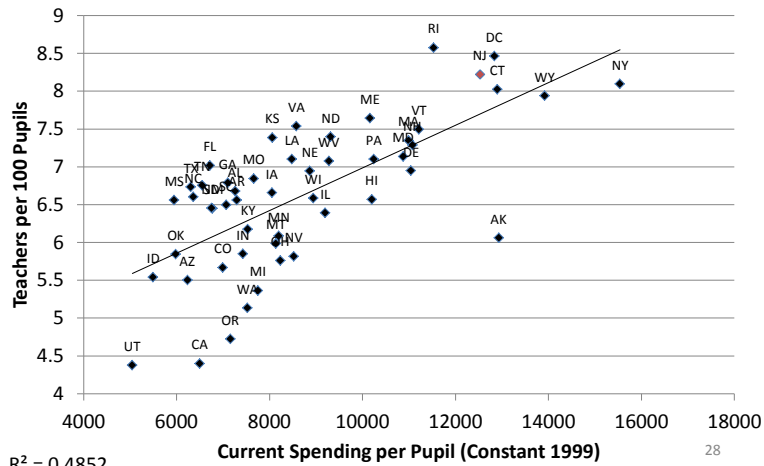
[3] 
Current
Operating
Expenditure

Higher
spending
leads to
more
teaching
staff!

Captain Obvious



Spending Levels and Staffing Levels 2011-12



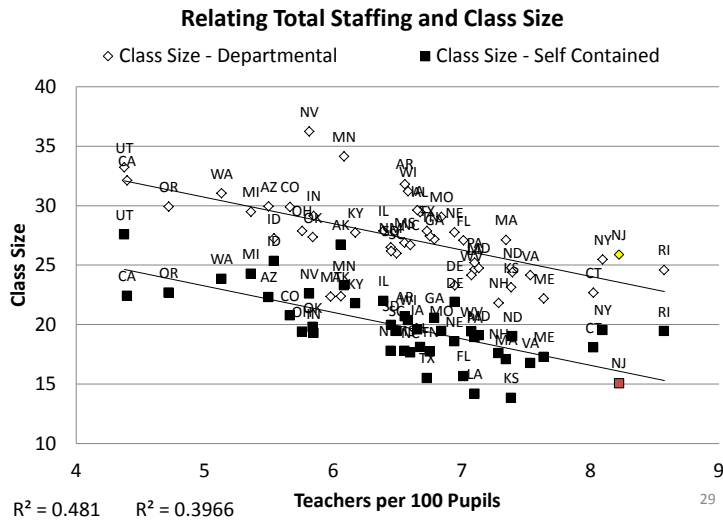
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Staffing Quantities (PTR & Class Size)

[3]
Current
Operating
Expenditure

More staff
leads to
smaller
classes!

CAPTAIN OBVIOUS



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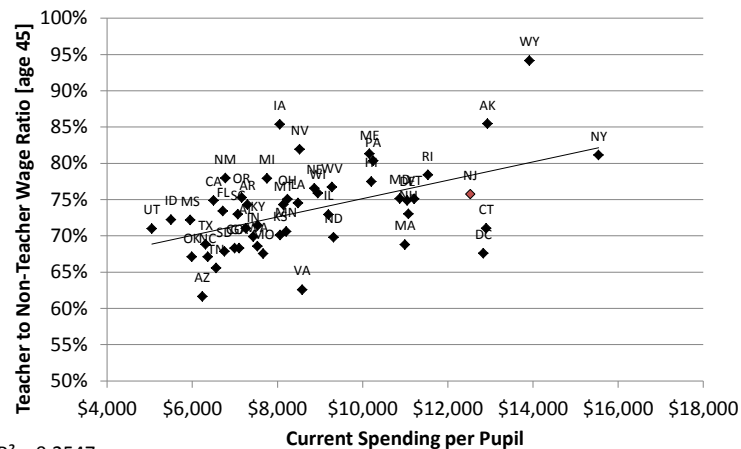
Spending Levels & Competitive Wages

Higher
spending
leads to
more
competitive
teacher
wages!

CAPTAIN OBVIOUS



Current
Operating
Expenditure



[4]
Staffing Quality
(Competitive
Wage)

30

