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It's Elementary

A Monthly Column by EFAP Director John Yinger

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Money Matters in Education

In a recent editorial in the Wall Street Journal, Professor Eric Hanushek of Stanford University, a well-known education scholar, criticizes the decisions of the state courts in *Campaign for Fiscal Equity v. New York*.^[1] “Extensive experience and scientific study shows that simply providing more money to schools is not likely to be a very effective policy,” Professor Hanushek writes. “There is no reason to expect student achievement in New York City to improve if such a spending policy were enacted.”

This statement mis-characterizes both the court decisions and the scientific evidence. No court involved in this case has ever said that the state of New York must

“simply provide more money” to New York City. Indeed, the court decisions emphasize the need for accountability, and nothing in these decisions prevents elected official in the state from implementing strong accountability provisions along with the required additional funding.^[2]

Moreover, scholars have provided extensive evidence that it costs more money to provide the same quality education in a district with a high concentration of disadvantaged students, such as New York City. Indeed, after reading Professor Hanushek’s op-ed, one would think that he has never visited a high-poverty school. He has not seen the extra spending required for remedial programs to make up for the fact that many of the students’ families cannot afford books or computers or high-quality pre-school programs. He has not seen the extra nursing expenses that arise because so many children lack health insurance and do not make regular visits to the doctor. He has not seen the inability of high-poverty schools to attract the best teachers because the wages they can pay do not come close to compensating teachers for the poor facilities and the difficult working conditions. How does Professor Hanushek think that New York City will be able to reduce class sizes and to implement remedial programs, health programs, safety programs, counseling programs, and programs to attract and retain high-quality teachers—steps that are needed for them to raise student performance—if they do not have additional funds?

Much of Professor Hanushek’s op-ed is dedicated to criticizing the consultants’ reports that estimated the cost of an adequate education in New York City. I share some of his concerns about these reports. However, Professor Hanushek does not offer an alternative methodology, and he fails to acknowledge that methods developed in the scholarly literature yield cost-of-adequacy estimates that are similar to those of these consultants.^[3] This

literature shows clearly that school districts with more disadvantaged students must spend more than other districts to obtain the same level of student performance. It also shows clearly that, holding school district characteristics constant, a higher level of student performance requires higher spending per pupil.

Professor Hanushek declares that “Setting appropriate education funding amounts for New York, or any other state, is beyond the authority of science.” Here, again, he mischaracterizes the issue. Of course one cannot use scientific methods to determine the level of student performance that a school district should provide. As applied to education, the scientific method is designed to specify and test hypotheses about human behavior. Normative questions, such as determining the right target for student performance cannot be answered by looking at the evidence. Nevertheless, science has an important role to play in this debate. Once public officials have selected the target level of student performance, the question of how much it costs to reach this performance level can be addressed using scientific methods. It is irresponsible to declare that this step is “beyond the authority of science” and to turn it entirely back to public officials. The job of a social scientist is not to run from issues that are difficult or that have been addressed by flawed consultants’ reports, but is instead to make the best use of scientific tools and available evidence to inform the debate on scientific questions. These questions include determining what it costs various school districts to achieve a given level of student performance.

This framework exactly fits the *CFE* case. According to the state’s highest court, the New York State constitution requires the state to ensure that every student receives a “meaningful high school education, one which prepares them to function productively as civic participants.” This normative decision is beyond the reach of science. But scholars can

estimate how much it would cost for each school district to achieve this level of education performance.

Don't be fooled by unsupported claims that money doesn't matter. Extensive scientific evidence demonstrates that money matters in education in New York, as in every other state. Don't be fooled by criticisms of consultants' reports in the *CFE* case. Calculating the cost of achieving a given student performance target is a scientific question and scholars have a responsibility to show how this question can be answered using existing scientific techniques and available information.

[1] Eric A. Hanushek, "The Cost of an 'Adequate' Education," *Wall Street Journal*, October 9, 2006, p. A19.

[2] Accountability programs were the subject of my column in February 2006.

[3] On both of these points see William Duncombe, Anna Lukemeyer, and John Yinger, 2004, "Education Finance Reform in New York: Calculating the Cost of a 'Sound Basic Education' in New York City," Center for Policy Research Policy Brief 28/2004, Syracuse University, Syracuse, New York. Available at: <http://www-cpr.maxwell.syr.edu/pbriefs/pb28.pdf> . These issues were also discussed in my columns in November and December 2004 and January 2005. A detailed response to Professor Hanushek's criticism of costing out can be found in William Duncombe, "Responding to the Charge of Alchemy: Strategies for Evaluating the Reliability and Validity of Costing-Out Research," *Journal of Education Finance*, Fall 2006.