

## Schoolhouses, Courthouses, and Statehouses

**June 16, 2009**

**TERRY MOE:** Hello, Rick, I see that you have a new book out. Could you tell us about it?

**ERIC HANUSHEK:** I am happy to do so. This is a book I wrote with Alfred Lindseth entitled *Schoolhouses, Courthouses, and Statehouses: Solving the Funding-Achievement Puzzle in America's Public Schools*. Al is a lawyer, and the genesis of the book was time we spent together in court cases involving school finance. In the course of our work, we became convinced that many people did not understand the issues surrounding school funding. As state budgets get worse, this lack of understanding becomes increasingly important.

**TERRY MOE:** It is an intriguing subtitle for your book—*Solving the Funding-Achievement Puzzle in America's Public Schools*. Where does that come from?

**ERIC HANUSHEK:** The puzzle we address in the book is how we as a nation could dramatically increase spending on schools without seeing any improvement in achievement. The American public has for a long time been very interested in schooling and committed to supporting schools. This probably started with the launching of Sputnik, when the nation was shocked to see the Russians beat us into space. It picked up a full head of steam with the 1983 government report, *A Nation at Risk*. That report used emotional language to make the case that our schools needed improving. Since that report, public interest and support for schools has not wavered, and this has given states considerable latitude to work toward improvement.

The story, however, is not a good one. We have been able to trace consistently the performance of 17-year-olds in math, reading, and science since about 1970. While there has been some wiggling in scores on these tests, the overwhelming picture is that performance today looks almost identical to that in 1970.

Matched against this, spending per pupil between 1960 and today has almost quadrupled, after controlling for inflation. We have increased spending in just the ways advocated by many people. We have dramatically reduced class sizes. We have increased teacher education so that a majority of current teachers have masters' degrees. And we have a very experienced workforce. All of these cost more. But, unfortunately, research shows that none contributes much if anything to student achievement.

**TERRY MOE:** You include discussions of courts. Why is that?

**ERIC HANUSHEK:** Many people do not realize how important the courts have been in educational funding and policy. Since the 1970s, when the California court case of *Serrano v. Priest* elevated issues of local funding of schools, courts across the nation have been involved in issues of funding. By now, only five states have managed to avoid

court cases about the constitutionality of their school funding formula. The first cases involved the equitable distribution of funds, but more recent cases have focused on how much money is spent. These cases, labeled educational adequacy cases, have concentrated on the level of funding and have worked to push more funds into schools. The argument is straightforward. Student tests show that numbers of students in each state are not “proficient” by state standards, and thus it is argued that the cause must be insufficient resources.

**TERRY MOE:** This sounds to a political scientist like a breakdown in the separation of powers. Isn't the appropriation of funds the role assigned to legislatures and not the courts?

**ERIC HANUSHEK:** You are correct. My interpretation, however, is that these are not really constitutional cases. We do have an educational crisis. The governors and legislatures have not done a good job at dealing with this, so a number of courts appear to have come to the conclusion that they should do what they can to help out.

**TERRY MOE:** How have they done?

**ERIC HANUSHEK:** Unfortunately, as we show in *Schoolhouses, Courthouses, and Statehouses*, the courts have not done much to help. They have led to some huge funding increases—such as we saw in Kansas City in the '80s and '90s or in Wyoming or in New Jersey. But student achievement has not really responded to this funding. Indeed, it is quite ironical that the legislatures, while they have not done much to improve student achievement, have done a good job at putting ever more resources into the schools. When the courts decide that the legislatures have failed in the constitutional responsibilities, they also try to solve the problem with more funds.

**TERRY MOE:** Should we view this as hopeless? You say that neither our elected officials nor the courts have found a way to improve student performance. Is it time to give up?

**ERIC HANUSHEK:** We do not think it is hopeless. Our thinking is clear. First, we just have to get the incentives right. We have to focus relentlessly on what we care about—student achievement. Those who contribute to higher student achievement should be rewarded, not punished. Second, we have to integrate funding and policy. Many people want to separate the two, but this causes problems. Separation denies use of one of the powerful levers to improve outcomes. And it often leads to the introduction of perverse incentives.

**TERRY MOE:** Just what do you have in mind when you talk about perverse incentives?

**ERIC HANUSHEK:** The simplest is how we treat failing schools. Many states including our own state of California have introduced policies where failing schools, those at the bottom of the performance distribution, get significantly greater resources. But, if they improve, they lose these extra funds. In other words, the state rewards failure

and punishes success. An additional example would be the way we pay teachers. The single salary structure rewards only experience and masters' degrees, but research shows that these are not systematically related to effectiveness in the classroom. On the other hand, being an effective teacher, having expertise in a shortage area such as math or science, or being willing to teach in difficult to staff schools brings no rewards.

**TERRY MOE:** How would you change things?

**ERIC HANUSHEK:** There is actually a fairly straightforward prescription. Define what you want students to know, give local schools and parents the freedom and capacity to succeed, measure performance, and reward those who contribute to success. There are of course a number of details that we fill in with the book, but the idea is getting the incentives right. If we don't pay attention to student outcomes—as is the current situation—we have no hope of improvement.

**TERRY MOE:** One last question. This sounds like you are calling for pretty major changes. Do you think there is any chance of this happening?

**ERIC HANUSHEK:** I know that there is a lot of resistance to parts of this, particularly where we call for performance pay and for more school choice. But I am optimistic. First, I think the public recognizes the importance of improving our schools. Second, I believe that current school personnel and current unions realize that the public no longer is convinced that they are doing a good job. This is leading them to consider how they might adjust their positions to gain more public support.