

The Court's Gift to Spitzer

By ERIC HANUSHEK | November 28, 2006

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Now that the state Court of Appeals has once and for all settled the New York City school finance lawsuit, state and city officials must soon initiate the next necessary discussion, which should prove much more interesting — about what needs to be done to improve the city's schools.

The 13-year-old Campaign for Fiscal Equity suit — perhaps the most important national case about school finance — claimed that funding of city schools was inadequate to provide a sound basic education. The additional funding for city schools provided by earlier court rulings once looked like it might reach \$5.6 billion per year, but the state's highest court last week held this to just \$1.93 billion. If fully appropriated, this would bump up annual per pupil spending by \$1,800.

Most discussion of the latest Court of Appeals ruling as well as of the previous court battles has focused on the required additional funding, especially on the \$5.6 billion in funding that state Supreme Court Justice Leland DeGrasse ordered last year. To put that amount in perspective, consider that the annual K-12 spending in each of 26 states is less than \$5.6 billion. While the \$1.93 billion in the Court of Appeals ruling is still a large sum, it is small relative to the amounts already pumped into the city's schools over the last decade.

But the plain fact is that last week's ruling will not fix New York City's schools — and wouldn't have even if it had ordered the outlandish \$5.6 billion.

The fundamental problem remains that the children of New York City and of the state's other urban centers are not achieving at desirable levels. The tragically high rate of students who drop out of the state's urban schools and the low academic achievement of those who remain are issues that cannot be ignored — and will not be resolved simply by putting more money, spent in the same ineffective ways, into the system. New York City schools already spend more per student than three-quarters of the states in the nation. The problem is not spending but performance.

The high court has given Governor-elect Spitzer a gift. He will not have to follow through on his pledge to settle the funding matter, a near impossible task if that figure had been in the \$5 billion range. He still faces, however, an important, and perhaps more difficult, mission. He must now enter into the policy debates of how the schools will actually be improved. Without court pressure, few people are likely to jump on the "more-of-the-same" bandwagon championed by the Campaign for Fiscal Equity and its advocates.

Extensive evidence indicates that falling back on the old standbys of smaller classes and higher pay for teachers will not, by themselves, yield significant improvements in student outcomes. It is time to consider some more fundamental, and more radical, solutions. The current system is marked by two problems:

- (1) The performance of the system is opaque, so that few people can accurately judge which schools and which teachers are performing well.
- (2) There are few, if any, incentives for teachers and administrators to lift student performance. Somebody doing an exceptional job can expect the same career advancement and the same rewards as somebody doing a dreadful job.

The mayor has argued forcefully that he is accountable to the electorate (a fact that is, at this point in what is his final term, no longer true), and therefore no new accountability should be mandated with the funding. But with over 1,200 schools and 1.1 million students to oversee, broad, citywide accountability cannot effectively

indicate where improvements are needed.

The mayor, the governor-elect, and the legislature must consider their complicity in the poor performance of the city schools. They have permitted and reinforced policies that eschew any rewards for good performance and that insulate the system from repercussions for bad performance. It is time to introduce real accountability and performance-based rewards to the state's education system.

The Court of Appeals should be commended for getting out of a business that it is not equipped nor meant to handle — deciding the specifics of school spending and policy. Last week's ruling clearly places the onus of policymaking where it ought to be: in the hands of the elected decision makers for the city and the state. For New York's schools to be saved, these people must change the focus to student outcomes, and away from continued wrangling over funding.

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