E10.2902: FINANCING SCHOOLS: EQUITY AND ADEQUACY IN PUBLIC EDUCATION
NEW YORK UNIVERSITY
SPRING 2007

Professor: Sean P. Corcoran
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Lecture: Thursdays, 6:45 – 9 p.m. (3 credit hours)
Location: 246 Greene Street, Room 301

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Office hours: Mondays 5 – 6:15 p.m.
Thursdays 5 – 6:30 p.m.
or by appointment

COURSE DESCRIPTION
This course introduces the concepts, structure, practice, economics, and public policy of elementary and secondary school finance in the United States. A particular focus of the course will be on the measurement of equity and adequacy in school funding and the individual state policies designed to meet these objectives. We will examine the causes and consequences of legislative and court-ordered finance reform, and their impact on the level and distribution of school spending, student achievement, and other educational outcomes.

Part of the course will be devoted to case studies of individual state school finance systems, with an entire class meeting devoted to school finance in New York and the Campaign for Fiscal Equity case. Other topics include: the link between school finance and accountability, school-level resource allocation, facilities financing, and international differences in school funding practices.

PREREQUISITES
A prior introductory course in statistics, econometrics, or quantitative methods is recommended. An undergraduate or graduate course in microeconomics would be beneficial, but is not required (I will assume you have no training whatsoever in economics). If you are concerned about your preparation for this course, please see Prof. Corcoran at the beginning of the semester.

TEXTBOOKS AND READINGS

Required Texts

Optional Text

Additional readings will be assigned from book chapters or journal articles from a variety of sources (a reading list follows, but this is subject to minor changes). Most if not all of the journal articles are available for download through the NYU Library e-journal portal, provided you are connected via a campus PC or are logged in with your NetID, at: http://library.nyu.edu/collections/find_ejournals.html. In most cases I will provide copies of readings, or direct links to the article source, on Blackboard.

The bulk of our class discussion will focus on the assigned readings, so please prepare for each meeting by reading the assigned articles before class.
Course Requirements

Your grade for this course will be determined as follows: two problem sets (15% each for a total of 30%), a written case study of a state school finance system or reform (30%), an in-class midterm (20%) and final exam (20%). To pass the course, you must submit all problem sets and the case study.

The problem sets are designed to give you practice with the analytical tools introduced in class, and thus will be assigned early in the semester. Many concepts will be introduced in the first half of the course that are key to your success in the remainder of the course.

The written case study will be due in class on April 5. More details on the requirements for this written analysis will be provided at a later date (the final product will be about 20 pages plus any accompanying tables and graphs). You will be asked to spend 10-15 minutes during that class to formally present your case study to the class for discussion.

Blackboard

All materials pertaining to this course (lecture notes, readings, problem sets, handouts, etc) will be made available via Blackboard, which can be accessed through NYUHome (home.nyu.edu). Enrollment in the course should automatically give you access to the Blackboard site for the class. Check in with Blackboard frequently for new announcements, lecture notes, readings, and the like.
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<td>Lecture 2: Concepts and Measurement of Equity and Adequacy</td>
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<td>February 1</td>
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<td>April 26</td>
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<td>THURSDAY May 3rd 8 – 9:50 p.m.</td>
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READING LIST
**Subject to Change**

(*) = required, all others are recommended readings that will be discussed in the lectures

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**Lecture 1**

**Introduction to School Finance in the United States**

**School Finance Litigation: From Equity to Adequacy**

(*) Odden and Picus chapters 1-2:
   - Chapter 1: Introduction and Overview to School Finance
   - Chapter 2: Legal Issues in School Finance


Yinger, chapter 2. (“Financing a Constitutional Education: View from the Bench,” by Anna Lukemeyer).

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**Lecture 2**

**Concepts and Measurement of School Finance Equity and Adequacy**

(*) Odden and Picus chapter 3:
   - Chapter 3: A Framework for Assessing Equity and Adequacy


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Lecture 3
The Structure of School Finance Formulae

(*) Odden and Picus, chapters 4-6:
   Chapter 4: The Public Finance Context
   Chapter 5: School Finance Structures: Formula Options
   Chapter 6: Adjustments for Student Need, Education Level, Scale Economies, and Price

(*) Yinger, chapter 1. ("State Aid and the Pursuit of Educational Equity: An Overview,” by John Yinger).

Yinger, Appendices A – B.

Lecture 4
Public Choice and Local Demand for School Spending


Lecture 5
The Incentive Effects of School Finance Formulae


Lecture 6
School Finance Reform—Effects on Spending, Student Achievement, and District Behavior


Midterm Examination

Lecture 7
School Finance Reform—Case Studies

(*) Odden and Picus, chapter 7:
  Chapter 7: Improving State School Finance Systems

To be divided among the class for discussion:
(*) Yinger, chapter 6. Kentucky (Flanagan and Murray).
(*) Yinger, chapter 7. Michigan (Cullen and Loeb).
(*) Yinger, chapter 8. Texas (Imazeki and Reschovsky).

Yinger, chapter 5. Kansas (Duncombe and Johnston).

**A bibliography of additional state-specific research will be distributed in class to aid in the preparation of your written case study.
Lecture 8
School Finance in New York and the Campaign for Fiscal Equity


(*) New York State Education Department (2000) State Aid to Schools: A Primer.


Student Presentations of State Case Studies

Lecture 9
What is an Adequate Level of Resources? Cost Studies and Alternative Approaches, Accountability, and “Weighted Student Funding”

(*) Yinger, chapter 3.
Chapter 3: Funding and Accountability: Some Conceptual and Technical Issues in State Aid Reform


Lecture 10
Resource Allocation at the District, School and Classroom Levels

(*) Odden and Picus, chapters 9-10:
Chapter 9: Allocation and Use of Funds at the District, School, and Classroom Levels
Chapter 10: Using Education Dollars More Wisely


(Last Class Meeting)

Lecture 11
Financing Educational Facilities (or School Finance—an International Perspective)

(*) Odden and Picus, chapter 11.

Yinger, Appendix C.