

Think tank: adequacy studies don't prove need for more money

by William Murchison

With political leaders wavering as to the need for another special legislative session on school finance, the state's principal conservative policy research group is drawing attention to one of the biggest hindrances to unraveling the finance conundrum.

The hindrance in question: Policymakers disagree not only on the means of apportioning new funds to local school districts but also as to the question of whether new funds would produce better outcomes.

The Austin-based Texas Public Policy Foundation's chief economist says recent studies of "adequacy" in education spending are all over the map in terms of assessing how well particular school districts function under present funding formulas.

The discrepancies, writes **Byron Schlomach** in a newly published policy analysis, proceed from different methodological approaches, all of which "yield dramatically different results."

Schlomach's study for TPPF critiques in detail the Legislature's recent "Adequacy Study,"

Patterson/from 2

That's why the members of your profession [journalism] need to be doing what they are doing. Even including *The Fort Worth Star-Telegram*.

LSR: Once you ink the deal, is the name of the people leasing the land, is all that stuff made public?

Patterson: Yes.

LSR: So it wouldn't be real hard for journalists to see whether all the land deals are going to campaign contributors.

Patterson: Well, it wouldn't be. And, of course, it doesn't mean that I won't take a contribution from Wal-Mart. It's just like anything else. The Sierra Club is all upset with me because a big oil and gas outfit down on Padre Island been a contributor to my campaign.

I'm intending to seek more contributions from them... I'm drilling for gas on Padre Island because they gave me money — that's what the Sierra Club says. I'm doing a deal with Wal-Mart because they might give me some money in the future. Those things don't even bother me. People can say what they want. I don't care. ★

We welcome your leads, suggestions and comments. Please contact us at 512/832-4702, Fax 832-9905 or e-mail lsr@lonestarreport.org.

which the economist calls "the best analysis available to inform a redesign of the state's current school finance system." Schlomach says the study, produced by Texas A&M researchers, cannot for all its merits "justify a claim that more money is required for improvement in Texas' education system."

He points to a portion of the study just made public, ranking school districts according to their *relative* inefficiency. The researchers compare a school district's actual costs to costs they have predicted on the basis of student performance, numbers of low-income students, and numbers of limited English-proficient students, among other indicators of likely inefficiency.

"The lower the actual costs compared to the predicted," as Schlomach summarizes the methodology, "the more efficient is a district."

The adequacy study contrasts with another study using different methodology, Schlomach says. The second study, he says, known as Jaggia/Vachharanji after its principal authors, also engages in predictive methodology. It "compares a district's student passage rate to its statistically predicted student passage. The higher the rate compared to the predicted, the more efficient is a district."

Yet another study by economists **Richard Vedder** and **Joshua Hall**, undertaken for the TPPF itself, begins with the average cost of educating students who actually pass, not fail, the Texas Assessment of Knowledge and Skills. "Lower costs per passing student," as Schlomach summarizes the methodology, "are more efficient, and the districts are ranked accordingly."

As illustrations of how different methodologies produce different results, Schlomach cites findings in the adequacy and Jaggia/Vachharajani studies concerning the Arlington and Ector County independent school districts."

Arlington, says Schlomach, "is ranked in the bottom half of districts in the adequacy study ranking, in the top third in the Jaggia ranking, and in the top fifth in the Vedder/Hall ranking. Ector County is even more varied, ranked in the two two percent in the adequacy study ranking, in the bottom tenth in the Jaggia ranking, and in the top third in the Vedder/Hall ranking.

"There are districts ranked roughly the same by all three, others where two of the rankings agree but the other is very different. Any two rankings might agree on some districts but not on others."

To Schlomach the meaning is plain: "[D]ifferent sophisticated methodologies yield dramatically different results. A third different, just as intellectually defensible, sophisticated methodology looking at school efficiency would likely yield yet more wildly different results. Also likely is that the Vedder/Hall ranking would have more in common with any ranking produced by a new highly complex method than would any two rankings produced by a multitude of various complex rankings."

Schlomach's analysis of the studies bears down on lack of correlation between level of spending and pupil performance — a prime contention for decades among scholars doubtful that extra spending buys better student performance.

The Hoover Institution's **Roger A. Freeman** more than three decades ago likened claims of a higher spending/better outcomes relationship to the search by medieval alchemists for the means of turning base metals into gold. Such scholars tend to see far closer connections between achievement and parental oversight of student homework and classroom participation.

Schlomach quotes a current Hoover scholar, **Eric Hanushek**, as arguing that "The distribution of spending across districts is only vaguely related to the amount of learning provided in different communities."

He urges that the Legislature "acknowledge the mounting evidence that Texas spends enough on public education. It should produce a simple definition of basic funding based on what we can afford using comparisons not just across Texas districts, but with other states and other nations. The Legislature should recognize that student success is much more dependent on how schools spend rather than how much they spend."

The "adequacy/efficiency" debate arises from the state's constitutional obligation (Article 7, Section 1) to provide "an efficient system of free public schools." The Texas Supreme Court, in the original Edgewood case, in 1989, held the finance system of that time unconstitutional on grounds that it failed to ensure efficiency.

Policymakers have argued ever since the question of what makes schools efficient. Teacher unions regularly hurl themselves into the battle, pressing claims for higher teacher pay, on grounds that better salaries make for better teachers, hence better classroom results. ★

