

Department of Educational Administration
Michigan State University
Spring 2004

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EAD 951A Educational Finance

Course Requirements

The course requirements include regular attendance and participation in classes. The course will be conducted primarily on a seminar format, so completion of assigned readings prior to the class meeting in which they will be discussed is essential. Grades for this course will be determined by the following weighting of your work.

3 short papers (10% each) Papers due on 2/5, 2/20, & 4/1.	30%
Major paper Due 4/27	50%
Presentation of research	10%
Class participation	10%

I will distribute a guide for the paper assignments.

Readings

Ronald Fisher (1996). *State and Local Public Finance*, 2nd edition, Chicago: Irwin.

Other required readings are available on the Internet, as indicated in the reading list, or on a CD, available from the College of Education Copy-Print Center.

Course Outline and Reading Assignments

Readings marked (*) are optional

1/15 **Introduction and Overview**
No assigned readings

1/22 **Demand for Local Public Services: Determinants, Collective Choice, Residential Sorting**

Fisher, Chs. 3-5.

1/29 **Education Cost Determinants I**

Fisher, Ch. 7.

William Duncombe and John Yinger (1999). Performance standards and instructional cost indexes: You can't have one without the other. In Helen Ladd, Rosemary Chalk and Janet Hansen, eds. *Equity and Adequacy in Education Finance: Issues and Perspectives*. Washington, DC: National Academy Press. Ch. 8. Read pp. 260-282. Available at: <http://www-cpr.maxwell.syr.edu/efap/publications/perfstds.pdf> Read only pp 1-29.

William Duncombe and John Yinger (2003). Does school district consolidation cut costs? Center for Policy Research, Syracuse University, working paper.

2/5 **Public Sector Cost Determinants II: Private Contracting**

Mackinac Center for Public Policy (2003). Back to school with privatization. *Michigan Privatization Report*. Fall. Available at:

<http://www.mackinac.org/archives/2003/mpr2003-02.pdf>

Mildred Warner and Robert Hebdon (2002). Local government restructuring: Privatization and its alternatives. *Journal of Policy Analysis and Management*, 20(2), Spring, pp. 315-336. Available at <http://www3.interscience.wiley.com/cgi-bin/issuetoc?ID=79502495>

Yolanda Kodrzycki (1998) Fiscal pressures and the privatization of local services. *New England Economic Review*, Federal Reserve Bank of Boston, January/February, pp. 39-50. Available at: www.bos.frb.org/economic/neer/neer1998/neer198c.pdf

(*) Elliott Sclar (2000). *You Don't Always Get What You Pay For: The Economics of Privatization*, Ithaca: Cornell University Press. Paperback edition published by the Century Foundation.

(*) F. Howard Nelson and Nancy Van Meter (2000). What does private management offer public education? *Stanford Law & Policy Review*, 11(2), pp. 271-289.

2/12 **The Allocation and Use of Education Funds**

Alan Odden and Lawrence Picus (2000). *School Finance: A Policy Perspective*. New York: McGraw Hill. Ch. 6: "Allocation and use of funds at the district, school and classroom levels."

Alan Odden, Sarah Archibald, Mark Ferminick, and Betheny Gross (2003). Defining school-level expenditure structures that reflect educational strategies. *Journal of Education Finance*. 28(3), Winter, pp. 323-356.

Margaret Goertz and Alfred Hess (1999). Process and power in school budgeting across four large urban school districts. *Journal of Education Finance*, 23, Spring, pp. 490-506.

David Arsen (2000). Resource allocation in Michigan charter schools. *Journal of School Business Management*, 12(3), Fall, pp. 8-15.

(*) Diane Pan, Zena Rudo, Cynthia Schneider, Lotte Smith-Hanson (2003). *Examination of Resource Allocation in Education: Connecting Spending to Student Performance*. Southwest Educational Development Laboratory, Research Report, April.

(*) Margaret Goertz and Gary Natriello (1999). Court-mandated school finance reform: What do the new dollars buy? In Helen Ladd, Rosemary Chalk and Janet Hansen, eds. *Equity and Adequacy in Education Finance: Issues and Perspectives* Washington, DC: National Academy Press. Ch. 4, pp. 99-135.

2/19 **Sources of Educational Funds and Property Tax Capitalization**

Alan Odden and Lawrence Picus (2000). *School Finance: A Policy Perspective*. New York: McGraw Hill. Ch. 3: "The public finance context." Read only pp.79-97.

Fisher, Ch. 13.

Michael Addonizio (2000). Salvaging fiscal control: New sources of local revenue for public schools. Ch. 8 in N. Theobald and B. Malen, eds., *Balancing Local Control and State Responsibility for K-12 Education*. 2000 Yearbook of the American Education Finance Association. Larchmont, NY: Eye on Education.

John Yinger, Howard Bloom, Axel Borsch-Supan, and Helen Ladd (1988). *Property Taxes and House Values*. New York: Academic Press. Chs. 1 and 7.

(*) W. Bogart and B. Cromwell (1997). How much more is a good school district worth? *National Tax Journal*, pp. 215-232. Available through <http://www.ntanet.org>.

(*) D. Figlio and Maurice Lucas (2000). What's in a grade? School report cards and house prices. National Bureau of Economic Research Working Paper No. w8019, November.

2/26 Individual consultations on student research projects.

3/4 **Systems of State Aid to Education**

Alan Odden and Lawrence Picus (2000). *School Finance: A Policy Perspective*. 2nd edition. New York: McGraw Hill. Ch. 2 "Equity and Adequacy Frameworks in School Finance."

Kern Alexander and Richard Salmon (1995). *Public School Finance*. Boston: Allyn and Bacon. Ch. 9: "Structure of state systems of school finance."

Ronald Fisher and Leslie Papke (2000). Local government responses to education grants. *National Tax Journal*, 53(1), March, pp.153-168. Available through <http://www.ntanet.org> (On right side of page, click on "NTJ Full Text Articles")

Spring Break

3/18 Case: School Finance Reform in Michigan

David Arsen and David Plank (2003) *Michigan School Finance under Proposal A: State Control, Local Consequences*. East Lansing: The Education Policy Center at Michigan State. Available at: [http:// www.epc.msu.edu](http://www.epc.msu.edu).

Charles Ballard (2003). Overview of Michigan's revenue system. Ch 25 in C. Ballard, et al. *Michigan at the Millennium*. East Lansing: Michigan State University Press.

Naomi Feldman, Paul Courant, and Douglas Drake. (2003) The property tax in Michigan. Ch. 28 in C. Ballard, et al. *Michigan at the Millennium*. East Lansing: Michigan State University Press.

L.E. Papke (2003). Public pensions and pension policy in Michigan. Ch.20 in C. Ballard, et al. *Michigan at the Millennium*. East Lansing: Michigan State University Press.

(*) C. Philip Kearney and Michael Addonizio (2002). *A Primer on Michigan School Finance*. (Fourth edition) Detroit: Wayne State University Press

3/25 Tax and Expenditure Limitations

William Duncombe and John Yinger (2000). Alternative paths to property tax reform. Center for Policy Research, Syracuse University, Working Paper, March. Available at: http://www-cpr.maxwell.syr.edu/efap/publications/alternative_paths_%20paper.pdf
Read only pages 1-14

Terry Sexon, Steven Sheffrin and Arthur O'Sullivan (1999). Proposition 13: Unintended effects and feasible reforms. *National Tax Journal*, March, pp. 99-111. Available through <http://www.ntanet.org>.

Thomas Downes and David Figlio (1999). Do tax and expenditure limits provide a free lunch? Evidence on the link between limits and public sector service quality. *National Tax Journal*, March, pp. 113-128. Available through <http://www.ntanet.org>.

4/1 Centralization of School Finance and Educational Adequacy

William Evans, Sheila Murray, and Robert Schwab (1997). Toward increased centralization in public school finance. Ch 5 in R. Fisher, ed., *Intergovernmental Fiscal Relations*, Boston: Kluwer

William Koski and Henry Levin (2000). Twenty-five years after Rodriguez: What have we learned? *Teachers College Record*, 102(3), June, pp. 480-513.

Andrew Reschovsky and Jennifer Imazeki (2001). Achieving educational adequacy through school finance reform. *Journal of Education Finance*, 26, Spring, 373-396

(*) William Duncombe and John Yinger (1998). Financing higher standards in public education: The importance of accounting for costs. Center for Policy Research, Syracuse University, Working Paper No. 10/1988, February. Available at: <http://www-cpr.maxwell.syr.edu/pbriefs/pb10.pdf>

(*) William Duncombe (2002). Estimating the cost of an adequate education in New York. Center for Policy Research, Syracuse University, Working Paper No. 44, February. Available at <http://www-cpr.maxwell.syr.edu/cprwps/pdf/wp44.pdf>

(*) Thomas Parrish and Jean Wolman (1999). Trends and new developments in special education funding: What states report. In T. Parrish, J. Chambers and C. Guarino, eds., *Funding Special Education*. Thousand Oaks, CA: Corwin Press. Ch. 9, pp. 203-229.

4/8 **Financing School Infrastructure**

Faith Crampton (2003). Unmet school infrastructure funding need as a critical educational capacity issue: Setting the context. Ch. 1 in F. Crampton and D. Thompson, eds. *Saving America's School Infrastructure*. Greenwich, CT: Information Age Publishing.

Catherine Sielke (2003). Financing school infrastructure needs: An overview across the 50 states. Ch. 2 in F. Crampton and D. Thompson, eds. *Saving America's School Infrastructure*. Greenwich, CT: Information Age Publishing.

Catherine Sielke (1998). Michigan school facilities, equity issues, and voter responses to bond issues following finance reform. *Journal of Education Finance*, 23, pp. 309-322.

(*) Eric Brunner and Kim Rueben (2001). Financing new school construction and modernization: Evidence from California. *National Tax Journal*, 54(3), September, pp.527-540. Available through <http://www.ntanet.org>.

(*) Fisher, Ch. 10.

(*) National Center for Education Statistics. *Condition of America's Public School Facilities: 1999*. Washington, D.C., 2000.

4/15 **Fiscal Aspects of Economic Development**

Fisher, Ch. 22.

Timothy Bartik (1995). Economic development strategies. Discussion Paper, The Upjohn Institute. Available at <http://www.upjohninst.org/publications/wp/> (find working paper 00095-033; click on "Full Text")

Timothy Bartik, Peter Eisinger, and George Erickcek (2003). Economic development policy in Michigan. Ch.14 in C. Ballard, et al. *Michigan at the Millennium*. East Lansing: Michigan State University Press.

4/22 Individual student consultations

4/29 **Student Paper Presentations**