

BOOK REVIEW:

Educational Economics: Where Do School Funds Go? By Marguerite Roza

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Educational Economics: Where Do School Funds Go? By Marguerite Roza

Author Bio:

Marguerite Roza received her BS from Duke University and her PHD in education from the university of Washington. Previously, Roza was a lieutenant in the US Navy where she taught thermodynamics. She also studied at the London School of Economics at the University of Amsterdam.

Roza's career has taken her from a position an associate professor at the University of Washington's College of Education to a senior scholar at the University of Washington's Center on Reinventing Public Education. Roza currently works as a Senior Data and Economic Advisor for the Bill and Melinda Gates Foundation U.S. Program.

Nationally recognized for her background and her expertise in research and data, her work examines education economics and the effects that fiscal policies have on students, classrooms, and schools. Her focus has been more specifically on the impact of education policies at all levels, local and government, on educational budgets and spending from the building level up to the district level.

Summary:

In *Educational Economics: Where Do School Funds Go?*, Roza takes a unique (and refreshing) approach to economics by writing in a very non-technical language that is accessible and clear, and by examining educational economics from a number of perspectives, including looking at district finances from a building-level perspective.

In this book, Roza tackles some difficult, necessary, and timely issues in education today. With everyone from the government down to individual households experiencing at least some level of fiscal strain, taking a close look at educational economics becomes increasingly urgent. In many areas of family finance, individuals have choices of what they spend their money on. Families in economic crisis can opt to eat out less, cut back on leisure expenses, or cut some unnecessary utilities. For the most part, taxes are unavoidable. However, one of the few taxes that people feel they have at least some control of are school taxes. Unfortunately, as Roza points out, no one really understands today's educational economics. The formulas and functional expenditures are so complex that Roza begins her book by admitting that there are no clear answers to the question: where do school funds go?

Some of the topics explored by Roza include; how much money is spent annually on students in the U.S., where the money actually ends up, and why. For example, we spend an average of 500 billion annually (9,000 average per pupil) on education, yet that \$9,000 is not distributed proportionally, or even by need as many would assume. For many complex reasons, school funding does not always end up where the community expects it to, or where schools and buildings want or need it to.

One issue is that government (state and federal) monies often mandate when, where, and on which students or programs their monies can be used. Other government funding may be less directly mandated but have strings attached that create "if/then" scenarios. This ties the hands of business officials, building, and district leaders who may recognize a specific, even urgent, area of need, but be unable to access government funds possibly ear-tagged for less necessary or urgent programs.

The unequal distribution of funds is not just a problem with government and its funding mandates. The misdirection of funds is also a result of district and building level teacher assignments related to seniority. The fact that teachers with more experience (and therefore higher salaries) tend to work in smaller (and often less academic) classes in middle- to high-income schools, leaving the newer, less experienced (and lower paid) teachers in the needier schools, educational funds tend to flow towards the schools and students who need it the least! This alone redistributes funds to the less needy, middle- to high-income schools where it is needed the least, incidentally putting more funds behind elective, Honors, and AP classes and less money funding core academics.

Roza also links the unequal distribution of funds to uniform teacher salary scales and to teacher unions protecting the inequalities of the highest paid teachers, as well as the parents of student in special interest groups benefiting those teachers who continue to support them. Not anti-teacher, Roza is simply making an observation that uniform teacher scales, that advance the pay of all teachers based on years and steps rather than merit, create a system in which individuals advance financially simply by being there.

Although Roza details these and other contributors to the fiscal inequality problem, her main argument is that these things have existed, and continue to exist, due to ignorance. Roza offers that the district office-level administrators are getting their information from building-level administrators who, in turn, are collecting their information from department chairs. At each level, the fiscal data is typically averaged, then merged with increasing contributions on the way up, each time averaged, until the numbers reaching the officials preparing and presenting the budgets are over generalized and inaccurate. For example, the special education department can submit their per-pupil expenditures, which is then added to the expense submissions of all other

departments (none of them as costly as special education). But when the numbers are merged and averaged for submission from building to district office, those extra expenses from special education mandates appear shared among all students in the building. This misinformation leads to misconceptions and, unfortunately, to faulty budgetary decisions.

While Roza does offer some possible school/finance reforms, she states that they are destined for failure because they target individual, specific problems. Roza concludes that the only way to address these problems is with sweeping reforms that restructure the entire system. This restructuring would call for more detailed accounting, less generalization, and much more transparency.

This book was especially relevant today due to the severe fiscal crisis being experienced by schools right here in NY and on Long Island, and of specific interest to me as my district is one of the ones hit the hardest and struggling the greatest. Although, as a district administrator, teacher, parent and resident, I have been on all sides of the budget process, it wasn't until I read this book that I was able to dissect the problem and to look at where the BOE is getting its information from and to be so much more cognizant about the data's journey from the building to the board.

Works Cited

Roza, M. (2010). *Educational economics where do [school] funds go?* Washington, D.C.:
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