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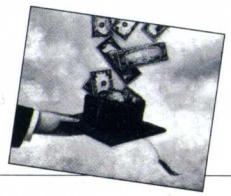

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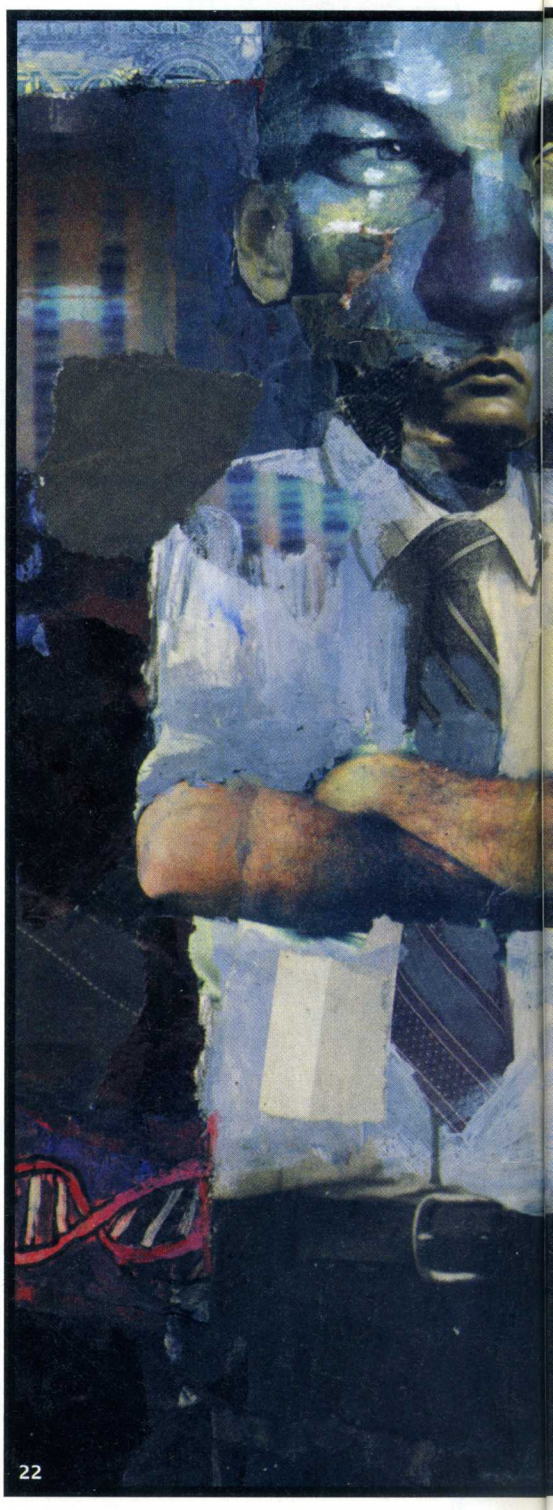

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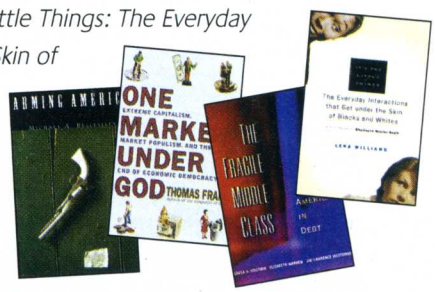

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COVER ILLUSTRATION BY OCTOVIO DIAZ

czar Barry McCaffrey, to stop playing its obstructionist role." Earlier this year, Nadelmann and the drug law reformers got a federal court injunction in San Francisco to stop McCaffrey from going after doctors who prescribe marijuana under California's Proposition 215, the law permitting the medical use of marijuana that voters passed in 1996.

That injunction will hardly end the problem. California, like most states, was woefully short of drug clinics even before Proposition 36 passed, and while the measure appropriates an additional $120 million a year, it's not likely to be enough. Nadelmann warns that the criminal justice system "will try to grab all the money even as they try to make the whole thing look bad." Legislation to make the marijuana laws easier to use is also needed.

But at the same time, an almost unbroken series of ballot box and legislative victories over the existing drug enforcement system—by Nadelmann's count, 17 of 19 attempts have been successful—will almost certainly reinforce the campaign. There no doubt will be further polling to determine which other jurisdictions have voters who are sufficiently disillusioned with the war on drugs to support additional reforms. And there will be probes to determine which noninitiative states—such as New York, with its draconian Rockefeller drug laws—have legislatures that might be amenable to liberalizing drug possession laws through conventional legislative action.

The Soros-backed reformers insist that they're not pursuing drug legalization; Nadelmann says what they want is to reduce both drug abuse and the harm caused by existing drug policy. "We don't want to treat drugs like alcohol and cigarettes, but we don't think people should be incarcerated for possession," he says. "We prefer a public-health approach." The big obstacle, of course, is still federal law and Congress's fear of being perceived as soft on drug enforcement. But the message from the voters is perfectly clear.

In the face of the election mess, traditional politics and representative government could end up the biggest casualties of all. Shortly after the recounts began in Florida, Robert B. Reich did a piece on National Public Radio in which he declared a winner: And he is (drumroll) Alan Greenspan. The argument was perfectly plausible. The Federal Reserve likes gridlock in Washington because it reduces the likelihood of large tax cuts *and* of extraordinary spending increases. But the larger winner is likely to be any institution not tied to conventional electoral politics and politicians. In a number of states, especially where unions or gun control activists organized strong grass-roots campaigns, the conventional political process generated hopeful changes—among them, the election of Democrat Debbie Stabenow in Michigan over incumbent U.S. Senator Spencer Abraham. But the general effect, particularly of the presidential election, is still likely to be further disenchantment with conventional politics and a corresponding increase in the use of the initiative, both among voters and the deep pockets who fund it.

Dean Tipps, the political director of California's Service Employees International Union, recently said that the initiative is an easy (and relatively cheap) way for the rich to buy themselves legislation. And while this year's backers of vouchers failed dismally, no one can even make it to the ballot in a large state—and maybe not in any state—without a hefty bankroll. In California nobody gets to play without at least $1 million. And as the success of the Soros-backed drug reform measures indicates, a lot of deep pockets were winners—as often, or maybe more often, on the left as on the right.

Those players are increasingly coming from Silicon Valley. California's Proposition 39, which made it easier to pass local school bonds, was funded largely by venture capitalists John Doerr and Reed Hastings; Ron Unz, another Silicon Valley businessperson, funded the successful initiatives curtailing bilingual education in California (1998) and Arizona (2000); and there's every expectation that such people will become even more involved in the future. Also important is the growing gap between the culture of the new technologies, with its mouse-click interactivity, and the slow, deliberate process of representative government and the traditional electoral system. For the citizens of the new economy, that gap appears to be getting increasingly less tolerable.

In an era when distrust of government is substantial and when polls show (as they recently did in California) that voters have far more confidence in citizen initiatives than in governors and elected legislatures, the behavior of candidates and the systemic confusion about this election's outcome can only reinforce voter disenchantment. That's almost certainly a gain not just for the initiative process but for the deep-pocket players—both individuals and interest groups—who have become the principal sponsors of ballot measures. ◆

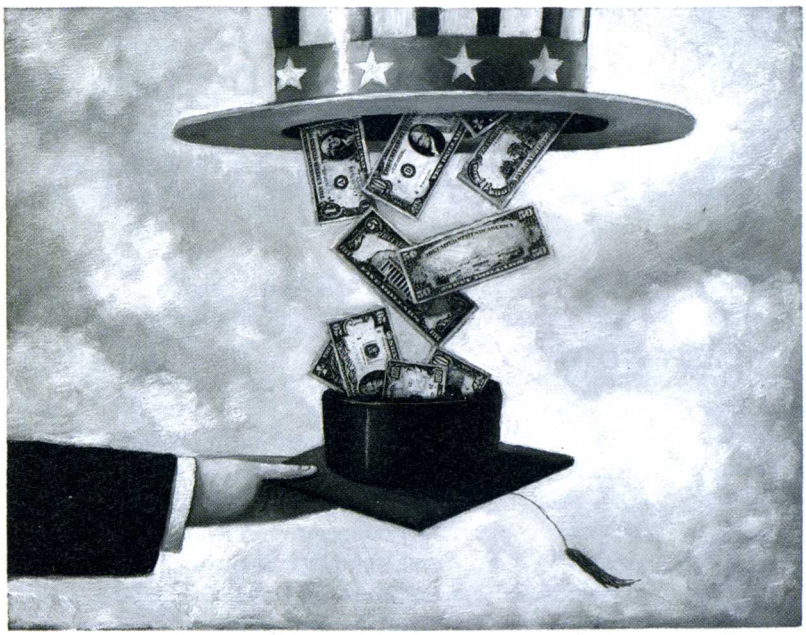
PETER SCHRAG is the former editorial page editor of the *Sacramento Bee* and the author of *Paradise Lost: California's Experience, America's Future.*

Party Schools

How the Republicans Skew State Aid to Education

BY CHRIS ADOLPH

Is there really no longer a difference in the education policies of the major parties? Consider this year's election campaign: While the Al Gore ticket boasted a vice presidential candidate on record in support of school vouchers, George W. Bush busied himself visiting poor inner-city schools to decry the "soft bigotry of low expectations." The GOP even abandoned its crusade to scrap the Department of Education. With no more to go on than campaign rhetoric, it is easy to conclude that Republicans and Democrats both moved to the middle on education, leaving little to distinguish themselves on the most important issue of the election.



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But a comparison of the parties' records in the states reveals stark differences. The party in power tends to slice the pie of educational funding in favor of its own constituents, shrinking the share for the other parties' voters. While Democrats increase the flow of resources to poorer schools, the Republicans shift state aid to middle- and high-income districts. A similar disparity exists for race, even when income is taken into account. A Democratic victory is good news for predominantly black districts, but under the Republicans, state aid to middle-income black students shrinks and aid to poor blacks plummets.

Evidence for this finding comes from my ongoing study of the politics of educational funding. The project involves compiling data for the years 1992 through 1997 from every state where the legislature controls the allocation of school aid and using standard statistical techniques to correlate shifts in education funding with shifts in partisan control of legislatures. The research indicates that more Republican control widens inequality among school districts, while increased Democratic control means greater equalization of school funding.

Let's recall how public schools are financed in the United States. On average there is a rough parity in per-pupil spending across middle- and low-income school districts, and the richest 20 percent have substantially greater resources. But the appearance of equality is deceptive for two reasons. First, the resources of poor- and middle-income districts come from different places. Poorer school districts depend on large grants from the state to match the spending of middle-income districts, which can raise more funds through local taxes. (Contrary to conventional wisdom, federal aid plays a minor role in spending equalization, contributing just 6 percent of the average school's budget.) Second, although state aid helps equalize spending on average, partisan politics tends to tilt aid in favor of either the rich or the poor. Statistical analysis helps reveal just how differently Republicans and Democrats divvy up the education spending pie.

Suppose the Republicans win control of the government in a state formerly run by Democrats. How will state aid to the average student in each decile of the income distribution change after, say, eight years? State aid to the average student in the bottom third of the income distribution shrinks by 10 percent; to the richest third, it grows by 17 percent. For the most part, the richer the district, the better its students fare under Republican government—unless the district has many black students. The average black student would have to attend a district in the top third of the income distribution to benefit at all from Republican rule (and even then, his or her share of state aid would rise only 8 percent). Over the same eight years, Republicans would cut aid to the average black student in the poorest third of schools by 22 percent.

These partisan shifts significantly affect total per-pupil spending; the average school district relies on state funds for almost half its expenses. And since poorer districts are more reliant on state aid, they suffer more from partisan cycles in school spending. After eight years of Republican rule, the average student in the bottom third of the income spectrum would see his or her share of total school spending decline by 6 percent. The average poor black student's share would fall even more, by 13 percent. Since affluent districts raise most of their funds locally, partisan changes in state aid have less effect on school expenditure for the richest third of schools: Eight years of Republican control would raise their share of total spending only 5 percent. Overall, however, Republican leadership ensures that the resources of affluent schools grow much faster than those of poorer districts.

The party in power tends to tilt educational funding in favor of its own constituents.

Some might argue that these partisan patterns in educational aid arise from ideological differences or Republican racial bias. But close examination of the data suggests the best explanation is that targeting aid is just smart politics. Elections pressure parties to entice their constituents to vote. And in contrast to the centralized method of school finance used by most affluent democracies, American-style school finance gives parties the ability to target funds toward their constituents. This is an opportunity for electoral gain that no politician or party can afford to pass over.

So long as school funding remains a decentralized affair, the cause of equal opportunity will wax and wane with the cycles of party politics. Voters armed with this information are likely asking which party will give their children more resources for learning. They should also ask whether a system that tilts educational opportunity toward the ruling party's constituents is really fair or desirable. ◆

CHRIS ADOLPH is a doctoral candidate in the Department of Government at Harvard University.