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OUR SHORT-CHANGED CITY SCHOOLS.

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THE PRESENT INEQUITIES IN FINANCING URBAN EDUCATION ARE ATTRIBUTABLE TO (1) THE HIGH COST OF PUBLIC SERVICE IN THE CITY AS COMPARED TO OTHER AREAS, WHICH RESULTS IN CITIES SPENDING MORE PER CITIZEN THAN THE CORRESPONDING SUBURBAN AREAS, AND LESS PER CITIZEN ON EDUCATION, (2) THE FACT THAT PRESENT STATE FORMULAS OF AID TO LOCAL SCHOOL DISTRICTS WERE ORIGINALLY DESIGNED TO REDUCE THE DISPARITY BETWEEN A STATE'S WELL FINANCED URBAN SCHOOLS AND ITS MONEY-STARVED SCHOOLS ELSEWHERE, AND (3) THE FACT THAT URBAN SCHOOLS ARE MORE EXPENSIVE TO BUILD AND OPERATE (INCLUDING THE COST OF SUPPLEMENTAL SERVICES FOR THE MANY DEPRIVED CHILDREN FOUND IN HIGHER PROPORTION IN THE CITIES). FEDERAL AID HAS BEEN SLOW IN COMING, BUT BREAKTHROUGHS HAVE BEEN ACHIEVED IN RECENT YEARS THROUGH CONGRESSIONAL PROGRAMS. HOWEVER, THE STATES MUST RECOGNIZE THE NEED TO CHANGE DISTRIBUTION FORMULAS SO THAT THE CITIES GET A LARGER PER-PUPIL SHARE, WHICH WOULD REQUIRE ADDITIONAL STATE FUNDS FOR ALL SCHOOLS. FUNDS FOR BETTER TEACHER EDUCATION MUST ALSO BE ALLOCATED, AND THE NEW EDUCATION PROFESSIONS DEVELOPMENT ACT WILL HELP. IN ADDITION, THE CITIES MUST CHANGE THEIR PLANNING AND POLICY SO THAT THE EDUCATION THEY PROVIDE WITH NEW FUNDS IS DESIGNED TO SERVE THE SPECIAL NEEDS OF THE PUPILS THEY HAVE NOW. PAPER PRESENTED AT ANNUAL CONFERENCE OF NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION (NEW YORK, SEPT. 26, 1967). (LC)

OUR SHORT-CHANGED CITY SCHOOLS*

An Address by Harold Howe II
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Department of Health, Education, and Welfare

Since August is a popular vacation month, some of you may have missed that issue of your Association's monthly newsletter. For the benefit of these delinquents, I would like to read a paragraph that appeared on page two. This paragraph is in the form of a brief letter to the membership from President Bernice Frieder. It reads as follows:

> In the budget-making process, the lessons of this summer's major upheavals in large cities and in small cities across the Nation should not be lost on State board members. They must recognize that extraordinary measures are required to meet the failures in our educational system, and the 1968-69 State education budgets should reflect this awareness by providing for special assistance in dollars and in services to our troubled urban schools. "Business-as-usual" budgets cannot begin to meet the educational problems of our cities and towns.

Indeed they cannot. In fact, there is considerable evidence to show that--as Drs. Alan Campbell of Syracuse University and Philip Meranto of Southern Illinois concluded in an article published last year--"the State aid system actually works to intensify rather than to resolve the educational crises facing large city school systems." Because you, as members of State boards of education, will influence the education budgets passed by your legislatures next year and in the years to come, I would like to discuss with you today the inequities in present modes of financing urban education.

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*Before the annual conference of the National Association of State Boards of Education at the Biltmore Hotel, New York City, 9:15 a.m., Tuesday, September 26, 1967.

From the geographical point of view, our fiscal problems in education today are almost exactly the opposite of the pattern of 70 years ago. Writing at about the turn of the century, social historian Ellwood Cubberley pointed out that city schools at that time were in much better shape than their nonurban counterparts. "In two-thirds of the States of the Union," he said,

> no adequate provision is made for the maintenance of the smaller schools of the State, and usually these are maintained in a most unsatisfactory manner and at a sacrifice entirely out of proportion to the local benefits received. On the other hand, the cities with their aggregations of people and wealth, are able to maintain excellent school systems on a relatively small expenditure.... There is little excuse for a system of State taxation for education if the income from such taxation is to be distributed in a larger proportion of the communities best able to care for themselves.

What has happened since 1900 to reverse this situation, and make our city schools the poor relations of American education?

Most of the causes are familiar to you. They have been repeated at great length in these days of urban alarm, and I will only outline them here: the development of mass transportation, which made it possible for Americans to work in the cities but live outside them; the migration of middle- and upper-income families from city to suburb, and the migration of low-income families from rural America to urban America; the increasing shift of economic activity from the central cities to outlying areas as retailers followed their customers and manufacturers sought new land for their factories; the concentration within the cities of racial minority groups creating ghettos which reflect not only poverty but also the multiple ills of economic and racial segregation; and finally, an increased agricultural productivity that released workers from the farms, and an

advancing technology that relegated unskilled workers to low wages or unemployment.

These various developments in our country's society and economy not only eroded the city's tax base--reducing the resources available to support urban schools--but also presented those schools with a student population requiring special and intensive kinds of educational help. Thus at the same moment that city schools have had new and unfamiliar burdens placed upon them, the cities themselves have progressively lost their financial ability even to handle old problems. Their classrooms are crowded; their buildings are obsolete; their teaching salaries, which on a comparative basis were once their pride, are a source of weakness and indeed of strikes and work stoppages.

Analysing public expenditures in 35 metropolitan areas for 1964-65, Dr. Seymour Sacks of Syracuse found that the central cities, on the average, spent $50 more for every citizen than the corresponding suburban areas. Despite this higher overall expenditure, however, these same cities spent about $50 less per citizen on education.

Why the disparity? Why should the cities, which disburse proportionately more public funds than the suburbs, spend significantly less on their schools?

The gap between what the cities need for education and what they can spend on it stems from what social scientists refer to as "municipal overburden." In essence, this term refers to the high costs of public services in the city as compared to other areas--services such as police and fire protection, sanitation, traffic control, street maintenance, and welfare.

It costs the city more than the suburb to provide these services because of the complexity of the city itself, and because the city has large concentrations of poor people who make special demands. In addition, some services are needed for commuters, who do not pay their share. Though some cities assess taxes on commuter income and on retail sales, such arrangements make problems for the city in its attempts to hold business and employment opportunities.

Dr. Sacks' analyses indicate that the price of "municipal overburden" has increased from about $53 for each city resident in 1957 to more than $100 in 1965. Summing up the fiscal dilemma imposed on our cities by suburban sprawl and our new patterns of living in one place, working in another, a report published in Nation's Cities last April concluded:

> No city government collects anywhere near enough money of its own to take on the whole job of coping with all the problems that confront it. One reason...is that few States let the cities collect enough taxes, even if they want to. The second reason is that few cities like to collect any more taxes than they have to; they would rather get grants-in-aid from the States or from Washington. The third reason is that most cities are afraid to raise taxes for fear of speeding the exodus of industry. The fourth reason is that the cities' only exclusive revenue source is the property tax, and most States make their cities collect most of their property taxes, not on land (which is undertaxed) but on improvements (which are already so overtaxed that the tax inhibits even some of the most needed improvements). The fifth (and perhaps the biggest) reason is that in this country, local government is stuck with enormous costs that in other countries are paid as a matter of course by the central government, so, paradoxically, the local tax burden in most cities is too high even though the tax take is too low.

In brief, municipal finance--whether for education or for other purposes--is in something of a mess. Complicating the fact that cities do not have enough tax money to distribute, and must in consequence short-change their schools, is the additional fact that big-city schools are

more expensive to build and operate. Land and construction costs are higher. Because so many of their schools are in poor and therefore uninviting neighborhoods, cities must pay higher salaries to attract new teachers and hold experienced ones. Further, because such a high proportion of city children come from culturally and economically deprived backgrounds, educating them properly requires a host of special supplemental services that the city cannot afford. It was to meet this need for special educational services to children from poor families that President Johnson and the 89th Congress created the Elementary and Secondary Education Act of 1965. I shall have more to say about this but let us note in this context that the Federal Government has already done more to meet some of the problems of city overburden in education than have the States, which are responsible for the public education system in our land.

In view of present patterns of State aid to education, it is ironic to reflect that present State formulas of aid to local school districts were originally designed to reduce the disparity between a State's well financed schools in the cities and its money-starved schools elsewhere. There is some evidence to show that today, State-aid formulas increase the gap between superior suburban schools and their underfinanced urban counterparts. In one of his studies on school financing using figures which apply to the year 1962, Dr. Seymour Sacks of Syracuse University states:

> Clearly, suburban school systems benefit increasingly more from the present system of State aid to education than do central cities, both because they have a higher enrollment ratio and a greater average grant per pupil. On a per-student basis, the cities average $124.91 in aid from their State, while the suburbs

get $165.48, a difference of $40.57 for every student. Because of the difference in enrollment ratio, the relative difference is considerably larger on a per-capita basis than on a per-pupil basis. The mean per-capita aid for education is $20.72 while the comparable figure for outside central city areas is $37.66, a difference of $16.93 per capita.

Another and perhaps simpler way of stating Dr. Sacks' observation is to say that in 1962 each suburban school child in the U.S.A. had one-third more money from the State invested in his education than his fellow student in the city. This imbalance of support continues today, although it is important to note that some States have made significant moves to change it. Among these are Massachusetts, Pennsylvania, and Iowa. It is heartening also to note that the constitutional convention in New York State has suggested a more liberal allowance for the cities.

I have risked your patience in trotting out all these figures because it seems to me that though the press and other media of public debate have called attention to the urban problem, the precise dimensions and anatomy of that problem have only infrequently been examined.

Perhaps everything I have said so far boils down to the simple proposition that the city schools are in serious financial trouble, largely because they are short-changed by their States. The big question is, what do we do about it?

Because governmental processes at every level tend to be slow and ponderous, it is clear--as I once heard another speaker say--that we must make better bricks out of the straw we have, rather than simply longing for more straw. By that I mean that city education officials must squeeze from every educational dollar now available the maximum amount of value, rather than waiting for some legislative wonder-worker to write perfection into law tomorrow.

This, in turn, requires an investigation of all the new administrative and instructional devices which we have come to associate in recent years with that much-belabored term "innovation." To the degree that changes in educational methods, organization, and content can provide greater efficiency and effectiveness from scarce resources, the schools have the obligation to make full use of new ideas. But there is a limit to what educational innovation or unvarnished ingenuity can accomplish. The larger task of educational improvement will require new decisions by the body politic through its governmental representatives to match the enthusiasm for education with hard cash.

We have in recent years made what certainly must be regarded as a major breakthrough on this problem through the array of educational assistance programs enacted by the Congress. Although the Federal contribution for elementary and secondary schools is small in terms of overall school costs--only 8 percent of the whole--programs supported by this contribution are having a significant impact. I would argue that the States must re-examine their role in paying for education just as the national government has, under the leadership of President Johnson. That reexamination will, I believe, show two major needs: first, a need to change distribution formulas so that the cities get a larger per-pupil share; second, a need for added State funds to all the schools.

The mechanism common to most Federal programs now is known as "categorical aid," and I realize that the simple mention of the term may raise some hackles here. Categorical aid--funds earmarked for specific purposes selected by the Congress--attracts opposition from some State officials

on grounds that they suspect it of being a method for keeping educational planning in Washington and out of the State capitals. In addition, they like to think of the reductions in local and State taxes that Federal funds would make possible if those funds were not restricted.

In point of fact, categorical aid is not designed to assert the superiority of Washington judgments about the schools, but to recognize the incontrovertible truth that some educational problems transcend local, State, and even regional lines. Some educational issues are national in scope, and require national solutions if they are to be successfully resolved. To choose an instance pertinent to this discussion, Title I of the Elementary and Secondary Education Act does precisely this, by channeling over $1 billion annually into schools attended by the urban and rural poor... those whom we call, in the ungainly vocabulary of current pedagogy, the "disadvantaged." These children have not been well served by the schools. They don't learn to read. They drop out. To do a good job for them, so that they can fit into a society which demands some success in education for success in life, will require new and expensive efforts by the schools. Neither the States nor local school districts can pay for all these additional efforts; it seems to me quite appropriate that the Federal government should do so.

In my view, general aid from the Federal government to State and local school districts is worth considering in the long run; it could help bring schools to the level of quality which our national interests and ideals require. But I am convinced that we should not embark on such a program until we have invested in the top-priority work of providing funds

to solve the most pressing educational problems common to all the States and lending themselves to a concerted national approach. Every State in the Union has deaf or blind or mentally retarded or emotionally disturbed children in its school population. By any standard of judgment, these children have been neglected by the schools; they will continue to be neglected and to be unproductive citizens unless some of the money provided for education is earmarked for their benefit. For this reason, the Federal government is making increased efforts to supply the States with funds to help the handicapped.

Another acute problem of public education is that of training--in adequate numbers and of adequate quality--the people who will serve it. Since the National Defense Education Act of 1958, and even before that--through the National Science Foundation--the Federal government has invested funds in more and better teachers. These funds have gone to higher educational institutions which have been free to set curricula and devise programs for teacher education. However, the money had to be used for that purpose; public education generally is better off today because of that requirement. Under the new Education Professions Development Act, which was part of President Johnson's program in the present Congress, this function of training those who serve the schools will be expanded and improved. This forward-looking new legislation is another example of action by the Administration and the Congress to meet national needs in education by providing added resources to States and localities in their operation of the schools.

These moves by the Federal government to help you improve educational services to American children have raised hopes that Federal dollars might be made available for the regular day-to-day expenses of education, such as teachers' salaries and school buildings. Indeed, there may be some connection between the defeats of many local tax levies and bond issues and the wistful hope that Uncle Sam will pick up the increasing costs of education. Nothing is more important for the health of public school education in the United States than maintaining a sense of local and State responsibility for it while we find ways to use Federal dollars to improve its quality, and to meet certain special problems which local and State money cannot or will not solve.

Looking to the cities from this perspective, it seems to me there are two important points to make.

First, the Federal government is making and will continue to make a substantial contribution to increasing the investment per child in those schools where special services are necessary to overcome the effects of a deprived home environment. It will do so through Title I of the Elementary and Secondary Education Act, through Head Start, and through new programs now being established to provide a follow-up in the schools for Head Start children. All these programs provide additional new services. None of them, however, picks up the regular costs of school operation.

Second, the States and the cities themselves must provide from their own resources the funds to pay teachers and provide basic support for the schools.

As far as your own responsibilities go, therefore, I would suggest that when you appear before your State legislatures, you ask as forcibly as possible for special attention to the needs of our urban schools. Federal resources are limited, just as are those of any government, including the States of our Union. Therefore we must constantly question the distribution of those resources we have to ensure that their use reflects the best possible investment and the greatest equity. As I look at the relationship of the three levels of government involved in paying for the public schools--the Federal, State, and local--I come to three conclusions:

First, all three levels of government must increase their annual levels of educational funding.

Second, both Federal and State governments must seek ways to make larger contributions to the special needs of the cities.

Third, the cities must refurbish their planning and policy machinery so that the education they provide with new funds looks forward to the special needs of the pupils they have now, rather than backward to their accustomed ways of earlier years.

A few years ago, when the United States Supreme Court decided to look into the matter of representation in State legislatures, many city dwellers felt that this decision signalled a start toward solving urban problems.

But it is the suburbs--not the cities--which benefit most from more equitable representation in State legislatures. I will lean once more upon the work of Drs. Campbell and Meranto to emphasize a statement that bears on the future of urban education:

It may be that the suburban representatives will recognize their stake in an improved central city educational system; but if they do not, the present pattern of higher aid to the suburbs may well be accentuated rather than reversed by reapportionment.

What we must all realize is that the consequences of inferior education--unemployment, poverty, crime stemming from social despair--respect no political boundaries. The suburbs will eventually suffer from the disease of the cities; thus they have an important stake in helping to cure it through supporting adequate education for the children of the ghettoes. What a comment it is on American ideals that we have developed a metropolitan way of life which segregates poor people in the central city and then denies them the means of improving their condition. A major contribution toward altering this tragic situation would be added support for the city schools from the States.

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