CONFRONTING THE EDUCATION DEBT
We Owe Billions to Black, Brown and Low-income Students and Their Schools
EXECUTIVE SUMMARY
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www.reclaimourschools.org
The Alliance to Reclaim Our Schools (AROS) is an unprecedented alliance of parent, youth, community and labor organizations that together represent over seven million people nationwide. AROS is comprised of ten national partners: Advancement Project, Alliance for Educational Justice, the American Federation of Teachers, Center for Popular Democracy, Gamaliel, Journey for Justice Alliance, NYU Metropolitan Center for Research on Equity and the Transformation of Schools (NYU Metro Center), the National Education Association, the National Opportunity to Learn Network and the Service Employees International Union. Together, we are the largest alliance of key stakeholders for education justice.
Executive Summary

The history of public education in the United States is both a story of great promise, and of systematic exclusion. These two realities continue side by side, today. For white, and affluent children, public education holds great promise. Black, Brown and low-income children continue to be denied access to that promise.

In 2006, Gloria Ladson-Billings, then president of the American Educational Research Association, introduced the concept of the “education debt.” She argued that we as a nation must address the historic, economic, sociopolitical and moral origins of the academic achievement gap if we are to succeed in closing it.

Confronting the Education Debt, by the Alliance to Reclaim Our Schools argues that still today, the disenfranchisement of communities of color has allowed elected policymakers to pursue priorities that deny children—especially Black, Brown and low-income children—the educational opportunities they deserve.

Instead of funding our schools, policy decisions are made that increase personal and corporate wealth, drawing down public revenues in the process. Instead of funding our schools, we have seen an explosion of policies that criminalize Black and Brown communities, including young people. Instead of funding our public schools, privatization soaks up education dollars and strips the budgets of traditional public districts. All of these trends continue to compound the education debt.

A student who entered kindergarten in 2005 would have graduated from high school this past May. Based on data compiled for this report, between 2005 and 2017, public schools in the U.S. were underfunded by $580 billion in Title 1 and IDEA federal dollars alone—money that is targeted specifically to support 30 million of our most vulnerable students.

Over that same period of time, the personal net worth of the nation’s 400 wealthiest individuals grew by $1.57 trillion.

The systematic stripping of resources from public schools serving Black, Brown and low-income children, the increasing presence of police officers in their schools, the encroachment and financial instability caused by privatization and the relentless transfer of public dollars in to the hands of the wealthy are not passive events. They are the results of policy priorities and decisions made at the local, state and federal levels—made against the best interests of communities that have been historically disenfranchised.

Confronting the Education Debt reviews five components of the ongoing, systematic under-funding of Black, Brown and low-income public schools and offers a roadmap for responding to what Ladson-Billings terms the “moral debt” – addressing the “disparity between what we know is right and what we actually do.”
1. Congress Has Failed to Fully Fund Targeted Federal Education Programs

**Title I**

The 1965 Elementary and Secondary Education Act (ESEA) was a core component of then-President Johnson's War on Poverty. Title I of the ESEA targets federal dollars to schools with high concentrations of students living in poverty.

The authorization embedded in Title I—then and still today—allows Congress to provide an additional 40 percent above each state's per pupil spending base, for each Title I-eligible child, to allow their schools to provide supplemental supports such as extra reading assistants and parent engagement specialists.

Having set that 40 percent authorization in the law, Congress immediately failed to fully fund it, not only in 1965 but in every year since.

The impact of that under-funding is dramatic. If Title I was fully funded by Congress each year, the nation's highest-poverty schools could provide:

- health and mental health services for every student, including dental and vision services; and
- a full-time nurse in every Title I school; and
- a full-time librarian for every Title I school; and
- a full-time counselor for every 250 students; or
- a full-time teaching assistant in every classroom.

**Individuals with Disabilities Education Act (IDEA)**

In 1975, a decade after passing the ESEA, Congress sought to address the educational needs of students with disabilities. The Individuals with Disabilities Education Act (IDEA) requires school districts to identify students with disabilities and to provide them the supports and services necessary to achieve academically. In the law, Congress pledged that the federal government would pay up to 40 percent of that additional cost, with local and state funds covering the remaining amount.

Once again, having established the formula, Congress failed to invest in it. Federal funding of IDEA has never approached the promised 40 percent mark. In districts already struggling for resources, the mandate of IDEA has shattered school budgets, affecting educational quality for all students—those with, and without disabilities.

Since 2005, the aggregated federal underpayment to states to help provide services to students with disabilities has reached $233 billion.

2. State and Local School Funding Short-changes

**Black, Brown and Low-Income Schools**

Most education spending comes from local and state funds. Here too, schools serving Black and Brown students are systematically sabotaged.

Local funding—which makes up about 45 percent of funding for public schools—is typically based on property tax revenues, an archaic system that inherently discriminates against low-income communities.

State governments, which provide an average of 47 percent of school funding, can choose to use state money to offset local disparities in school resources. Only 11 states do so. Twenty states have flat funding formulas that do not distinguish between high- and low-poverty districts, and 17 states actually channel more resources to wealthier districts than to high-poverty ones. Across the country, districts with large majorities of students of color, and low wealth districts on average, spend less per student than districts serving the fewest students of color and wealthier districts.
3. **Tax Codes and Corporate Subsidies Help the Rich Get Richer, While Draining Public Coffers**

Over the past several decades, lawmakers have stripped public funding from programs and services that Americans depend on, in favor of tax and development policies that benefit the wealthy.

In the late 1940s and 1950s, the top marginal tax rate was above 90 percent. Today it is 37 percent. When the Tax Cuts and Jobs Act (TCJA) passed last fall goes in to effect in 2019, more than half of its benefits will go to the richest five percent of taxpayers. The law is expected to cost the federal treasury as much as $1.5 trillion in lost revenues over the next decade.

Virtually every state tax system also takes a much greater share of income from low- and middle-income families than from wealthy families. In addition to wealthy individuals, corporations are also advantaged by federal, state and local tax policies. While the federal corporate tax in the United States is set at 35 percent, after loopholes and deductions the effective tax rate that corporations pay is only about 14 percent. These tax breaks cost the federal government at least $181 billion in annual revenue, based on 2013 estimates by the Government Accountability Office. Local and state corporate tax and abatement programs compound those costs.

By choosing to enact programs that benefit corporations and the wealthy, policymakers are directly short-changing public schools and the students who attend them. Austerity is not inevitable. It is manufactured.

4. **Rising Investments in Corrections and Policing Divert Spending for Schools**

Racial disparities have always been a feature of the U.S. criminal justice system, but state and federal policies beginning in the late 1960s labeled Black youth as “delinquent,” criminalized drug users, deepened the relationship between the military and the police and led to a mass incarceration movement that has swept Black and Brown bodies into prison at astounding rates.

Young people and their schools have been caught up in this movement, which increasingly prioritizes control and compliance in Black and Brown schools, instead of educational opportunity.

In 2017, the National Association of School Resource Officers claimed that school policing was the fastest-growing area of law enforcement. The school safety and security industry was reported to be a $2.7 billion market as of 2015. Most of that $2.7 billion is public money, stripped from public funds and now enriching the private security industry instead of providing real supports to students.

The U.S. Department of Education reports that 1.6 million students in the U.S. attend a school that has hired a law enforcement officer, but no school counselor.
**5. Privatization Extracts Funds from Public Schools**

The movement to privatize public schools is a deliberate strategy to throw open the “education marketplace” to private interests.

Charter schooling did not begin as a privatization strategy. But twenty-five years of charter schooling—now legal in 44 states plus Washington, D.C. and Puerto Rico—has systematically stripped public school budgets through the creation of parallel structures of privately-operated, publicly-funded schools.

The financial impact is real, and devastating:

- Charter schools cost the San Diego Unified School District (SDUSD) over $65 million each year—or about $620 per public school student.
- The Los Angeles Unified School District had over $591 million in 2015 alone in lost revenues and added costs due to charter schools.

Additional cost studies have been conducted in Nashville, Michigan, Pennsylvania, Durham and other cities. The findings are consistent: the privatization of schools has contributed to austerity conditions in traditional public schools.

Yet the drive to expand continues. The U.S. Congress appropriates millions of dollars to the Department of Education’s Charter Schools Program (CSP), which funds new charter start-ups and expansions. With a budget of $500 million this year, the CSP is the nation’s largest bankroller—public or private—of charter proliferation. In other words, the U.S. Department of Education is operating a program that directly undermines public schools.
A Roadmap for Addressing the Education Debt

The Alliance to Reclaim Our Schools promotes a research-based vision of a fully-resourced, academically challenging and student-centered public school. We call them Sustainable Community Schools.

Americans know what these great public schools look like. They offer wide-ranging academic opportunities that encourage students to find and pursue subjects that engage them. They are staffed with experienced teachers, adequate numbers of guidance counselors and full-time librarians. They have small class sizes to allow for individualized attention. They are guided by a culture of respect and focused on teaching and learning, not on compliance and regimentation. They provide health, mental-health and other wraparound services to students and the surrounding community. And they are publicly owned and operated by boards that are accountable to the communities they serve. Thousands of these schools exist today, most of them in white, and more affluent communities.

Confronting the Education Debt means committing to Black, Brown and low-income students, that their public schools are a priority—that their educational success is as important as the educational success of white and affluent students. We can do this by:

- Full funding of Title I and IDEA to target federal support to low-income children and students with disabilities.
- The creation of 25,000 Sustainable Community Schools by 2025.
- A new focus for the U.S. Department of Education, on ensuring and incentivizing equity in public schools across the country.

Elected officials at all levels of government must work together to achieve these ends.
How We Pay for It

A. Make the wealthy pay their fair share of taxes.
   • Rescind the 2017 tax code changes, which overwhelmingly favor the top 1 percent of income earners.
   • Close the federal carried interest loophole, a step that could increase federal revenues by between $1.8 and $2 billion annually or, according to some researchers, by as much as $18 billion annually.
   • If the carried interest loophole is not closed at the federal level, states can impose a surcharge on carried interest income at the state level, raising millions for state budgets.
   • Enact so-called “millionaire’s taxes” that increase the tax rate on a state’s highest earners. New York and California have already passed such laws.

B. Require wealthy corporations to pay their fair share.
   • End or reduce corporate tax breaks that cost the federal government at least $181 billion annually.
   • Reduce state and local subsidies to businesses for economic development projects and hold school funding immune from tax abatements.
   • Enforce and strengthen programs like Payment in Lieu of Taxes (PILOT) to ensure that wealthy institutions pay their fair share towards local budgets.

C. Divest from the school-to-prison pipeline.
   • School safety and security is now a $2.7 billion industry. Much of that money is public money, going to profitable corporations instead of schools.
   • Divest from expensive security systems, metal detectors and legions of school-based police officers and instead invest in counselors, health and mental-health providers and other supports that make schools safer.

D. Place a moratorium on new charter schools and voucher programs.
   • A moratorium on the federal Charter Schools Program would free up $500 million annually, which could be used to support the creation of Sustainable Community schools.
Conclusion

A study released in 2015 found that for low-income children, as little as 10 percent more funding per pupil, maintained through 12 years of public school is associated with greater likelihood that the student would finish high school, achieve 10 percent higher earnings as an adult and a 6 percentage point reduction in the annual incidence of adult poverty.

Ten percent is pocket-change for a nation that has orchestrated the rise of an unmatched billionaire class. In the richest nation in the world, it is possible to fully fund all our public schools, and to provide Black, Brown and low-income children with the educational resources and additional supports and services they need to achieve at the highest levels.

The full report, with citations, sources and methodology, is available at: educationdebt.reclaimourschools.org