For more than 50 years, the United States has claimed to provide equal public education to all students, regardless of background or identity. But in fact, as income and wealth inequality have become more brutal and entrenched, low-income students, students of color, and students with disabilities have systematically and continuously been deprived of the resources that more privileged students take for granted. This fact sheet describes some of the sources of the underfunding of public schools, and policies that could finally achieve equity for our schools.

Federal Underfunding of Public Schools Title I – a war on poverty

In 1965, the federal government passed the Elementary and Secondary Education Act (ESEA), which sought to address the need for additional resources for schools in economically deprived communities. The legislation recommended that the federal government provide additional funding for low-income students, at a level up to 40% on top of average per-pupil state spending. That commitment, known as Title 1, has been underfunded every year.

If the federal Title 1 commitment had been met, Dallas would have had an additional $212 million to spend on low-income children in 2017 alone. Over the past 13 years — since this year’s high school graduates entered kindergarten — Dallas schools have been shortchanged $2.1 billion in federal Title 1 funds.¹

In 1975, Congress passed the law now known as the Individuals with Disabilities Education Act, or IDEA, which requires schools to provide students with disabilities with the supports they need in school. IDEA assumes that on average, the cost of educating a child with disabilities is twice the cost of educating a non-disabled student, and Congress pledged that the federal government would pay up to 40 percent of this cost. That commitment was also never been met.

If the federal IDEA commitment had been met, in 2015 alone, Dallas would have had an additional $47 million to spend on students with disabilities. Over the past 13 years — since this year’s high school graduates entered kindergarten — Dallas schools have been shortchanged $548 million in federal IDEA funds.²

¹ US Department of Education Budget Service and US Census Bureau, and National Education Association.
² Ibid.
Investment in Police and Prisons Instead of Schools

Over the past few decades, spending on police and prisons has skyrocketed, along with harsh criminal penalties for minor offenses, the criminalization of normal teenage behavior, and punitive school discipline policies. In addition to the unjust incarceration of millions of people, this expansion of the police and prison industry has reduced resources for public education.

In Dallas, between 2005 and 2014, increases in government spending were not distributed equally across spending areas:3

- Spending on corrections increased 29%
- Spending on police increased 19%
- Per pupil spending on instruction decreased by 3%

Bad Actors

While Texas public schools struggle, the wealthy and corporations have benefitted from tax subsidies and undermined public education through support for school privatization.

- The largest beneficiaries of state subsidies, who can afford to pay their fair share in taxes, include Berkshire Hathaway, Texas Instruments and NRG Energy
- Some of the state’s wealthy contributors and supporters of charter schools and school privatization include John Arnold, former hedge fund manager; Tim Dunn with the Texas Public Policy Foundation and Empower Texans; Stand for Children Texas; Todd Williams, Dallas Kids First; and Texas Aspires

Make the Rich and Corporations Pay Their Fair Share

This is the wealthiest nation in the world — and among the most unequal — with the greatest concentration of wealth in the hands of the fewest people. Every year, decisions are made by political leaders that strip public funding from public education and send that money to further increase private wealth. Dallas is no exception. But there are several policies that could generate millions of dollars to achieve equity in Dallas public schools.

- Removing tax exemptions, exclusions and deductions could generate as much as $43 billion statewide4
- Enforcing property tax payment by large commercial property owners could bring Dallas Independent School District $295 million over 5 years, and could generate more than $5 billion statewide5
- Eliminating or phasing out sales tax exemptions for services could bring in $5 billion over two years6
- Passing legislation to close the carried interest loophole could raise $483 million for Texas7

Our cities, states and federal government have the funds necessary to provide all students with an equitable and high-quality education, but they choose to spend resources on police and prisons, corporations and the wealthy. It is time to take those funds back and provide all children with the schools that they deserve.

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3 US Census Data, Annual Survey of State and Local Government Finances; and Annual Survey of School Finances
7 See full report for methodology