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, Newark would have had an additional $77 million to spend on low-income children in 2015 alone. Over the past 13 years — since this year’s high school graduates entered kindergarten — Newark schools have been shortchanged $721 million in federal Title 1 funds.

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, Newark would have had an additional $20 million to spend on students with disabilities. Over the past 13 years — since this year’s high school graduates entered kindergarten — Newark schools have been shortchanged $234 million in federal IDEA funds.

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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 Newark, between 2005 and 2014, government funds were not distributed equally across spending areas:

- Spending on corrections increased by 13%³
- Per-pupil spending on instruction decreased by 19%⁴

### Bad Actors

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

- Wealthy commercial property owners and/or corporations who have benefited from tax loopholes include Alan Fournier, Joshua Harris, CEO of Wells Fargo Timothy Sloan.

- Newark’s biggest charter school advocates include John Willian-Head of Global Sales at Goldman Sachs, David Tepper, the Berger Organization, Kathleen Nugent, and National President of Democrats for Education Reform Shavar Jefferies.

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³ US Census Data, Annual Survey of State and Local Government Finances
⁴ US Census Data, Annual Survey of School Finances
⁵ Better Choices for New Jersey Letter (June 2018)