DISCRIMINATION IN EDUCATION FINANCING

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Discrimination in education funding for African Americans can be seen as a vicious circle that ultimately keeps needed funds from those who might need it the most. The historical period of slavery in this country marks the beginning of the cycle because it was during this period that African Americans were denied the right to education. It could be argued there is an unconscious thread that continues to perpetrate/penetrate people's belief system, such that as a society, policies are made that deny/prevent equal education and funding for black students (Berry and Blassingame, 1982). Today, the evidence of discrimination can be seen in the contrast of run-down, rodent and insect infested school buildings provided for poor black inner city students to the clean, modern buildings provided for white suburban students. It can be found in the contrast of tenure of teachers for each group, or even the amount of money a district provides to the school for books, playgrounds, and/or academic programs. Beyond these points, however, there remains a myriad of political, social, and economic reasons that maintain education discrimination in our society.

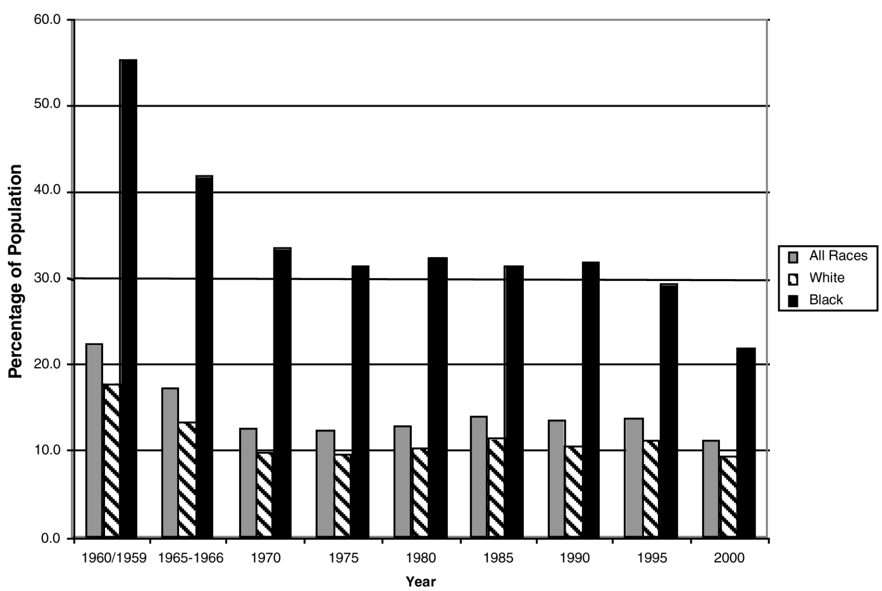
School finance reforms and/or state-based funding formulas have not provided sufficient funds for many children who are systematically kept in the lower echelons of labor and schooling. Much of the literature on school finance reform simply examines the lack and/or the acquisition of funding education. This essay considers the need to end discrimination by not only presenting an analysis of current and past scholars' rhetoric on discrimination for African Americans, but also by showing how the policy arena has failed to do what the laws were intending to do. Thereby, we can capture an understanding of how a populace within a nation that considers education as its number one priority (Broder, 2002), continues to suffer from discrimination in its funding and program administration of education. Utilizing the framework of political economy, we can understand how discrimination in school finance becomes a test of this society to resolve the racism and the class bias that exists, and why the capture of appropriate funds to those who deserve them is essential. As an initial step towards repairing the damage of slavery on the education patterns and policy for African Americans, the second largest bank in our country, JP Morgan, apologized for its links to slavery. It then gave $5 million to the education system in Louisiana (*USA Today*, 2005).

FORCES THAT MAINTAIN THE DIVIDE

Public Policies

There have been attempts from legislative and judicial systems to right the wrong caused by discrimination, yet these laws and policies have not and do not eliminate discrimination in educating young minorities. The late 1950s and the 1960s brought forth changes in school segregation patterns and human rights by promoting a host of civil rights' laws that were partly designed to correct societal ills brought on by slavery. Some changes did hold and can be witnessed today, but not overly so. African Americans, as a whole, still remain the lower echelons of society. Although the percent of people in poverty has dropped since 1960, 8.4 percent for whites and 29 percent for blacks, the level for African Americans has not yet dropped to the 1960 level for white Americans. Figure 1 contrasts the percentage of white and black populations to the

FIGURE 1
Total Percentage in Poverty



Source: U.S. Census Bureau

total population that are in poverty over a 40-year span. By 2000 approximately 1 in 4 African Americans still remain in poverty compared to approximately 1 in 10 white Americans.

Court Litigations

The use of litigation through the courts for school finance reform began with the California Supreme Court's 1971 decision in *Serrano v. Priest*.[1] This court ruled in essence that the quality of a child's education should not be dependent on the wealth of the people who live in the school district in which the child attends school. The standard of fiscal neutrality emerged from this ruling,[2] due to the policy change that placed a cap on property taxes. It should be noted, however, that this policy granted the rich even more disposable income for amenities such as private schooling for their children.

As much as we believe policy changes have improved social and political conditions for African Americans, we still understand that these policies have not eliminated discrimination and segregation. Presently, there is momentum in segregation for blacks since the landmark 1954 school desegregation decision, *Brown v. Topeka Board of Education*[3] (Orfield, 2001). This segregation goes with a cost for quality school attainment, and as Orfield describes, it is due, in part, to the exceptionally strong relationship between segregation by race and segregation by poverty. Segregated schools were the norm through a system of *de jure* segregation (racial separation as permitted by law), until *Brown v. Board of Education*. However, it is the system of *de facto* segregation (racial segregation resulting from private decisions of sorting into groups) that contributes to the complex issue of school racial separation and finance today.

Housing and Property Taxes

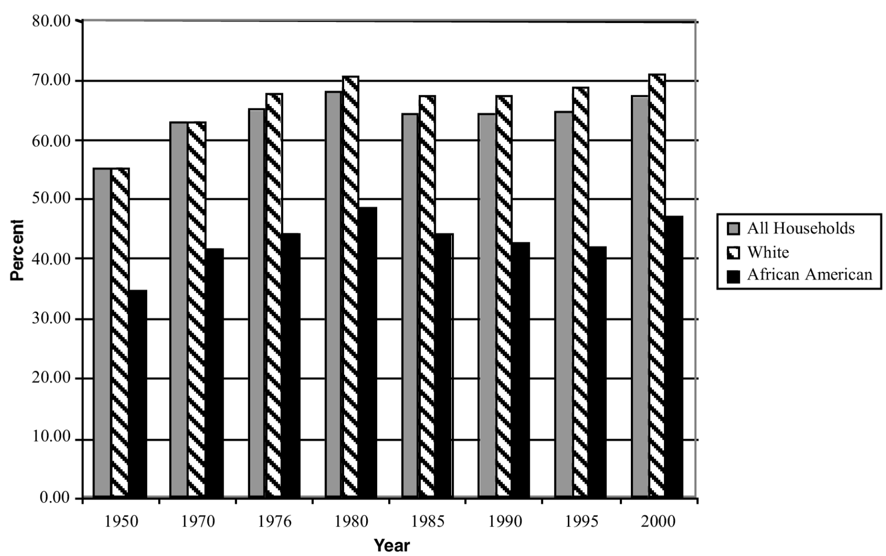
Households have the right, but sometimes not the ability to sort themselves into rich districts, thereby deserting poor districts to those who are not mobile. Since states are too dependent on local property taxes that come from these segregated households, adequate funding for pupils from poor neighborhoods and nontraditional family backgrounds is lost. African Americans who can only afford to purchase homes in poor neighborhoods, suffer the cost of higher tax rates and lower per-pupil spending. Yet few states have invoked a leveling policy to provide a remedy for the wide disparity band. Loubert (2000) found that redistributive efforts of Texas' state government to increase school funding, improved school quality, which was reflected in the higher premiums in the differentials on prices of homes. However, this occurred in areas that had higher levels of integration within schools. If we assumed that households segregate voluntarily, we can understand from the patterns of discrimination for African Americans that segregation is not voluntary and the funding patterns that exist for a school's educational programs are not equal.

Since the funding for public education is so closely linked to local property taxes, it serves that African American children are squeezed out of potential funding because their parents are not able to buy "middle American" homes that generate adequate funding of the public schools. Figure 2 and Table 1 presents a picture of homeownership rates and home values for blacks and whites. Homeownership rates are consistently lower for African Americans over the 50-year span and the median home value is much lower for them. Looking at the years 1980, 1990, and 2000 in Table 1, we can see that the average values of a home are approximately one-third lower for African Americans compared to whites. The vicious cycle ensues because lower property values help to create conditions for inadequate levels of school funding, which in turn creates lower levels of schooling provided and in turn sets the stage for lower levels of employment.

Economic/Employment Discrimination

The effects of discrimination in education outplay themselves in many avenues of African Americans daily life. One of those avenues is the toll on

FIGURE 2
Homeownership Rates by Race



Source: U.S. Census Bureau

TABLE 1
Mean Value of Home Owned by Race

Year	U.S.	White	African-American
1980	$47,200	$48,600	$32,500
1990	$79,100	$80,300	$50,700
2000	$119,600	$123,400	$80,600

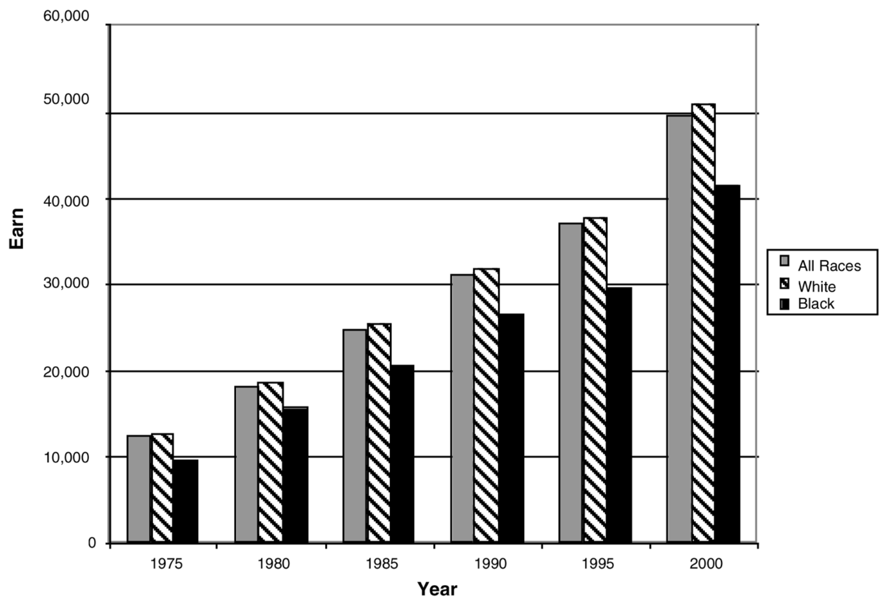
Source: U.S. Census Bureau

the economic lifestyles that one might wish to partake. In today's economy, the labor market reveals racial lags in employment and suffering from wage gap loss for African Americans (Rodgers, 1999). These employment lags prevents African Americans from affording homes and/or neighborhoods of "middle" America, which further perpetuates discrimination in schools by creating separated, and poorer neighborhoods. As education disparities increases, so does the ability to reach greater economic heights. Mayer (2000) argues that increases in economic segregation produces increases in inequality. Her study found that economic segregation between census tracts worsens inequality between high-income and low-income children, and the greater the economic segregation, the greater the variance in education attainment. The differences in attainment of a four-year degree by race can be seen in Figure 3. On the average, African Americans earn 20 to 25 percent less than whites.

As this variance of the rich and poor continues, one can understand how one generation of the rich or poor contributes to the next generation. The economic theory behind this phenomenon, as explained by Benabou (1996), suggests an increase in disparity of mean neighborhood income negatively affects poor households when public goods are locally financed. We witness that the increases in economic inequality produce increases in economic segregation. If economic segregation increases affluent children's educational attainment by allowing unequal distribution of resources to districts, by default, it is also decreasing low-income children's educational attainment.

The labor market is a fierce contender in the tension between African Americans and educational inequality as Azuma and Grossman (2001) indicate in their study. They refer to the ability of two people having the same amount of education yet one is far better equipped mentally and socially to do a job as "ability premiums." They found that these ability premiums are positively related to educational inequality or what may be known as "returns to schooling." Their study, examining how innovations cause increases in ability premiums, indicated that in both the short term and long term, educational inequality

FIGURE 3
Median Earnings of Workers with a Bachelor's Degree
(18 years and over)



can still exist. As it continues, however, it is African American children who remain in a quandary for better educational attainment.

Racial Prejudice

It is important to analyze the role that racial prejudice plays as being a "social crucifix" in order to understand how African Americans suffer from inadequate educational finance. In addition to the political and economic discrimination, socialization in schools can exhibit unhealthy well being and mental stress that stems from racial prejudice (Williams, Yu, and Jackson, 1997; Williams, Spencer, and Jackson, 1997), and it can take its toll on the livelihood of African Americans.

The works of Cooper and Levine (1993), presented a theoretical framework, first developed by A. D. Kagan that identified the alienation process for African American students in the classroom, which explained the low performance found in student achievement. The theory assumed that the labels teachers assigned to students affected how the teachers perceived classroom events and how they responded to students. Students would not necessarily use cognitive skills they possessed unless provided with an appropriate foundation for learning, a foundation free of prejudice and discrimination.

Their findings are particularly compelling as they contend that teachers assign racial stereotypes to students and their perception clouds how they respond in helping student develop their cognitive skills. Williams and Meuhl (1976) investigated the perceptions of black and white students on how their teachers perceived their performance. Their findings suggested that African American students were generally perceived as "inferior" to white students. Thus their test scores and other measurements for achievement reflected that same notion, because students who feel they are inferior will act as though they actually are. This problem is further acerbated by high dropout rates and attainment of no or low-paying jobs.

The establishment bias theory (Washington, 1982) helps to give an understanding of "group" differences with teachers and students. This theory purports that schooling is biased against pupils not sharing the characteristics of the majority of teachers, who are white females. Conversely, students who have status similar to the "establishment" receive inherent rewards within the schools and later in life with better paying jobs. This adheres to the fore mentioned vicious cycle in that African American children may not receive the best education because they are stigmatized as poor learners in school, and thereby, not capable of receiving better paying jobs as they become adults.

Significant interactions effects exist between the characteristics of teachers and students (Murname and Phillips, 1991), yet empirical studies seeking to explain student achievement omit the importance of racism as an intervening variable (Kyukendall, 1997). Without appropriateness of funding, we will continue to show unacceptable levels of achievement that suggest an inferior status to those of mainstream students while the vicious cycle of discrimination in education finance continues.

MORE FUNDING NEEDED

This question of "Does Money Matter?" has been asked countless times when the issue of school finance is placed on the policy-making agenda, and allocation of limited resources is to take place. Taken from the viewpoint that money is an input of the education production function, it is understood why this issue is debatable. Greater outputs of educational attainment are expected from greater inputs of resources. When the outputs do not increase as would be expected, limited resources appear to be wasted. *It is* not that students from poorer schools have no ability or aptitude for educational attainment, as Ashenfelter and Rouse (1999) describe. Using instrumental variables to estimate the effect of an additional year of schooling on wages, they found no evidence that the returns to schooling differed by family background or ability of student. Their work falsified the findings of scholars[4] who try to convince the public of the uselessness of investing more into educational programs for poor, minority schools.

Elizabeth Harter (1999) argued that the relationship between school expenditures and student achievement depends on how money is spent. She tested the relationship of money and achievement by using data from elementary schools in Texas and by holding constant student academic potential, student socioeconomic background, and school characteristics. Her results indicated that only certain types of expenditure play a part in explaining student achievement. Evidence from Dallas County Public School Districts (Loubert, 2002) supports the notion that individual schools within a district may not receive the same proportion of funding for regular education program, which is similarly problematic. She found that there is a small yet significant decrease in the percent of money to a school that is used for regular education as the percentage of black students increase.

Attempting to gain more funding for African American students from the state is problematic as Ryan (1999) found. His study indicated that poor districts with predominately minorities residing therein, fail to convince lawmakers and even the courts for greater financial resources. He also ascertained that if districts with large numbers of minorities have higher levels of per-pupil funding, it is due to the results of desegregation funds, i.e., compensatory funding from the government. Students, however, may still forfeit allocation for the fundamental courses in education because districts may have misappropriated the funds. Few school districts have lost sight of the original purpose of these funds and this has lead to stricter accountability of these funds as in the case of Texas.[5] Even though misappropriate cases may exist, these compensatory funds could easily dissipate with the current climate for education finance policy.

Student achievement and school finance has been a controversial topic for over 30 years with no concrete answers being discovered. Education is thought to be the preparation of our youth for the labor market, so the question of whether money matters needs to be addressed. Do graduates from districts with high spending levels per pupil perform better in the labor market (do they earn more money) compared to those with poor resources and low spending? David Card and Alan Krueger (1996) conclude that they do. Gary Burtless (1996) poses the question of why it is possible school resources have no effect on a student's achievement, but have a measurable and beneficial effect on student's earnings after they leave school (Grogger, 1996). Hanushek (1986) concluded that there appears to be no strong or systematic relationship between school expenditures and student performance. His policy recommendation would be that changes in school expenditures to improve student performance need to be manifested by other means outside of increased expenditures.

This recommendation is not acceptable especially when circumstances like deteriorating building, lack of modern technological necessities, inability to attract more qualified teachers, and the absence of a caring society upon the welfare of poor and minority students prevails. Money *can* matter in improving student performance when used to its greatest potential of changing inadequacies of school systems that foster the current legacy for most African American students.

CONCLUSIONS

Justice has yet to find its way to African American for education policy. The cycle of second-class citizenry that began during slavery has not been broken even though there have been some attempts to do so by lawmakers. There is much denial that discrimination in education for African Americans even exists. Perhaps that denial stems from what we all learn that America should represent—the land of the "free." As long as that denial exists, we can expect that the disparities for funding education will also exist. The attempt by JP Morgan to admit and then to give funds to the state of Louisiana for its connection to slavery is a beginning for Americans to acknowledge the profits and economic ties that came with slavery. As the tables and graphs presented, on the average even today, African Americans continue to endure a cost rather than a benefit even though the enslavement of their forefathers helped to build this nation and the economic stance it holds.

Some states have attempted to right the wrong of unequal distribution of funds that African Americans receive at least in school funding. They use some formula of redistribution that does give more money to poorer school districts, but there is never a connection to the past history of slavery and the effort to keep blacks uneducated. The veil of discrimination in education funding continues to obscure the plight for those of us who want to have the same opportunities to engage in meaningful, productive, and prosperous lives. We are left to exhibit the shadow of a society that has not come to face the legacy of its past. Perhaps the only way to overcome this vicious cycle is to openly discuss a method of reparation that would symbolize the healing of the past. At that point, we can as a society move forward in educating all students, regardless of color and/or income. The more this society has a better educated populace, the more income will be generated to educate our future students.

NOTES

1. A California court case—begun in 1968 and settled in the early-1970s—that challenged the inequities created by the U.S. tradition of using property taxes as the principal source of revenue for public schools, saying the wide discrepancies in school funding because of differences in district wealth represented a denial of equal opportunity.

2. Fiscal neutrality is a standard that is used to a greater or lesser degree in most school finance cases. To meet the fiscal neutrality states would have to require that the tax effort among school districts yield equal revenue per pupil from state and local sources.

3. Although the ruling from *Brown* became a national policy, specific references to public education are found in state constitutions, not the U.S. Constitution, thereby creating some differences in pupil funding patterns across states.

4. Richard Herrnstein and Charles Murray's book, *The Bell Curve: Intelligence and Class Structure in American Life* posit that it is genetic factors that predetermine education and income.

5. Lawmakers in Texas have set very strict guidelines for compensatory spending and individual schools are audited to prove their accountability.

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