Achievable and Affordable: Providing Comprehensive Educational Opportunity to Low-Income Students

Report Summaries

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Raising academic standards and eliminating achievement gaps between advantaged and underprivileged students are America's pre-eminent educational goals. Current federal and state policies, however, largely ignore the fact that the childhood poverty rate in the United States, at 22%, is the highest in the industrialized world, and that poverty substantially impedes children's ability to succeed in school.

In order to overcome poverty's crushing impact on academic achievement, underprivileged students need access to critical school-based resources including effective teaching, appropriate class sizes, and up-to-date learning materials. Many of these children also need essential out-of-school educational resources, specifically early childhood education, health services, after-school and other expanded learning opportunities, and family support services.

Providing all underprivileged students with access to the in- and out-of-school resources necessary for school success—what we call "comprehensive educational opportunity"—is vital to children’s welfare as well as to our nation’s civic health and future global economic competitiveness.

Access to comprehensive educational opportunity (which is routinely provided in more advantaged families) should be considered an educational right for all low-income children. There are moral, statutory, and constitutional bases for a right to comprehensive educational opportunity. The asserted right has strong ideological underpinnings in the "American dream," which affirms the competitive nature of our society, but justifies its fairness on a presumption that all children will be provided a quality education that will prepare them to go as far as their individual talents and motivation will take them.

The federal No Child Left Behind Act (NCLB), formerly known as the Elementary and Secondary Education Act (ESEA), implicitly establishes a statutory right to right to comprehensive educational opportunity through its stated goal of providing "fair, equal and substantial" educational opportunities to all children and its mandate that all children be proficient in meeting challenging state standards by 2014. In the pending reauthorization of ESEA, this implicit right should be made explicit.

The constitutional arguments supporting a right to comprehensive educational opportunity are based on both state and federal precedents. Dozens of state courts nationwide have held that children have a constitutional right to a "sound basic education"; some of those have specifically included comprehensive services within this definition. In addition, some have held that the state constitution imposes an obligation on the state to create an education that overcomes the effects of poverty.

The federal argument is based on a broad range of Supreme Court equal protection cases. Probing an issue the Court left open in San Antonio Independent School District v. Rodriguez, evidence and precedents from the state sound basic education cases demonstrate that an adequate education is a necessary prerequisite for students to exercise their free speech and voting rights. A sound basic education—and one that incorporates necessary comprehensive services—therefore, constitutes a fundamental interest under the federal constitution. Further, based on the precedent of Plyler v. Doe, failing to provide underprivileged children a meaningful educational opportunity will "perpetuate a subclass of illiterates within our boundaries, surely adding to the problems and costs of unemployment, welfare and crime." Finally, recent precedents indicate that the practice of providing some, but far from all, low-income students with vitally needed comprehensive services creates "two tiers" of citizens, a pattern that strongly offends the concept of equal protection.
Our nation’s inability to narrow the achievement gap stems from school reform initiatives that neglect the specific conditions in the lives of low-income students that contribute heavily to inadequate school performance. A new consensus is emerging that a more effective approach would be to prevent the achievement gap from emerging in the first place. This strategy would start with high-quality early childhood experiences and include adequate health care and high-quality after-school and summer programs, as well as school improvement.

This analysis estimates the cost of public policies to narrow the achievement gap substantially, if these policies begin early in the development cycle and build on previous success, rather than attempting to remediate past failures. The report models appropriate investments in prenatal, neonatal, infant, and early childhood development, followed by appropriate investments later to sustain the effects of such early interventions. It assumes that such a strategy could significantly inhibit development of the achievement gap in the first place, making it easier to sustain greater equality in outcomes through the school years. The full program covers a span of 18½ years, from the beginning of the second trimester of pregnancy to 18 years of age. It would take 18½ years to implement fully, because as each cohort matures, new services are added in each year. And each year, a new cohort is added to the model.

The model is comprised of the following components: The prenatal period is devoted to ensuring that all underprivileged pregnant women receive adequate prenatal and obstetric care, increasing the likelihood that each child is born with capacity to flourish. Family (parental support) services also begin in the prenatal period and continue throughout the full 18½ years of the child's development cycle. These services include visiting nurses from the second trimester of pregnancy until the child’s third birthday, parent access to continuing education from the neonatal and infancy year until the child's 18th birthday, school-based comprehensive service coordinators beginning at three years old and continuing until the 18th birthday, and visiting home literacy coaches for low-income children ages three, four, and five.

The neonatal and infancy year of the model, covering newborns to one year of age, introduces high-quality early childhood care and education that continues through age two. The model provides prekindergarten for ages three and four. Also introduced in the neonatal and infancy year is routine and preventive pediatric care, and routine and preventive dental and vision care are added soon thereafter. The program models all of these costs as provided in a school-based health clinic and continuing until the child's 18th birthday, which the model assumes occurs at the end of the normal senior year of high school. The model also provides for high quality after-school and summer programs from age five (kindergarten) to age 18.

The model assumes that the children eligible for these services are those who are eligible for the federally subsidized lunch program. In 2008, approximately one-third of all children in New York State were in such households. For each underprivileged family and child in New York City that takes advantage of all services recommended and modeled in this report, the estimated cumulative lifetime (to age 18) cost is about $290,000, or an average annual per child cost of about $15,700. If these figures were converted to dollars with New York State purchasing power, the lifetime per child cost would be approximately $256,000 and the average annual per child cost would be about $13,900. Assuming conservatively that each child would access 75% of the available resources, the New York City annual cost would be approximately $11,800 per child and the New York State cost approximately $10,400.
While our nation does not currently provide comprehensive supports to all underprivileged children, it does invest substantially in children’s services through federal, state, and city programs. This report sets out to estimate the total annual expenditures on children in New York City and to create a “fiscal map” to detail them. The fiscal map describes these expenditures according to a series of classifications, including the age of the recipient (early childhood, elementary, and high school); source of funding (public, tax-related, and philanthropic); level of government (city, state, and federal); and the child’s level of disadvantage as measured using poverty criteria. The goal of the map, derived from analysis of budgetary data and official sources, is to depict current expenditures on children in a clear and comprehensive fashion.

Based on data for 2010, this report estimates that annual fiscal spending for the average child in New York City is $15,630, which, adjusting for inflation, represents a slight decline over the period since 2005. For all 2.02 million city children, this amounts to a total of $31.5 billion. Most of that money is spent on in-school expenses. Expenditures for developmental supports such as early childhood care and education and out-of-school programs, as well as medical care and critical programs such as homeless services, amount to less than one-third of the total.

The fiscal map also shows that the primary source of funding for New York City children is the city government, which provides almost half of the direct funding for programs for children. The state is the next largest source. Direct expenditures by the federal government are nearly equaled by the resource implications of rules on tax-related expenditures (such as the Earned Income Tax Credit).

Notably, the map shows that public investments are disproportionately allocated toward underprivileged children. Whereas average annual direct public spending per child is $13,340 (net of tax-related expenditures and philanthropic contributions), spending for a child who lives in a household with an income that is less than 185% of the federal poverty level is $19,280. However, we caution that the full amount of this spending gap should not be interpreted as a redistribution to benefit those with the greatest needs: it includes spending on rehabilitative programs and the juvenile justice system, for example, and includes very little spending that might be classed as preventive. Finally, the report estimates that (expressed as amounts per year regardless of age) in the areas of services recommended by Rothstein and colleagues, $6,070 is currently spent per year for each child below 185% of the poverty level.
What Are the Social and Economic Returns?
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Approximately half of all NYC public school students who live in families with incomes less than 185% of the federal poverty level (FPL) do not graduate from high school. These dropouts are much less likely to achieve economic self-sufficiency in adulthood. This creates both a fiscal and social burden. Rothstein, Wilder, and Allgood (2011) propose a set of publicly funded comprehensive services to supplement academic services that could effectively raise the educational attainment levels of low income children to levels associated with middle class children. This report calculates the fiscal and social impact of raising the attainment levels of these students in order to assess whether the costs of such services are justified by the benefits.

Specifically, the report estimates the economic costs and benefits attributable to a single cohort of 37,000 12th grade students from families with incomes below 185% FPL who are currently finishing up in New York City public schools. It calculates the net fiscal contributions by education level per individual. These contributions are tax revenues, minus government expenditures on healthcare, the criminal justice system, welfare programs, and school/college. The report finds that New York City and State combined spend $82,000 (in lifetime present value terms) on each high school dropout on healthcare, criminal justice, welfare and education while receiving only $45,000 in tax revenues. This results in a deficit of $37,000 for each dropout. In contrast, for students earning a BA or higher degree, the city and state expenditures amount to $55,000 while tax revenues are $143,000, resulting in a balance of $88,000 in favor of the government. The impact for the federal government is also substantial with high school dropouts costing $1,360 when federal expenditures are netted against federal tax revenues, while students earning a BA or higher degree contribute $347,460 in lifetime present value terms. Evidently dropouts create a greater fiscal burden for the state and city than for the federal government, but the federal government gains dramatically more as education levels increase.

The report also calculates the social impact of different educational attainment levels including the benefits of income gains, economic spillovers, reductions in crime, and improvements in health as education level increases. The total social benefits attributable to a student educated to the end of 11th grade amount to $360,000. For a student graduating high school, the comparable figure is $902,000, that is, over half a million dollars more per person. For a student earning a BA or higher degree, the total social benefits are estimated at $2.4 million, or more than six and a half times the contribution of a high school dropout.

Provision of the recommended supplemental programs for the 37,000 New York City students who are in families with income levels between 75%-185% FPL is estimated to cost the government $12.29 billion. From a purely fiscal perspective, the expected benefits would cover only about 60% of the government’s costs. However, the total expected social benefits of $24.93 billion exceed the costs by a factor of 2.03. As a social investment, the internal rate of return is approximately 9%.

Research shows that educational, health, and other supports for low income or at-risk children, starting at an early age, can have a positive impact on their educational attainment and adult contributions to society. Cost-benefit analyses indicate that returns to the government and society, such as tax payments, economic productivity and service, over the recipients’ lifetimes more than compensate for financial investments in such programs. The economic analysis provided in this report indicates that provision of all support programs in the comprehensive approach outlined by Rothstein, Wilder, and Allgood (2011) would require a significant outlay by state and local governments above and beyond what is currently expended. However, the resulting estimated 9% rate of return on investment compares favorably with existing forms of government debt, suggesting that a feasible strategy would be to finance the costs of a comprehensive support program for low-income children through the issuance of long-term municipal bonds. Philanthropic foundations could also help fund these social investments by providing grants to service providers that would be replaced by public funds if target outcomes were met.
If comprehensive educational opportunity is conceived as a right, then the state must commit to providing it and must develop a policy infrastructure to assure broad access, uniform quality, regularized funding, and firm accountability strictures to ensure all students a meaningful opportunity to obtain necessary services. Past efforts to ensure comprehensive opportunities for low-income students have proven ephemeral mainly because the policy infrastructure to make the reforms permanent was never adopted.

The standards movement has established such a policy infrastructure in regard to K-12 education. The standards-based approach consists of expected outcomes, specific academic standards, and extensive accountability requirements. In legal cases in recent years that have asserted the right of all children to a sound basic education, courts in many states, including the New York Court of Appeals, in the Campaign for Fiscal Equity case, have issued mandates to provide the resources required to meet those standards. The aim is to create a coherent system of standards, resources, and assessments that will result in significant improvements in achievement for all students.

The task force contends that the appropriate way to implement children’s rights to comprehensive educational opportunity and to ensure adequacy and equity in access to services in early childhood education, expanded learning opportunities, health, and family support services is to apply the same policy infrastructure that has proved so useful in K-12 education. To create guidelines for developing the full policy infrastructure for comprehensive educational opportunity, for each of the component areas of children’s services that constitute comprehensive educational opportunity, the task force members and invited experts developed a policy framework that included (1) setting goals for the system and articulating expected student outcomes; (2) delineating the range of program quality and performance standards that the state needs to develop in each area to ensure those goals are reached; and (3) detailing the essential resources and services needed to provide meaningful opportunities to achieve the standards.

Using figures from Rothstein et al. and subtracting the current expenditures in these areas as calculated by Belfield and Garcia, we estimate that a high quality, integrated system of comprehensive educational opportunity would require approximately $4,750 more per underprivileged child in New York State, or $4,230 per child nationally, than we are now spending for these services. This is not an inconsequential amount of money, but our analysis shows that broad-based implementation of the right to comprehensive educational opportunity is a feasible proposition. Furthermore, actual implementation of this range of services is likely to involve more effective and efficient arrangements than the compartmentalized way that each service is separately described for analytic purposes. Effective coordination in implementing comprehensive services is likely to reduce the total costs.

Belfield et al. demonstrate that the social and economic returns of providing underprivileged students a meaningful educational opportunity are substantial, and they clearly justify the moderate investments that are really necessary to overcome achievement gaps and ensure that all of our students are prepared for the challenging economic and political environments with which our nation will have to cope in the years to come. It is our responsibility to these students today, and to the futures of all our children, that we begin the hard work of adopting the policy infrastructure necessary to secure this right and determining to make these investments most effectively to create a system to provide it.