Addressing the Racial and Economic Academic Achievement Gaps Through Expansion of Title I

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Abstract

Public education supports the American dream by providing every child the resources necessary to be successful in life. However, disparities in access to and quality of education between children coming from the lowest and highest-income families respectively undermines the idealized level playing field and instead reinforces existing economic inequity. Title I provides much needed financial support to underfunded schools in an effort to close the gap in academic achievement, however due to inadequate funding and inefficient spending, the economic academic achievement gap has not narrowed during its 60-year lifespan.

Title I never received the budget it was designed to operate with and has further failed to grow with inflation and expanding demand. Further, historical reforms promoting standardized testing and greater school autonomy in spending result in inefficient use of the limited available funds. However, the established framework and public trust in Title I validate the need for reform over replacement legislation.

The COVID-19 pandemic led to countless student-days lost nation-wide and forced even more time to be spent online. Education during the pandemic required an internet capable device and a quiet space to study in at home, each of which are challenges that disproportionately negatively impact low-income families. Structural inequity permeating the American economy ensures lower income Americans have worse COVID outcomes secondary to inadequate
protective measures, greater rates of essential workers and less physical space available, creating an intersection in which lower income Americans were affected by the pandemic at a higher rate and a worse severity.

Title I is due for renewal this summer, and President Biden ran on the promise of expanding Title I’s budget threefold to $45 billion each year. The outcome of the election and changing political climate create an opportunity for meaningful education reform, while rampant existing economic and academic inequality coupled with pandemic induced limitations propel the importance of education funding to the forefront of national attention. Here we will explore the history of academic inequity in the United States, factors limiting Title I’s impact and ultimately advocate in support of the President’s promised budget increase.
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1.0 Background

Title I is the federal program designed to address inequal spending on public education and the ensuing inequities in academic achievement and economic outlook. The program will require renewal in the summer of 2021, creating opportunity to modify the policy to better address historically inadequate funding. Concurrently, the COVID-19 pandemic is actively illuminating existing disparities to the public, while worsening the conditions facing our struggling public school system.

1.1 Economic Inequality

Economic inequity plagues the United States economy despite countless efforts by politicians, non-governmental organizations, and everyday citizens. Since 1989 the wealth gap between upper- and lower-income families has doubled, driven by continued growth for the richest Americans and stagnation for the rest. Despite a 64% increase in income for upper-income households since 1970, the average American family’s wealth is the same as it was in 1995. While inequity is present worldwide, the degree to which it exists in America is unique among developed nations. The Gini coefficient (a measure of economic disparity) for the United States is greater than any other G-7 nation and approaches that of India.\(^1\)

Our nation is built on the principal that hard work leads to rewards in life, in truth however, a person’s economic outlook is highly predicted by their circumstances at birth. 65% of children born in the bottom fifth of the economic spectrum remain in the bottom or second to bottom fifth
their entire lives. While today politicians fight to combat this inequity in opportunity, the root causes lie in policies of the past.

‘Redlining’ is the historic practice of refusing housing loans to applicants from low income and black neighborhoods, promoting housing segregation that persists today. Further, the economic divide was supported by banks limiting the opportunity for development wealth through real estate. Home ownership provides the opportunity for long term savings that can be passed with minimal taxation through families. Owning real estate provides stable housing security, which protects families and provides peace of mind. Families that own their homes can borrow money against their property to invest in things like a college education or a small business. The advantages of home ownership, both in times of opportunity and strife, reinforce the inequitable policies that support white, upper-class families while limiting opportunities for others. Continued inaction to correct these wrongs propagates a cascade that establishes and reinforce health and educational inequity.²³

The outcome of inequitable policies, unsurprisingly, is significant, and worsening, disparities in family wealth. Net worth among white household has steadily grown by 73% between 1983 and 2001, while the wealth of Black families was relatively stagnant at 31% growth.²⁷ Figure one demonstrates clear economic stagnation for black families, especially when compared to the growth seen by overall.²⁸
Policies such as redlining actively promote racial and economic housing segregation, in turn creating significant disparities in wealth between neighborhoods. Neighborhood wealth, in the form of income tax, is the primary funding source for public schools, meaning wealth inequity directly drives academic funding inequality, which in turn is a major predictor of academic achievement.\textsuperscript{3,27}

\section*{1.2 Educational Achievement Gap}

Education supports children and adolescents in becoming successful adults through concrete skills such as reading or arithmetic and development of abstract concepts such as interpersonal and professional etiquette. It is unsurprising that Americans that earn a high school diploma earn more than $8,000 on average annually than those that do not, and have only 3.7\% unemployment compared to 5.4\%.\textsuperscript{4} The factors that determine how likely an individual is to complete high school are largely systemic, and often are non-modifiable by the student themselves.
In efforts to combat high-school non-completion the California Dropout Research Project assessed the factors contributing to students not completing high school on time and found that while individual factors such as persistent absenteeism played a role in graduation rate, more than 75% of all variability was between, as opposed to within, schools.5

The 14th Amendment mandates equal protections for all under the law, and the 1975 Plyler v. Doe case the Supreme Court confirmed this protection applies to free education under the public school system.6 Despite this legal mandate there persists an impactful disparity between the educational achievement of children from high- and low-income families. When drawing data from the National Assessment of Educational Progress, Hanushek et al. found a full standard deviation in scores (approximately a four grade-level difference) between students coming from families in the top and bottom 10% of families by income today that has remained unchanged since the 1950s.7

The Academic Achievement Gap negatively impacts the overall health of the U.S. economy. A 2009 McKinsey report found that the US GDP could have been as much as $670 billion higher in 2008 if the achievement gap between higher- and lower-income students had been closed 10 years earlier in 1998.8

1.3 Public School Funding

Nearly half of all funds for public schools in America are sourced from the property taxes of the families living in the district they serve. This means that districts with greater numbers of families paying high property taxes will receive more funding per student than those with lower paying families. This system drives massive inequities in funding, both between states ($3,804 per
Federal policies, such as ‘redlining’, reinforced the concentration of lower-income families to specific neighborhoods, ensuring the children of these families would receive less funding per student. Continued reliance on property tax has led to the public school system being underfunded by an estimated $150 billion each year, with low income and racial minority children disproportionately impacted. School districts with the greatest rates of poverty are 2.6 times more likely than others to experience a funding gap, while districts with greater than 50% Black or Latinx students are 1.95 more likely. Figure two clearly demonstrates the magnitude of this disparity, as on average majority white districts receive more than necessary funds while majority Black/Latinx districts on average experience a $5,000 deficit.29
School investiture directly impacts the quality of education provided by affecting the possible faculty to student ratio, the availability of extracurricular activities and how experienced of teachers a school can pay. Figure Three demonstrates the value of spending on education programs, which Levin et al. found to have benefit/cost ratios ranging from 1.4 to as high as 3.5. This means for each dollar spent on the *First Things First* program resulted in a $3.54 increase in GDP.  

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**Figure 2 Average School District Funding Gap, By Race and Ethnicity**

Source: The Century Foundation

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**Figure 3**

- **Majority Black/Latinx Districts**
- **Majority White Districts**
However, since the great recession of 2008 spending disparities have widened and currently only nine states exceed estimated adequate spending on high-poverty districts, demonstrating the need for federal intervention.\textsuperscript{31}

\textbf{1.4 Title I Policy History}

Inequity in education is not a new issue, and efforts have been made to combat it in the past. In 1965 President Johnson championed the Elementary and Secondary Education act, which provided federal funds to promote high standards in public education. Most funds were earmarked for ‘Title I’, which was designed specifically to close the gap in academic achievement based on household income and rurality. The bill was written to be renewed and funded every five years. Each time it has been reapproved, although amendments have been made along the way.\textsuperscript{10,11}
In 1993 the criteria for inclusion were changed to reduce the level of federal control over the funds and allow inclusion of school districts with 50% poverty rates, down from 75%.\textsuperscript{10} In 2001 the bill was renewed as the No Child Left Behind Act and included measures to penalize districts that did not meet quality standards as measured by standardized tests, and further allowed students to opt to leave schools that did not meet these testing metrics. Advocates for this change argued it would increase the accountability of individual districts, creating a strong incentive for them to improve the quality of the education they provide. However, this argument ignores the underlying budget disparities that create gaps in testing achievement in the first place, thereby reinforcing existing inequity instead of promoting educational improvement.\textsuperscript{10,11}

Title I was most recently renewed in 2015 under President Obama as Every Student Succeeds Act. In addition to securing funding through the summer of 2021, this reform included measures allowing states to reduce reliance on standardized tests to evaluate school districts. This change addressed issues created by the No Child Left Behind Act but failed to pair reforms with enough funding to levels estimated for the achievement gap to close.\textsuperscript{10,30}
2.0 Modern Context for Title I Renewal

Inequitable distribution of federal and state funds to districts within the public school system significantly contributes to disparities in academic achievement between students from high- and low-income families. This perpetuates wealth inequity due to higher rates of high school graduation and by extension greater lifetime earning potential for students who attended better funded schools. Wealth and income inequity harms individual opportunity and health and hampers the growth of the economy at large.

2.1 Title I Shortcomings

Despite over 50 years of Title I, the educational achievement gap has persisted, indicating shortcomings in the program. This is partially due to inadequate funding throughout the lifetime of the act. President Johnson initially allocated $1 billion, with plans to rapidly increase this amount to $8 billion. Before the budget goal could be met however the Vietnam War began, both requiring a massive portion of the US budget itself and forcing education off of the policy agenda.

To this day Title I remains underfunded, with a $16.4 billion annual budget, compared to the promised $24 billion in 2002 and drastically below what $8 billion in 1965 would be today accounting for inflation ($66.8 billion).

Currently Title I serves over 21 million children across the US, meaning the budget is spread thin to approximately $500 per student-year. This is significantly less than the current gap in funding between high- and low-income students, which is over $5,000 per student-year in
some states. Further, the funds are not presently allocated equitably. On average school districts with low-poverty rates received more money per low-income student ($763 vs $558) when compared to districts with high-poverty rates, meaning the schools with more resources are being further advantaged. School-wide programs accounted for two-thirds of all Title I spending, meaning they are not targeted specifically to the lowest-income students in a district.

Inadequate funding has serious impacts on the efficacy of a program such as Title I, and by extension the education system at large. Programs intended to combat inequity through provision of educational services to low-income families operate well below their intended capacity. For example, Early Head Start is only available to 31% of eligible children, and the Child Care Development Fund only reaches 15%. Teacher compensation has stagnated compared to professions with similar educational requirements, reducing the incentive for qualified people to enter the field. The most qualified or experience teachers further are incentivized to work at the better funded schools, which already were advantaged compared to others.

2.2 COVID-19 Pandemic

When the COVID-19 pandemic hit the US in 2020 inequality in our schools already caused significant harm both to individuals and the economy at large. The public education system was primed to deteriorate into a state of greater inequity, only to be further ignited by an unprecedented pandemic. Students have experienced disruption of normal classroom activities, disruption of their normal routine and in many cases traumatic experiences as their families struggle with the virus.
Universally students experienced elevated levels of depression and anxiety\textsuperscript{18} and had smaller improvements in math over the summer of 2020 when compared to an average year.\textsuperscript{19} In an effort to predict the overall impact of Covid-19 on students, researchers at Brown University examined data from students who experienced Hurricane Katrina\textsuperscript{20}, and found it took students two full years to catch up with their peers, due to loss of classroom time and teacher interaction, amplified by disruption and experiences of trauma. Intervention at the federal level is critical to avoid similar outcomes nation-wide.

The Covid-19 pandemic has further exacerbated the existing inequities in education through multiple mechanisms. The safest way for students to return to learning has been through remote teaching using online video services to connect students to their teachers. However, this requires each student to have a laptop or tablet they can use all day throughout the week with consistent internet connection in a non-disruptive setting. This is disproportionately not possible for students in low-income families. Education Weekly surveyed teachers and found that of those in schools with many low-income students, 64% had issues with internet access, three times the percentage (21%) expressed by teachers with few low-income students.\textsuperscript{21}

A McKinsey report on the impact of Covid-10 on student learning found that existing racial achievement gaps could widen by 15-20% and result in as many as 1.1 million additional students dropping out, with the worst impacts on lowest income students.\textsuperscript{22} They further estimate that individuals could lose as much as $82,000 in lifetime earnings and a national annual loss of $110 billion in earnings. Since the US currently does less to support low-income students than other nations, the McKinsey report concludes by estimating the US could lose as much as $271 billion in GDP by 2040, or around 1%.\textsuperscript{22}
2.3 Stakeholders in Public Education

2.3.1 School Age Children

The most important stakeholders to consider when discussing education reform are, of course, public school students. They are not only the people most highly impacted by any legislation, but further have little political capital of their own to address their needs. Quality education is an often advocated for issue, but students themselves are not of voting age, and therefore have little means to express their autonomy. This is amplified by their reliance on their parents, another important stakeholder to consider.

2.3.2 Parents and Guardians

The desires and values of parents and students often align, but it is important still to consider them as separate groups. Both groups value quality and safety, but while reform surrounding schools themselves are more likely to affect students, any changes to tax policy will affect adult Americans more directly. Further, parents represent students’ only means to directly affect political action, as they will be of age to vote.

2.3.3 Teachers and School Administrators

Teachers’ and school administrators’ personal financial stability and quality of life are directly impacted by education policy. Currently teachers are compensated at a much lower rate than comparably educated professionals in other fields and have clear incentive to desire
improvements funding for schools. There is also little incentive currently for experienced teachers or faculty to work at lower-income schools, meaning even those that feel passionately about equity are penalized financially.

Teacher burnout has been linked to both poor funding and challenging teaching situations (such as large class sizes), leading to 50% higher teacher turnover rates in Title 1 schools compared to others.\textsuperscript{33} Turnover inherently impacts the quality of educations provided to students, as losing a teacher can cause students to lose nearly half a year of educational progress.\textsuperscript{32} Teachers that experience burnout but remain in high-poverty schools have also been correlated with worse classroom management and increased levels of stress among students.\textsuperscript{32,33}
3.0 Policy Solutions

The current iteration of Title I has failed to close the income-based achievement gap in education, however more conservative critics have indicated they oppose increasing the budget for the bill. Critics, such as Senator Ted Cruz from Texas, emphasize the need for increased state decision making in education, and therefore oppose expansion of a federally regulated program. While there is merit in state autonomy, equity between states can only be insured at the federal level.

Rick Hess of the American Enterprise Institute, another critic of expanding Title I, focuses on reports of mismanagement of Title I funds, and advocates for better regulation of the existing budget. He points out that a $30 billion increase in funding only represents a 4% increase in total spending on public education nationwide, implying the change would have likely only a small impact if any.

Title I funds are distributed inequitably between high- and low-poverty districts, indicating there is need for better regulation. At present, states have significant leeway in how they distribute the Title I funds they receive and schools further can decide what to do with the funds. As established above however, the fact remains that Title I is funded well below the level promised in previous legislation and hypothesized to make a meaningful impact in educational equity. Multiple programs (such as Early Head Start) serve only a fraction of the children that are eligible. Greater regulation of Title I funding is necessary, but is not sufficient at current funding levels.

There are numerous proposals for policies designed to address academic spending inequality and disparities in achievement. Provided below are evaluations of the major proposals gaining traction currently, including their rational, strengths, and weaknesses.
3.1 Solution One: Repeal and Replace Title I

Title I is a 55-year-old program, and while it has undergone significant changes throughout its life it is fundamentally the same system of grants that it always has been and never operated at the level of funding it was designed to have. The most compelling arguments in favor of replacing Title I, such as described by Derek Black in the California Law Review, call for replacement of the program with a newly designed federal system that would still help fund public education. Black insists that the federal government needs to invest more money in education directly, meaning not through grants, to mandate states to adhere to equity standards.23

Title I does have problems with oversight and evaluation. The historical use of standardized tests to judge school quality proved to be culturally biased and led to schools ‘teaching to the test’ instead of focusing on other metrics of quality or equity.34 At present largely due to COVID, education finance has moved prominently onto the national policy agenda. President Biden, Senators Sanders and Warren and others have each expressed their support for increased investiture into educational equality. However, the political capital and urgency surrounding the issue currently is not limitless, and there is constant opposition to any increase in federal funding to education (see Senator Ted Cruz example above). Renewing and expanding an existing program requires less administrative work than replacing it, as much of the policy formulation has already occurred. Further, the structure within the executive branch to implement and rule-make already exists, instead of having to design a new organization from scratch. Collectively, this means the approach of repeal and replace would likely require both more money and more political capital to produce the same outcome downstream.
3.2 Solution Two: Eliminate the Role of Property Taxes in Public School Funding

Funding education through property taxes perpetuates generational economic inequity by ensuring low-income students have access to less education funds each than students in a higher-income district. Title I was designed, in part, to combat this feature fundamental to how we fund our schools. However, many have advocated that instead of trying to fill the gaps left by this system the federal government should instead focus on overarching education reform, such as PA state senator David Argall, who advocates for this change at the state level. Lawsuits have been brought against multiple states attempting to prove that this system is unconstitutional, and some states have undergone moderate reform to try to address inequity. California, for example, instituted a policy aimed to keep spending per student within $100 across all districts by spending state funds in lower income districts, while simultaneously changing the main funding source to local income taxes instead of property taxes. While this program was successful in improving budget inequities, it proved to provide, overall, less funds that were more volatile. Income taxes can vary drastically year to year, while property is relatively stable.

Reforming education funding to eliminate the role of property taxes would be the most direct response to the inequitable distribution of funds, however, presently reform of this magnitude is politically unfeasible. The National Conference of State Legislatures indicates a major reason for the reliance on property taxes is their overall consistency when compared to other tax sources. Others argue that this change would prevent communities from raising more funds for their schools by raising taxes, eliminating local control over educational content or quality.
3.3 Solution Three: Renew Title I and Increase Appropriated Budget Significantly

During his Presidential campaign President Biden promised to renew the ‘Every Student Succeeds Act’ and to increase Title I’s funding to $45 billion per year. He further calls for reforms to our school system to support educators and promote the idea that your zip code should not determine if you will be prepared to succeed.

To support these goals President Biden plan calls for immediate spending to close the wage gap between teachers in low- and high-income districts with long term investiture into improving mental health services in schools, teacher diversity increase the proportion of students graduating high school with practical skills and certifications.38

3.3.1 President Biden’s Proposal

The grant-based nature of Title I allows it to adapt to unforeseen situations during its life course and promotes experimentation and development of new educational ideas. By adjusting regulation of how Title I funds may be spent, specifically how states distribute the funds between districts, the program could be made much more efficient. Therefore, while the budget would be tripled, the real impact on GDP would be even greater.8,30

Renewing and expanding the budget alone are not enough however, and this iteration needs to develop rules to ensure grants are rewarded to proposals that are evidence based and reflect an equitable distribution of resources to the highest-poverty schools. A portion of the funds should be earmarked for increased federal oversight to ensure funds are used as promised and to evaluate the success of funded programs. Grants should be required to include provisions for evaluation and reporting findings, as well as program modification should they prove ineffective.
3.3.2 Rational for Support

The federal government has a mandate to ensure educational equity as promised in the 14th amendment, and further to compensate for past and present policies that reinforce inequity. While it has failed to close the achievement gap to this point, Title I was created to address this specific need, and should be supported to the level promised to the American people. The program is established, meaning schools understand the system and parents know that the government is supporting their children’s education. These are important factors when determining if legislation will be successful.

Parents and teachers want to maintain control over how their students learn, which property taxes’ role in school funding ensures. However, it is also imperative that a baseline level of quality is ensured, both to improve the lives of individuals through more and greater opportunities, and to improve the health of the overall economy. The United States is far from addressing individual economic disparities, but in the meantime we can ensure every school has the resources needed to support every student, regardless of their ability to buy a laptop.
4.0 Conclusion

The COVID-19 pandemic has opened a critical window of opportunity by bringing educational inequity to the public’s attention. Pressure to improve education for low-income Americans is growing, and it is imperative to capitalize with meaningful legislation.

The US has never funded Title I adequately, while pandemic restrictions have elevated the need for educational resources. Federal policy promoted housing segregation which in turn created economic, health and academic disparities felt for generations. The United States is a nation that prides itself on the individual’s ability to create a better life for themselves. Our education system betrays this core national value by failing to support low income and minoritized students. If we hope to maintain our position in the world, we need to invest in every single American child, not just those living in the suburbs.


23) Black, D. (2017). Abandoning the Federal Role in Education: The Every Student Succeeds Act. California Law Review, 105(5), 1309-1374. doi:https://www.jstor.org/stable/26577710?casa_token=pydt6Indv4EAAAA%3AgSfezYzYU1n1k0cJgiaZ4pVv9w2ozN4SBG76GUaOwVKImAkoabKVpXURWONecXTjtAPVZjeDMn1Kg9DN332i9M64f0c_r0sUv74b7qXAwLBeE&seq=67#metadata_info_tab_contents


