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It's Elementary

A Monthly Column by EFAP Director John Yinger

December 2006

How the No Child Left Behind Act Punishes Schools with Disadvantaged Students

The federal funding provided through the No Child Left Behind Act (NCLB) is dedicated to “improving the academic achievement of the disadvantaged.” This column asks whether NCLB accomplishes this objective, based on a recent study of Kansas and Missouri by William Duncombe, Anna Lukemeyer, and me.¹

As discussed in my previous column, NCLB both implements a new accountability system for public schools and provides additional funding to help schools meet their state's

¹ William Duncombe, Anna Lukemeyer, and John Yinger, “The No Child Left Behind Act: Have Federal Funds Been Left Behind?,” Working Paper, Center for Policy Research, Syracuse University, Syracuse, NY, September 2006. Available at: http://cpr.maxwell.syr.edu/efap/Publications/costing_out.pdf .

performance standards. The funding provided through NCLB can be compared to the amount of money a state must spend to bring its students up to its performance standards. This required spending depends, of course, on student characteristics. As discussed in several of my previous columns (especially January 2005), the cost of achieving any given student performance standard in a given school district increases with the share of students in that district who come from poor families or who speak English as a second language.

One of the objectives of NCLB was to increase the extent to which federal funds went to the schools with the highest poverty rates. Under the previous formula, the poverty thresholds for a school to receive federal funds was quite low (between 2 and 15 percent depending on the funding mechanism), and all of the additional federal funding provided by NCLB is designed to go to high-poverty schools. This increased focus on high-poverty schools show up in the data; between 2000 and 2005 NCLB increased the correlation between federal aid per pupil and the child poverty rate from 0.56 to 0.66 in Kansas and from 0.62 to 0.66 in Missouri.

The question is whether this increased focus on high-poverty schools is sufficient to cover the added costs associated with bringing children in poverty up to student performance standards in these two states. In the case of the standards set for 2001, the D/L/Y study finds that it does not. To be specific, the study finds that NCLB covers 60.5 percent of these additional costs in Kansas but only 6.2 percent of these costs in Missouri, where the standards are much higher. These calculations assume that the additional federal funds are devoted exclusively to covering the added costs of students from poor families. In actuality, of course, some funds will not be used in this way, so these results indicate the maximum share of these additional costs that could be covered with the new federal funds.

NCLB also attempts to meet its objective of improving the academic achievement of disadvantaged students by requiring schools to meet their state's performance objectives for various categories of disadvantaged students, as well as for their students overall. As discussed in my previous column, schools that fail to meet these performance objectives face severe sanctions. As a result, NCLB places more requirements on schools with disadvantaged students than on other schools. The objective of these requirements, namely, to ensure that all children are brought up to the standards, is laudable. Nevertheless, the consequence of these requirements, coupled with the insufficiency of federal funding, is that schools with disadvantaged students are more likely than other schools to be sanctioned for reasons that are outside their control.

One way to summarize these findings is to say that the funding and accountability components of NCLB are not in alignment. The accountability provisions are applied regardless of a school's financial situation and regardless of the extent to which low student performance in the school is based on factors outside the school's control, such as concentrated poverty. This misalignment results in the profoundly unfair outcome that schools with a high concentration of disadvantaged student are more likely than other schools to be sanctioned even if they are operating as efficiently as possible. The ultimate objective, of course, is fair treatment of students, not schools, and NCLB allows students in sanctioned schools to switch to a different public school in the same district. In fact, however, shifting disadvantaged students to different schools would do nothing to address the factors outside the control of school officials and would therefore simply shift the underfunded costs inevitably associated with concentrated student disadvantage.

As discussed in my previous column, a state can lower the share of its schools that are subject to federal sanctions by lowering its student performance targets. This strategy will not, however, save schools with high concentrations of disadvantaged students, which are, for reasons outside their control, the schools most likely to be sanctioned. However, a state could help to resolve the unfair treatment of schools with concentrated disadvantage by altering its own aid formulas.² Existing state aid formulas do not adequately recognize the higher cost of education in these schools, but they could easily be adjusted to do so. The federal government could also encourage this type of response by revising NCLB to reward the states that do the best job of focusing their aid on the neediest school districts.

Another possible reform to NCLB would be to increase both the amount of federal funds and the extent to which these funds are focused on the schools with the highest concentration of disadvantaged students. This type of reform would help close the gap between the current impact of the program and its stated objective of "improving the academic achievement of the disadvantaged."

² The design of state aid formulas to account for disadvantaged students is discussed in my columns of December 2004 and January 2005.