Why is it so Hard to Help Central City Schools?

Abstract - Many states have implemented educational grant systems designed to provide more aid to school districts that are, by some standard, in greater need. Never-the less, many if not most central city school systems continue to produce poor educational outcomes, as measured, for example, by test scores and dropout rates. Using data from New York State, this article asks why existing aid formulas fail to provide the assistance that central city school districts need to bring their educational outcomes up to reasonable standards. Two principal explanations are explored: the failure of existing aid programs to recognize the high cost of providing education in central cities and the possibility that aid simply makes central cities less efficient without raising educational outcomes. The article presents aid programs that account for costs, but show that these revised programs will do little to help central cities without at least one politically unpopular provision, namely a large state budget or a high required local property tax rate. The article also estimates the extent to which increased aid to central cities leads to their less efficient operation, thereby undermining the objective of improved educational outcomes for central city students. The article concludes by listing the steps that a state can take to help central city schools and by discussing the yet unresolved problems that arise in helping these districts.