

EDUCATION AND POVERTY

by

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Few things are as strongly connected with social disadvantage and poverty as limited or deficient schooling. So much so that it matters little how you retrace the lives of the poor - individually, or in terms of neighbourhoods of concentrated poverty, or the institutions in which we lock people up - the path almost invariably leads to an earlier unsuccessful passage through schooling. Notwithstanding the good intentions and efforts of their teachers, for some young people school is a shunting yard from which they are progressively nudged into sidings that promise escape but which lead nowhere.

Such talents as these young people have remain undeveloped and they fail to acquire the basic abilities needed to gain employment in a world where the first question they are likely to face is 'What are you qualified to do?' There is, of course, great scope for blaming the young people concerned for contributing to their own failure to progress. The embarrassment-driven misbehaviour that often accompanies their poor academic performance makes such criticism both easy and to some extent, understandable. But it only dishonours our society to treat lightly the special needs of children and young people in danger of having the path of opportunity closed to them as early as in their mid-primary years. Ahead for these young people lies the way of an early school departure, unemployment, low work skills, sickness, and financial hardship. These are the defining attributes of our most disadvantaged neighbourhoods¹ and also the localities identified in the UK as being areas of 'social exclusion.'²

Moreover these young people face the prospect of additional surveillance by a State worried about their capacity to properly care for children and also their ability to live within the law. Charles Dickens gave us a Victorian version of such social prodding in the character of Jo in *Bleak House*. Told constantly to 'move on' Jo says to the policeman "I've always been a-moving and a-moving on, ever since I was born. Where can I possibly move to..." The intrusive control of our less educated citizens may now appear in different guises - although 'pat-downs' and the searching of youth in public places make you wonder - but that control is still alive and well in institutionalised forms.

Limited schooling has a range of well-documented consequences. Many have a fundamental bearing on life, health and wellbeing. A number of studies indicate that the completed years of formal schooling is a more important predictor of health than occupation or income.³ Education decreases infant mortality,⁴ the age-specific rates

¹ Vinson, T., (2004) *Community Adversity and Resilience*, Melbourne, Jesuit Social Services

² The Scottish Office (1998) *Social Exclusion in Scotland*, Edinburgh, The stationery Office

³ Grossman, (1972) *The Demand for Health: A Theoretical and Empirical Investigation*, New York, Columbia University Press

of morbidity, disability and mortality.⁵ Education is associated with children's nutritional intake, and in adults, exercise, moderate drinking, weight control and avoidance of smoking.⁶ Females who have their first child as teenagers are more likely than those who delay childbearing to have low educational attainment, and subsequently these young mothers are more likely to become unskilled workers, and more likely to be unemployed.⁷ Child abuse and neglect are associated with incomplete high school education.⁸

The general socialising and supervisory roles of schools are of importance to crime prevention.⁹ More obvious is the striking evidence of low levels of literacy within the ever-expanding prison population. In New South Wales the Department of Corrective Services states: "60% of inmates are not functionally literate or numerate," and "60% of inmates did not complete year 10."¹⁰ A disproportionate number of those inmates are Aboriginal. However, when the rates of imprisonment of Indigenous and non-Indigenous people are analysed in terms of educational status, a striking result emerges: The Indigenous person who has not completed secondary school has over thirteen times greater chance of imprisonment than has her or his better-educated Aboriginal counterpart.¹¹

A society that truly values its children is morally obliged to ensure that the level of funding available for their education covers both (i) the mastery of basic skills and the avoidance of children falling into educational holes from which they often cannot recover, and (ii) the maximum practicable development of young people's talents. Achieving these goals can demand intensive teaching and strain school budgets, especially where students at both extremes of the academic ability range are involved. But what false economy we practise when we compromise our pursuit of these two goals. The connection between early school failure and the prospects of imprisonment are sufficiently strong for one American state (Ohio) to base its long-range prison capacity requirements on third grade test scores. It is little wonder that the proposition is put that educational funding should be 'front-end loaded,' to make sure that every primary school student learns how to read. As one commentator has observed "Early success could influence children's attitude toward school for the rest

⁴ Grossman, M., Kaestner, R., (1997) "Effects of education on health," in J. R. Behrman & N. Stacey (eds) *Social Benefits of Education*, Ann Arbor, University of Michigan Press

⁵ Kindig, D. A., Seplaki, C., Libby, D. L., (2002) "Death rate variation in US subpopulations," *Bulletin of the World Health Organisation*, 80 (1), 9-15; Feldman, J., Makuc, D., Kleinman, J., Cornoni-Huntley, J., (1989) "National trends in educational differentials in mortality," *American Journal of Epidemiology*, 129, 919-33

⁶ Ross, C. E., Bird, C., (1994) "Sex stratification and health lifestyle: consequences for men's and women's perceived health," *Journal of health and Social behaviour*, Vol. 35, 161-78

⁷ Olausson, P. O., Haglund, B., Weitoft, G., Cnattingius, S., (2001) "Teenage childbearing and long-term socioeconomic consequences: a case study in Sweden," *Family Planning Perspectives*, March, Vol.33, i. 2, 70-74

⁸ Moore, K., cited in N. Stacey (1998) op cit, p.55; Finkelfor, D., (1994) "Current information on the scope and nature of child abuse," *Future of Children*, 4, 32-53

⁹ Stacey, N., (1998) op cit, p.58

¹⁰ NSW Legislative Council (2001) *Select Committee on the Increase in Prisoner Population, Final Report*, November, Sydney, NSW Parliament, p.20

¹¹ Walker, J., McDonald, D., (1995) "The over-representation of Indigenous people in custody in Australia," *Trends and Issues in Crime and Criminal Justice*, Canberra, Australian Institute of Criminology

of their lives.”¹² This is not just a pious hope: up-to-the-moment research (Coyne et al., 2004)¹³ shows that a strong majority of all students initially identified at the beginning of kindergarten as ‘at risk’ of experiencing reading difficulties demonstrated average reading performance in the middle of first class even though they only received special assistance in kindergarten. That intervention apparently was able to establish strong phonological and alphabetic skills before a serious gap opened between the children’s abilities and those of their peers thereby providing a foundation for essential self-teaching.

There is at present an ideology-driven fiction being put about that the level of expenditure on school education is of little importance. Instead, the quality of teaching is emphasised, as though that consideration is totally independent of funding. I say, try converting the well off independent schools to that point of view. Some recent comparisons have shown that the amount available to educate a young person in an independent school can be in the range 1.5 to 2 times greater than in a government school of similar size and location.¹⁴

The trouble in our country is that competition between the education sectors for available government funds is simply that. There is no framework of principles to locate the issue where it properly belongs, namely, guaranteeing the educational resource needs of Australia’s young people so that they avoid crippling early educational deficits and enjoy the maximum practicable realisation of their talents. I do not normally look to the US for leads on improving Australian social policy. I must, however, acknowledge that incorporating the insights afforded by American educational and legal debates over school funding in recent decades could help to inject a greater measure of consistency and social justice into our own practices. This prospect is enhanced by the unheralded emergence of a research-based educational funding framework developed at the behest of Australian State and Commonwealth Ministers of Education and Training. This framework is intellectually compatible with the funding rationales being encouraged by many American courts. I will briefly explore the major themes of this legal discourse before considering the locally developed funding methodology and then proceed to ask whether the Australian education ministers will have the moral courage of their intellectual convictions?

Equal division of resources is not equity

The concern to design funding formulae that promote adequacy and equity has been strong in America over the past thirty years. A number of lawsuits that began in California in 1971 have encouraged changes in states’ school education funding. The sources of funding obviously differ from those that apply in Australia but the guiding principle is that enough money should be available for all children to meet academic expectations.¹⁵

¹² Iafolla, B., (2003) “School-to-Prison Pipeline, Part 3. Education not Incarceration” *Weekly Dig*, September: <http://www.weeklydig.com/dig/content/3899.aspx>

¹³ Coyne, M., Kame’enui, E., Simmons, D., Harn, B., (2004) “Beginning Reading Intervention as Inoculation or Insulin: First-Grade Reading Performance of Strong Responders to Kindergarten Intervention,” *Journal of Learning Disabilities*, Vol. 37, No. 2, March/April, 90-104

¹⁴ Vinson, T., Esson, K., Johnston, K., (2002) *Inquiry into the Provision of Public Education in NSW*, Sydney, Pluto Press, 362-363

¹⁵ Walter, F. B., Sweetland, S. R., (2003) “School finance reform: An unresolved issue across the Nation,” *Education*, Fall, Vol. 124, Issue 1, p.143

More is involved in the American debate than simply assuming that all students have similar educational needs. If that were the case you would simply distribute the available funds in equal quantities to achieve 'equal treatment.'¹⁶ The reality is different from this: students vary, among other things, in their English proficiency, their social, economic and educational backgrounds. Hence the widespread adoption of weighting systems of various kinds to combat differences in students' needs and to ensure that they have available what they require to achieve high standards. There is broad agreement that educating low income or special education students costs more than educating the average pupil.¹⁷ The research evidence shows that provided the services rendered are of good quality, the extra investment will pay-off. When disadvantaged children receive comprehensive services including a developmentally appropriate educational program, when their parents are involved in their activities, and when their families receive needed services and support, they become more competent socially and academically.¹⁸

Initially lawsuits focused upon the 'equity' question – did students receive a comparably fair and equitable education? Increasingly equity issues have given way to 'adequacy' issues.¹⁹ The first step is to identify the specific resources and conditions necessary to provide all children with a reasonable educational opportunity. This amounts to working out the cost of purchasing a standard, adequate, 'market basket' of educational goods and services required to provide every child with an opportunity to meet specified education standards. The second step is to adjust that cost up and down to reflect differences in the needs of students in different localities.

There is no single method for identifying what is needed but two main methods have been used. The first is called the *empirical method* and this works backwards from schools that have achieved a nominated level of student performance. The average levels of expenditure in those schools, modified to take account of concentrations of special needs, become an estimate of what would be needed generally to obtain matching achievements.^{20 21}

The other major approach is called the *professional judgement* method. This involves the use of panels of educators to identify the instructional elements needed to achieve specified standards and then calculating their costs. A variant of one or the other of these broad approaches has been adopted in many places as a way of achieving a more just system of educational funding.

¹⁶ A Regents Report, (undated) "Recognizing High Cost Factors in the Financing of Public Education," <http://www.oms.nysed.gov/faru/Articles/Recognizing%20High%20Cost%20Factors%2>

¹⁷ Park, J., (2004) "School Finance," *Education Week on the web*, September 1, 1-5; <http://www.edweek.org/context/topics/issuespage.cfm?id=22>

¹⁸ Zigler, E., (1994) "Reshaping early childhood intervention to be a more effective weapon against poverty," *American Journal of Community Psychology*, Feb., Vol.22, No.1, 37-48

¹⁹ McComb, J., (2003) "Funding K-12 Education: Issue Brief," Summary at <http://0-tpdweb.umi.com.opac.library.usyd.edu.au/tpweb?TS=1094609574&RQT=836>

²⁰ "Ensuring All Children the Opportunity for a Sound Basic Education. A Costing-Out Primer," <http://www.cfequity.org/cost-out.html>

²¹ Education Commission of the States, (2004) "Finance, Adequacy/Core Cost," – <http://www.ecs.org/html/issue.asp?issueid=48&subIssueID=35>

I don't want to make the task sound easy: few things to do with education finance reform are. As someone has observed, "School finance reform is like a Russian novel; it's long, tedious, and everybody dies at the end."²² The question of what constitutes an 'adequate' level of school education funding is still being litigated in America. In some states the courts have found existing levels to be 'adequate' when the attainment of minimum standards of education has been the test.²³ In other states where courts have emphasised the equal entitlement of students in poor areas to the same educational opportunities as students in the wealthiest areas, the provision of a basic education has been judged insufficient. Despite these complications there are few, if any, more promising approaches on offer for resolving the present conflict over school funding in a fair way than by emphasising the principle of 'adequacy.' For their part lawyers and activists have articulated demanding concepts of 'adequacy' in the educational opportunities they seek on behalf of disadvantaged populations. These cases have met with varying success. However, the reliance since 1989 upon *adequacy* arguments has seen a marked increase in plaintiff victories. Rebell calculates that sixteen of the eighteen such victories during this period have involved substantial or partial adequacy considerations.²⁴ Not that the strategy has been universally welcomed being described by one administrator as "inviting Robin Hood to the table."²⁵

If that is so, Robin is displaying a little more subtlety these days. Instead of focusing solely on monetary inputs, courts and policy makers are stressing the attainment of high minimum outputs as a primary goal in school finance. "Suddenly, an equal share of too little is becoming unacceptable in many states."²⁶ An example of this approach was the recent New York Court of Appeals ruling in *Campaign for Fiscal Equity v. State*. The court prescribed a costing-out study to determine a level of expenditure that would ensure that all students have the opportunity to obtain the higher level of achievement specified by the court.²⁷ The courts also have sought to support students' rights by requiring the availability of essential resources including sufficient numbers of qualified personnel, appropriate class sizes, suitable buildings, adequate books, laboratories and educational technology, suitable curricula and adequate resources for students with special needs. If Robin Hood is busy ensuring students' rights in America perhaps he could sub-contract Ned Kelly to achieve similar results in Australia?

The emphasis upon outcomes has encouraged the courts' consideration of the basic goals of education in a democratic society. They have taken seriously the need to provide all students with the skills they need to function in today's world. A sound basic education has been deemed by the New York courts to consist of "the

²² Yudof, M. G., (1991) "School finance reform in Texas," cited in Roelike, C., Green, P., Zielewski, E. H., (2004) "School Finance Litigation: The Promises and Limitations of the Third Wave," *Peabody Journal of Education*, Vol. 79, No. 3, 104-133

²³ Picus, L.O., (2000) "Adequate Funding. Courts wrestle with a new approach to fair and equitable funding for education," *School Spending*; <http://www.asbj.com/schoolspending/picus.html>

²⁴ Rebell, M., (2004) op.cit.

²⁵ Hunter, M. A., (2000) "Trying to Bridge the Gaps: Ohio's Search for an Education Finance Remedy," *Journal of Education Finance*, Vol. 26, No. 1, Summer, 63-86

²⁶ Hadderman, M., (1998) "Equity and Adequacy in Educational Finance," *ERIC Digest Number 129*, pp.1-2; <http://0-tpdweb.umi.com.opac.library.usyd.edu.au/tpdweb?TS=1094609327&RQT=836>

²⁷ Roelike, C., Green, P., Zielewski, E., (2004) op.cit.

foundational skills that students need to become productive citizens capable of civic engagement and sustaining competitive employment.”²⁸

Australia: Resourcing the National Goals for Schooling

In what is known as the *Adelaide Declaration on National Goals for Schooling in the Twenty-first Century*,²⁹ Australia’s Ministers of Education in 1999 committed themselves to improving Australian schooling within a framework of collaboration. The goals established by the agreement included some that were stated as long ago as the landmark NSW Wyndham Report of the 1950s and others relating to the rapidity of social and technological change in more recent times: attaining the skills of numeracy and literacy; acquiring the capacity for, and skills in, analysis and problem solving; gaining confidence, optimism and a commitment to personal excellence; learning to exercise judgement and responsibility in matters of morality, ethics and social justice; being a confident and creative user of new technologies, are among the goals specified. The Declaration by all the ministers adds that students’ outcomes from schooling should be free from the effects of negative forms of discrimination and of differences arising from students’ socio-economic backgrounds. The learning outcomes of educationally disadvantaged students must improve and, over time, match those of other students.

For these goals to become a reality, a funding process akin to overseas efforts to match resources with student needs would need to be developed. With little public fanfare that is precisely what has been happening. The Resourcing the National Goals Project is an attempt to replace the scattering of ‘fists-full of money’ method of educational funding with a more considered approach.³⁰ It derives from an analysis of financial and relevant government school data within a framework of principles endorsed by the Ministerial Council in July 2002. Two over-arching principles are involved: national resource policy for schools should be on a cooperative national basis and the policy should promote equitable and adequate funding for all schools and students. The last-mentioned goal is identical with the *equity* and *adequacy* principles being pursued overseas and reviewed in the previous section.

Also consistent with overseas analyses has been the project’s recognition that the relative weight of different cost factors varies across schools and that the same is true for different levels of schooling. However, it is necessary to establish a baseline (*Base Cost*) and that has been derived by answering this question: “What does it cost to provide effective schooling where schools are not isolated, are of a good size and cater to middle class communities?” The schools included in this baseline analysis have students meeting a set of specified learning and participation benchmarks.

²⁸ Rebell, M., (2004) “Adequacy Litigations: A New Path to Equity?” in Petrovich, J and Wells, A. S., *Bringing Equity Back*, New York, Teachers College Press

²⁹ Ministerial Council on Education, Employment, Training and Youth Affairs, (1999) *The Adelaide Declaration on National Goals for Schooling in the Twenty-First Century*.

³⁰ Ministerial Council on Education, Employment, Training and Youth Affairs, (2002) *Resourcing the National Goals for Schooling. An Agreed Framework of Principles for Funding Schools*.

The analyses that were undertaken took account of three categories of Additional Resource Needs that are entailed in achieving the agreed National Goals for Schooling:

- *Student factors* (including low socio-economic background, Indigenous background and English as a second language). The additional resource needs for primary level students were calculated on the basis of the number of students failing to reach the current benchmarks in literacy and numeracy. In the case of secondary students a proxy measure of meeting the National Goals was used. The separate costs of different levels of remedial intervention were calculated.
- *School factors* (small size and isolation). Non-metropolitan primary students cost around \$650 more to educate than their metropolitan counterpart; the equivalent figure for secondary students is \$870.
- *Curriculum* (vocation related and information and communication technology related subjects require additional expenditure). The per-student costs are rising with the demand for higher quality education in these areas.

The 'student factors' represent the major portion of the Additional Resource Needs and for all government school students require the expenditure of approximately \$2 billion more each year (at 2003 prices). Involved is an increase of 12% at the primary level creating a public expenditure requirement per student of \$9,000 per annum and an increase of 15% at the secondary level creating a government expenditure of \$12,000 per annum per student.

The baseline costs and the additional resource needs have been integrated within the National School Resourcing Standard (NSRS). This is an instrument for calculating the recurrent costs involved in meeting the national goals for schooling adopted by all of the education ministers. It combines elements of the two approaches previously identified from overseas studies. First, the *empirical method* – working backwards from schools that have achieved a nominated level of student performance – in this instance resulting in the calculation of an Australian *Base Cost* that permits account to be taken of concentrations of special needs. In calculating the cost of helping 'at risk' students to meet the national benchmarks advantage has been taken of educators' judgements to identify the instructional elements needed – the *professional judgement method*. It was always inevitable that a first workable formula would not capture the full complexity of students' attainments in the light of the national goals. What we have is a first approximation to that measure which can continue to be worked upon. Moreover, the exercise of identifying the best practises for raising student performance and calculating the costs of these approaches, represents a major step forward in calculating the additional resource needs required to meet the national goals of schooling.

For the first time we now have a reasonably sophisticated and objective method of providing educational funding that is equitable and adequate. Will that method be adopted? The Coalition has had little to say about the matter and the project's findings have yet to be endorsed by the ministerial council. On the other hand, Labor's electoral policy appeared to accept both the methodology and conclusions of the project. There is no point now in itemising the details of Labor's announced policy but in brief it set a national school resource standard for primary and secondary school students of \$9,000 and \$12,000 respectively.

State authorities would welcome the adoption of the Resourcing Project's findings. But it must be remembered that whereas New South Wales might receive around \$600-700 million of an extra \$2 billion allocation, the state annually spends some \$5.5 billion on school education. Therefore, the full cooperation of the States and the Commonwealth in meeting the 21st Century resource requirements of schools with special needs would be essential and might require the re-consideration of some existing state funding policies.

However it is finally integrated with the political process, the advent of the National School Resourcing Standard provides an uncommon opportunity to align our society's actual conduct with the values that it professes to uphold. It is not some 'out of left field' wildcat scheme. I have attempted to show that the principles of *equity* and *adequacy* that have informed the project are mainstream and orthodox. It will always be possible to refine the methodology but as things stand the project's findings represent a workable framework for distributing education funds on a principled basis. Funding at an adequate level is needed to ensure that our children avoid becoming ensnared in crippling early educational problems that can shape the course of their lives. The resources provided need to be sufficient to ensure the maximum practicable realisation of each young person's talents, regardless of their family's wealth or circumstances. At hand is a practical, focused means of combating disadvantage and poverty. A recent article in the *Guardian Weekly*, "Goodbye, kind world,"³¹ claimed that we are living off the political capital accumulated by previous generations and that this capital is almost spent. Inequality is rising almost everywhere and the result, the article's author says, is a global resource grab by the rich. "Inequality of outcome...leads inexorably to inequality of opportunity." There is at least some truth in these views but you can do your bit to help uphold equalitarian values and create a fairer Australia by individually and collectively arguing for the implementation of the National School Resourcing Standard.

³¹ Monbiot, G., (2004) "Goodbye, kind world," *Guardian Weekly*, August 20-26, p.14