

PUBLIC SERVICES
IN OLDER CITIES

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Regional Plan Association is a nonprofit citizen organization which has been working since 1929 for the efficient and attractive development of the Metropolitan Region surrounding the Port of New York and for expanding opportunities for all its residents.

The Study Area, shown at the left, is the geographic context of the Association's current work on a Second Regional Plan, a successor to the pioneering Plan of New York and its Environs of the 1920's. The Study Area is deliberately drawn larger than would be required to accommodate the most extensive of several development patterns being evaluated for the year 2000, the time horizon of the new plan. The area includes 31 counties in New York, New Jersey and Connecticut with a population in 1965 of 19 million and a land area of 12,748 square miles.

Second Regional Plan publications

The Region's Growth (May 1967)

Projections of jobs by type, population, households and income for the New York Metropolitan Region, 1965-2000, with a section on world urbanization and the Atlantic Urban Region.

Public Participation in Regional Planning

(October 1967)

The importance and difficulties of involving the public in planning, and results of RPA's pioneering 1963 Goals Project.

Jamaica Center (April 1968)

Prototype study of a major urban center: the possibilities, design, transportation and process of developing Jamaica, Queens, with a summary of arguments for large centers, particularly in the old Core of the Region.

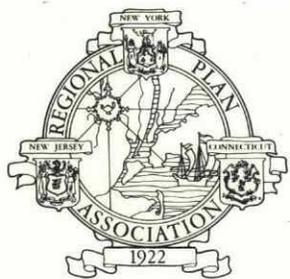
The Lower Hudson (December 1966)

The potential of the Hudson River Valley below the George Washington Bridge as a public amenity — one example of how to meet the conflict between preserving nature and the growth of a metropolis.

Waste Management (March 1968)

How to organize a metropolitan area for efficient waste management: what information is needed, where controls can be applied, how to project waste generation of the future and how the pattern of urbanization affects waste generation and handling.

PUBLIC SERVICES IN OLDER CITIES



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A project of the New York University Graduate School of Public Administration.

A REPORT OF THE SECOND REGIONAL PLAN MAY, 1968

Regional Plan Association

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FOREWORD

In 1966, Regional Plan Association's Board of Directors, on recommendation of the Association's Committee on the Second Regional Plan, approved this study of the needed increase in public services in the Region's older cities. Events have underscored the wisdom of the undertaking. Since the summers of 1966 and 1967 and publication of the **Report of the National Advisory Commission on Civil Disorders** in March 1968, conditions formerly realized by a relatively few are now known to all.

This report was produced by a research team at New York University's Graduate School of Public Administration, under a contract between the School and Regional Plan. We are greatly indebted to Ray F. Harvey, who was Dean of the School during this time, for making the study possible. Dean Harvey died in February 1968.

This report proposes a fiscal strategy by which the nation can meet its responsibilities to the poor, the states can perform their key role in public education, and the old cities in our metropolitan Region and elsewhere can adequately finance essential community improvement and housekeeping programs.

The New York University report to Regional Plan recommends that the federal government assume fiscal responsibility for poverty-related health, welfare and special education services and double the investment now being made in maintaining the poor and breaking the cycle of poverty; that the states finance about 60 percent of school costs; that the older cities plow the released funds into improved transportation, recreation, and other public facilities and services which make city life safe and attractive.

The consultants conclude: "The argument, then, is that the older cities are neither ungovernable nor insolvent but that they are burdened with special kinds of fiscal responsibilities which they cannot and should not sustain by themselves. Relieved of these responsibilities, they can be asked to finance, largely from their own resources, a wide range of service improvements. Self-governing and self-supporting local government can produce livable and attractive cities under these conditions.

"This suggests a strategy which is a far cry from the begging-bowl strategy most large cities now employ—

a plea for federal aid, however small, for any activity whatsoever, from building code enforcement to library construction. Instead, it suggests that the cities focus on the really costly services, where their case for federal aid is far more convincing. This is a strategy which seems more nearly consistent with the American tradition of local autonomy and local initiative."

The report concludes that the added federal expenditures resulting from complete federal financing of poverty-related services at twice today's level would be only about two-and-a-half times the expected average annual increase in federal income taxes based on experience of recent years.

In reviewing this report, Regional Plan's Directors asked that it be made clear to readers that the study did not and was not intended to recommend administrative arrangements of poverty-linked services nor regulations to be applied to their receipt. Further, they asked that it be made clear that the recommendation for federal financing of all governmental poverty-related services did not imply that private enterprise had no role or responsibility for seeking solutions to poverty-race problems.

Regional Plan Association, an unofficial citizens group organized in 1929 to foster and develop the first Regional Plan, has continued to pursue the goal of improving the living conditions for the people of the tri-state Region surrounding the Port of New York.

Second Regional Plan research, of which this report is a part, is being financed by the Avalon, Ford, Rockefeller Brothers and Taconic foundations. Other stages of Association work leading to the Second Plan were also financed by these foundations and the Merrill, New York, Twentieth Century, Victoria and Old Dominion foundations.

In the decade 1957-1967 during which this work was conducted, the Association was led by Harold S. Osborne, Amory H. Bradford, James S. Schoff and Max Abramovitz. Each has contributed significantly to the making of the Second Regional Plan.

This publication has been reviewed and accepted by Regional Plan's Board of Directors for transmittal to the Committee on the Second Regional Plan and the public.

C. McKim Norton
President

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INTRODUCTION AND SUMMARY

Poverty, race and the Second Regional Plan

Some 9.7 million persons live in cities in the Region that are here categorized as the "old cities," 55 percent of the Study Area population. (See Map 1.)

About 1.6 million households in the Study Area can be considered severely impoverished,¹ 29 percent of the Study Area's households.

About 1.8 million persons in the Study Area are Negro (10 percent) and about .7 million are of Puerto Rican extraction (4 percent).

These three demographic factors are closely related and together are among the most significant forces in regional development. Their interconnection is expressed in these data:

- Between 1950 and 1960, about 1.5 million white non-Puerto Ricans moved—in the net—from the Study Area's Core (Bronx, Brooklyn, Manhattan, Queens, Hudson County and the City of Newark); in the same period, 185,000 Negroes and 226,000 Puerto Ricans moved into the Core, in the net.² The tide continues to run.
- Of all Negroes and Puerto Ricans living in the Study Area, 84 percent live in New York City and the ten other cities categorized here as old.
- Of all Puerto Rican households of three persons or more (predominantly families with children), 32 percent have incomes below \$3,000 a year. Of all Negro households of three persons or more, 25 percent have incomes below \$3,000. Only 6 percent of other such households have incomes below this level.³

Poor families, less able than others to buy their way out of environmental disadvantages, and minority groups, often limited in choice by discrimination as well as by poverty, must be particular concerns of regional planning. Older cities, whose social problems have made them pariahs, shunned by those who can afford to shun them, face a downward cycle caused by rising taxes and falling public services. Together, they drive out business and the affluent, creating housing vacancies into which more poor can move and further lowering the tax base while increasing the tax burden.

¹"Severely impoverished" group includes one- and two-person households with incomes less than \$3,000 and three-or-more person households with incomes less than \$5,000.

²A natural increase of about 1.2 million in the Core's population between 1950 and 1960 resulted in a net gain in total population despite the large out-migration.

³All figures are based on U.S. Bureau of the Census, U.S. Censuses of Population and Housing: 1960.

In the process, many middle-class families reluctantly leave city life which they would prefer, and the rich and poor, Negro and white, are further divided.

Second Regional Plan work has, from the first, referred to the special problems of the poor. Economic analyses and projections warned that the Region is losing manufacturing production jobs, which constitute the largest segment of unskilled jobs available, and can be expected to continue to lose them—yet unskilled men and women continue to pour into the Region from rural areas. At the same time, demographic studies indicated that the number of young people entering the labor market in the Region had begun a swift climb in 1960 which would not end for many years. Regional Plan pointed out that unskilled jobs or expanded programs to raise the skills of immigrants and young people are needed and will be needed for many years.

In analyzing the residential development pattern, Regional Plan publicized the fact that two-thirds of the vacant land surrounding urbanization was zoned for houses on large lots—at least a half-acre per house—and that this requirement has just about precluded new housing for lower-middle-income families outside the older cities. At the same time, most of the communities with vacant land welcome factories which employ people of low income. As a consequence, these low-income workers cannot easily reach their jobs.

The Second Regional Plan itself will propose patterns of urbanization which seem likely to increase the choice of jobs and accessibility to jobs and higher education for low-income and minority people. Its proposals will also be aimed at holding the Region together socially by maintaining the stake of everyone in the Region in the major older cities. The Plan's recommendations on location of regional facilities might also contribute to "integrated" shopping areas in which the poor would not pay more than higher-income purchasers as they often do in shops serving only the poor. Furthermore, they might help to establish integrated health services, easy for the poor to reach.

But the problems of the poor and of the cities in which they are concentrated are not likely to be solved entirely by planned location of jobs, colleges, department stores and health facilities. Better public services, particularly those related to poverty problems—health, welfare, compensatory education, job training and community organization—will also be important.

Higher quality in the other public services—public school education, transportation, parks and recreation, police and fire protection, sanitation—will be important for the future of the older cities, too—particularly if these cities are to remain the homes of middle-class families with children.

Therefore, we asked Dr. Dick Netzer, head of the New York University Economics Department, a research director of the New York City Temporary Commission on City Finances (1966) and a continuing consultant to Regional Plan, to put together a research team to advise the Association on a policy for public services in the older cities. This volume is the team's report to Regional Plan.

Summary and interpretation of the report

We interpret the report's major recommendations in this way:

1. Investment in public services devoted to improving conditions for the poor should be more than doubled in order to break the cycle of poverty which tends to keep the children of the poor as dependent and impoverished as their parents were—an increase nationally in governmental expenditures from \$11.5 billion in 1967 to about \$26.5 billion (in 1967 dollars). In the New York Region's older cities analyzed here, the increase should be from \$1.7 billion in 1967 to \$3.6 billion. These estimates are based on present anti-poverty efforts even though none of these programs has been an unqualified success so far. The estimates take into consideration the failures but assume that many past efforts can become the foundation for success if substantially higher funds are invested over a longer period of time.
2. Most of the additional funds should pay for better education for disadvantaged children and for higher income-maintenance payments and more complete coverage.
3. All anti-poverty services should be paid for by the federal government. Poverty is a national problem; many of the poverty-stricken began life far from the cities in which they now reside. The financial sacrifice being made by the older cities of the Region to support poverty-related services is draining their ability to carry out strictly municipal programs such as police,

fire, parks and street maintenance. If anti-poverty expenditures were doubled, as is recommended, the cities could not possibly maintain their present share of the costs—which in New York City would rise to a billion dollars a year. Transferring full financial responsibility for poverty-related public services to the federal government—with the proposed increase in services—would mean a rise in the federal budget of about \$20 billion a year. Federal revenues will increase by \$20 billion without any change in tax rates in just over two years through the increase in gross national product—an indication of the fiscal implication of these proposals.

4. Adding to the poverty burden of the older cities compared to the financial capacity of suburban communities is the state aid-to-education formula used in each of the three states of the Region. In none of these states is the extra need of disadvantaged children sufficiently covered or the ability of communities to bear education costs adequately taken into account. Therefore, state aid formulas should be revised to reflect more fully ability to pay. Until the federal government bears full anti-poverty costs, including compensatory education for the disadvantaged, the state aid formulas should provide added funds for school districts with large numbers of poor children.

5. If poverty-related services are covered by the federal government and a larger share of other education costs of the older cities is covered by a revised state aid formula, the cities should be able to improve the local services they provide so that living conditions are competitive with the suburbs and can attract those in the Region who prefer city living. New York City, for example, would be relieved of a half-billion dollar burden of poverty-related services—one tenth of its entire annual budget—by federal assumption of this responsibility.

6. The cities would be well advised to seek a solution to their financial difficulties by transferring poverty burdens to the federal government rather than begging for all kinds of grants for which there is little justification from both federal and state governments. The logic of the argument for federal anti-poverty funds is strong, and a clear definition of programs which are mainly local responsibilities and those, like poverty, which are national responsibilities, would be salutary.

The report substantiates these recommendations with financial data.



photo Wallowitch

1. CONDITIONS IN THE OLDER CITIES

This report deals with living conditions in the older cities of the New York Metropolitan Region and with the special problems of the poor who are concentrated there. Inadequate public services—particularly education, health and welfare—stand in the way of the poor in their struggle to move into the economic mainstream and enlarge their range of choices. The existing regional development pattern weakens the ability of these cities to provide the necessary services.

Inadequate public services also limit the choices of the rest of the Region's residents, many of whom might choose to live in a city if the services available were equal to those in other parts of the Region. For example, in Regional Plan's Goals for the Region project,¹ the inferior quality of education was cited as one of the major causes of middle-class out-migration from the cities by those who otherwise preferred city living.

This report concentrates on the role of better public services—particularly education, health and welfare—in the long-term alleviation of urban poverty and in improving the livability of old cities. This concentration is not meant to minimize the importance of other policies. The quality and range of choice in city housing surely must be upgraded, and very substantially. Jobs that do not require skills, which many of the present poor will not have for a long time, must be accessible to central city populations. These policies will require both governmental and private action. Governments also have the direct and immediate responsibility for improving their own services and, with adequate financing, the improvements can be made rapidly and can have a dramatic impact.

The old cities in this study

The term "old cities" refers to the long-settled communities which served as nodes of urban growth in the Region during the periods of rapid urbanization in the nineteenth and early twentieth centuries.

While many very old communities have continued to grow and prosper, some two dozen of the hundreds of municipalities in the Regional Plan Association Study Area (see map on inside front cover) share a special set of characteristics.

1. Their population has grown very little over the past fifteen years and, in some cases, has actually declined.
2. They encompass relatively little undeveloped land within their municipal boundaries.
3. Because so much of the development is old, much of their housing stock, industrial and commercial plant and public facilities are obsolescent.
4. As would be expected, this older and typically lower-quality housing is the cheapest available in the Study Area and tends to attract the least well-off people. Today, this means largely elderly whites and low-income Negroes and Puerto Ricans of all ages.

Old age, slow (or no) growth, lack of new development, physical deterioration and a high incidence of poverty are to be found in both large and small cities within the Study Area. However, this report focuses on the larger of the cities with these characteristics. In part, this is for statistical convenience, but there are more weighty reasons as well. For one thing, it seems clear that very large concentrations of the poor and racially disadvantaged produce social problems which are disproportionately grave. For another, both urban renewal and school integration can cope more effectively with relatively small pockets of physical deterioration and race/poverty concentrations than with very large concentrations. Finally, the range of governmental responsibilities of the larger cities is considerably broader than that of the smaller municipalities, some of which possess only village status.

This report deals with the eleven communities listed in Table 1. Ten of these communities are cities of over 50,000; the eleventh is Hudson County, made up almost entirely of six old cities—Bayonne, Hoboken, Jersey City, Union City, Weehawken and West New York. As a group, these eleven old communities in 1960 had 55 percent of the Study Area's total population, 84 percent of its non-white and Puerto Rican population, and 71 percent of all households with incomes of \$5,000 or less. Eight of the eleven communities actually lost population in the 1950-60 decade, although the Study Area's population as a whole increased by 16.4 percent, and the Study Area's population outside the eleven old cities increased by 44 percent. All the listed cities had concentrations of minority group populations well above the levels of the Study Area outside the old cities. This was also true of the households with incomes below \$5,000.

¹Regional Plan Association, *Public Participation in Regional Planning, A Report of the Second Regional Plan* (October 1967).



Sullivan

NEW YORK

Ulster

Dutchess

Litchfield

CONNECTICUT

Waterbury

Ortoge

Putnam

New Haven

Sussex

Rockland

Westchester

Fairfield

New Haven

Bridgeport

Passaic

Warren

Morris

Paterson

Bergen

Mount Vernon

NEW JERSEY

Passaic

Essex

Newark

Elizabeth

Union

Hudson County

New York City

Nassau

Suffolk

Hunterdon

Somerset

Richmond

Middlesex

Mercer

Trenton

Monmouth

Ocean

REGIONAL PLAN STUDY AREA

ELEVEN OLD CITIES

Map 1

0 1 2 3 4 5 10 15 20 25 30 MILES

Table 1

POPULATION, RACE AND INCOME CHARACTERISTICS FOR SELECTED OLD CITIES IN THE NEW YORK REGIONAL PLAN STUDY AREA

	Population 1960 (thousands)	Percent Change 1950-60	Percent Non-white or Puerto Rican 1960	Households With Incomes Below \$5,000 1959
New York City	7,782	- 1.4%	22%	45%
Hudson County ^a	611	- 5.7	9	41
Newark	405	- 7.6	37	52
Bridgeport	157	- 1.2	14	44
New Haven	152	- 7.5	16	47
Paterson	144	+ 3.1	18	49
Trenton	114	-10.8	24	47
Elizabeth	108	- 4.5	12	38
Waterbury	107	+ 2.5	8	37
Mount Vernon	76	+ 5.7	20	32
Passaic	54	- 6.5	12	42
Study Area excluding eleven old cities	7,554	+44.4	5	26

Eleven old cities as a percent of total Study Area:

Population, 1960	55%
Non-white and Puerto Rican population, 1960	84
Households with incomes below \$5,000, 1959	71

^aIncluding six old cities: Bayonne, Hoboken, Jersey City, Union City, Weehawken and West New York.

Source: U.S. Censuses of Population and Housing: 1960.

Comparing the old cities to their neighbors

There are important socio-economic differences among old cities, and between the old cities and their immediate environs and, particularly, between the old cities and selected suburban communities which stand at the opposite end of the economic spectrum (see Table 2). What is revealed is the uneven settlement of Negroes, Puerto Ricans and low-income residents generally, and the consequent uneven distribution within the Study Area of the public service responsibilities with which this report deals.

The old cities have disproportionately high ratios of non-whites in their population. Typically, the rates in each exceed those for the rest of the state and county in which they are located as well as those for the well-to-do suburbs, and this trend has been persistent in recent years. In the 1960-64 period, New York City's non-white population climbed from 15 to 18 percent. Mount Vernon's non-white population rose from 20 to 27 percent of its total population between 1960 and 1965. In New Haven, the non-white share went from 15 to 24 percent in the 1960-67 period. Newark's experience during this same period is almost incredible in this regard. Newark's non-white population increased its share from 34 to 52 percent and persons of Spanish-speaking origin increased from 5 to 10 percent of the total. Newark's non-Spanish speaking white population declined in absolute terms by over 30 per-

cent (from close to 250,000 in 1960 to just over 150,000 in 1967).

In old cities, median incomes of all families commonly differ from median incomes of non-white families by \$1,500 or more, while elsewhere the differences are even greater. In addition, median incomes for both all families and non-white families are lower in the old cities than they are statewide, county-wide or in the suburbs.

To illustrate, consider Elizabeth. The relevant comparisons are with the State of New Jersey, Union County and the suburban community of Summit, also in Union County. Elizabeth's population is 11.0 percent non-white. The State, County and Summit rates are 8.7, 7.7 and 5.7, respectively. In Elizabeth, the median income of all families in 1959 was \$6,429; of non-white families, \$4,585, or \$1,844 lower. For all families, the State, County and Summit median incomes were \$6,786, \$7,746 and \$10,768 respectively—all above the Elizabeth median of \$6,429.

Table 2

**OLD CITIES VS. THEIR ENVIRONS:
RACE AND INCOME CHARACTERISTICS**

	Percent Non-white Population, 1960	Median Family Income, 1959	
		All Families	Non-white families
New York State	8.9%	\$ 6,371	\$4,441
New York City	14.7	6,091	4,437
Nassau County	3.2	8,515	5,113
Westchester County	7.7	8,052	4,966
Mount Vernon	19.9	6,873	4,950
Bronxville	2.0	10,000 ⁺	n.a. ^b
Scarsdale	4.9	22,177	n.a. ^b
New Jersey	8.7	6,786	4,571
Essex County	19.8	6,651	4,450
Newark	34.4	5,454	4,491
Millburn	1.1	14,145	n.a. ^b
Hudson County	6.9	6,151	4,450
Mercer County	12.9	6,707	4,655
Trenton	22.6	5,840	4,602
Passaic County	6.7	6,431	4,403
Passaic	8.8	5,885	4,560
Paterson	14.9	5,541	4,335
Union County	7.7	7,746	5,116
Elizabeth	11.0	6,429	4,585
Summit	5.7	10,768	5,500
Connecticut	4.4	6,887	4,554
Fairfield County	5.3	7,371	4,585
Bridgeport	9.9	5,982	4,411
Darien	.1	12,998	n.a. ^b
Greenwich	2.2	9,588	4,821
New Haven County	5.3	6,718	4,513
New Haven	14.9	5,864	4,205
Waterbury	6.7	6,535	4,513

^a75 percent of families have incomes over \$10,000.

^bn.a.—not available.

^cIncluding six old cities: Bayonne, Hoboken, Jersey City, Union City, Weehawken and West New York.

Source: U.S. Census of Population: 1960.



Bob Adelman

Older cities in the New York Metropolitan Region are inhibited from maintaining high level public services—such as refuse removal, street and sidewalk cleaning and repair and building code enforcement—by the steadily rising budgetary drain of services to poor families. Poverty in the older cities drains the budget at both ends, raising the demand for poverty-related public services, such as health, welfare and special education, and lowering the tax base from which these and traditional city services must be financed. Above: Manhattan. Below: Paterson, New Jersey.



D. H. Acheson

2. LOCAL GOVERNMENT EXPENDITURE IN OLD CITIES

The budgets of local governments in the Study Area are dominated by two types of expenditure: for services explicitly linked to poverty and for schools.¹ Table 3 presents data for these two major expenditures and for all other functions undertaken by local governments. The table indicates the contrast between local government expenditures in areas dominated by old cities and outlays in the rest of the Study Area. However, some of the large old cities are served by overlapping local governments, notably county governments, which also spend money on poverty-related services and education. Therefore, the data in the table include expenditures for all local governments, including county government in the counties containing Newark, Elizabeth, Trenton, Paterson, Passaic and Mount Vernon (with some separate data by level of local government to illustrate the problem). This tends to dilute the comparisons but, nonetheless, the basic relationships are clear.

Table 3 demonstrates two important characteristics. The first is the large role of education and poverty-linked outlays in local government finances. We assume that local tax burdens influence decisions to live in the old cities and therefore that those decisions can be greatly influenced by changes in the financing of these categories of expenditure alone. Furthermore, these categories are far more appropriately financed by higher levels of government than are functions such as police, fire, sanitation and the like. In most cases, it would be difficult to justify intergovernmental shifts in fiscal responsibility for the latter. The case for education and poverty-linked services is precisely the opposite, as the discussion in succeeding sectors will demonstrate. And because these outlays loom so large in old cities' budgets, appropriate financing for these two categories alone would go a long way to equalizing old city and suburban tax burdens. It is also the contention of this report that if this were achieved, old city governments would have a reasonable prospect of financing satisfactory levels of service for all other functions.

The second significant characteristic is the apparent reciprocal relationship between expenditures for education and for all other activities, including the

¹While a wide variety of local government services can be linked, directly or indirectly, to problems connected with the concentrations of poor people in cities, ranging from police protection to public assistance, it is difficult to separate the poverty-linked components in many cases. Therefore, in this report we focus on a group of services explicitly linked to poverty and dominated by poverty considerations: welfare, hospitals and other health services for the poor, and programs supported under the Economic Opportunity Act (the "war against poverty"). We also devote much attention to the aspects of old cities' school programs and costs which are similarly linked to poverty concentrations.

Table 3

LOCAL GOVERNMENTS' GENERAL EXPENDITURES FOR EDUCATION, HEALTH-WELFARE AND ALL OTHER SERVICES,^a 1962

	Total	Education	Health, Hospitals & Welfare	All Other
New York City				
Expenditures (millions)	\$2,597	\$633	\$613	\$1,351
Per capita expenditures	334	81	79	174
Percent distribution	100%	25%	24%	51%
Counties containing ten other old cities^b				
Expenditures (millions)				
City and town governments	\$ 603	\$202	\$ 45	\$ 356
County governments	187	6	102	79
School districts	205	205	—	—
Special districts	61	—	—	61
Total	1,056	413	147	496
Per capita expenditures	268	105	37	126
Percent distribution	100%	39%	14%	47%
Rest of Study Area				
Expenditures (millions)	\$1,681	\$920	\$107	\$ 654
Per capita expenditures	285	156	18	111
Percent distribution	100%	55%	6%	39%

^aIncludes expenditure of municipal, county, school and special district governments.

^bSee Table 1 for list of cities. For the three Connecticut cities, includes only the cities themselves (not the whole counties) since there is no county government.

Source: U.S. Census of Governments: 1962.

services related to poverty. The more suburban or "non-old city" a sector is, the higher its expenditures for education, both in per capita terms and as a percentage of total local government expenditure. To be sure, there are fewer public school pupils in relation to population in the old cities than in the rest of the Study Area, but this is by no means the whole explanation.² As will be shown later in this report, school expenditures even on a per pupil basis tend to be relatively low in the old cities.

In contrast, expenditures both for the services linked directly to poverty and for all other non-school functions are high in the old cities on a per capita basis, and welfare and health outlays comprise a much larger share of local government expenditures than in the rest of the Study Area. There is a strong implication in this that there is, to some extent, a trade-off between supporting education and supporting other types of public services—that relatively high non-school costs in the older cities may impair their fiscal abilities to improve their schools.

²In 1960, 17 percent of the population of the Core consisted of school-age children (ages 6-17); the corresponding figure for the rest of the Study Area was 21 percent. This differential is obviously not large enough to account for the per capita expenditure differentials in Table 3.



9:30 a.m.



10:00 a.m.



11:00 a.m.



10:45 a.m.



12:00 noon

Welfare and health services consume 24 percent of New York City's budget, yet few of those closely involved with the welfare system, whether administrators or recipients, seem satisfied with the ponderous manner in which it functions. On these pages we see the machinery as it relates to one Harlem resident.

9:30 a.m. at the Harlem Social Service Center (until recently called Welfare Center). In foreground, those who arrived first are telling their problems to a service worker. Behind them, later arrivals stand in line waiting to receive a registration number.

10:00 a.m. Mrs. Hannah Brockington (white kerchief) stands in line. She is a mother of four children for whom she receives Aid-To-Dependent Children payments. She is also a community leader at the complex of schools associated with IS 201.

10:45 a.m. Mrs. Brockington makes it to the registration desk.

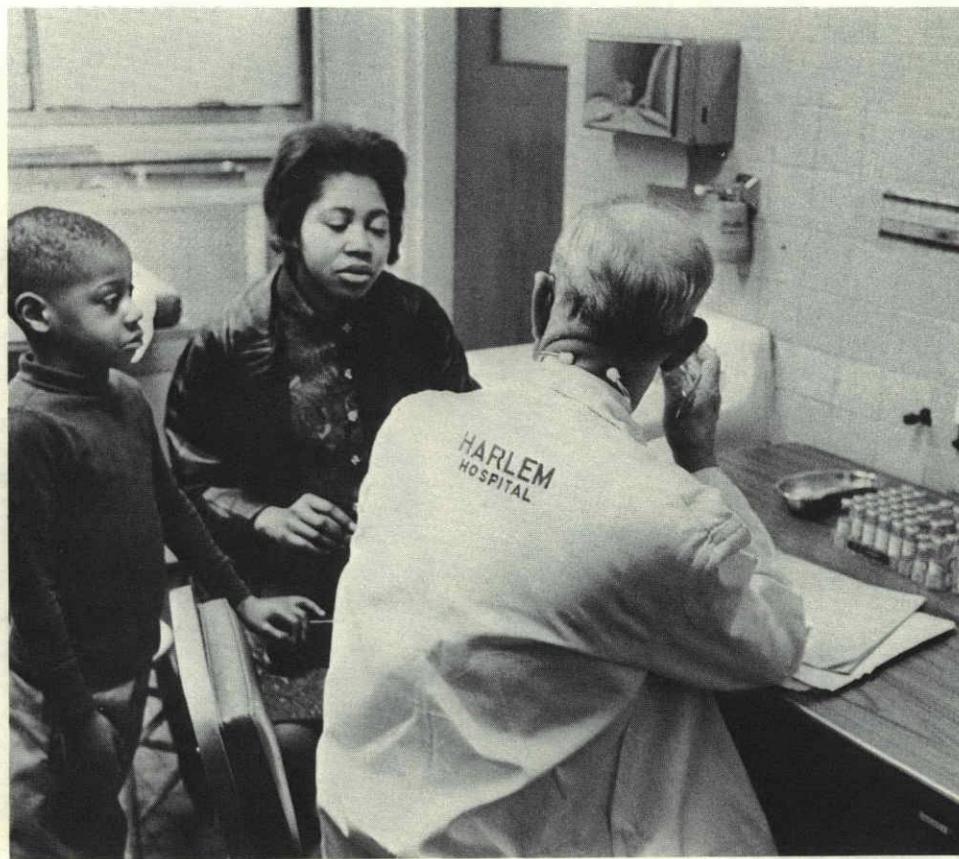
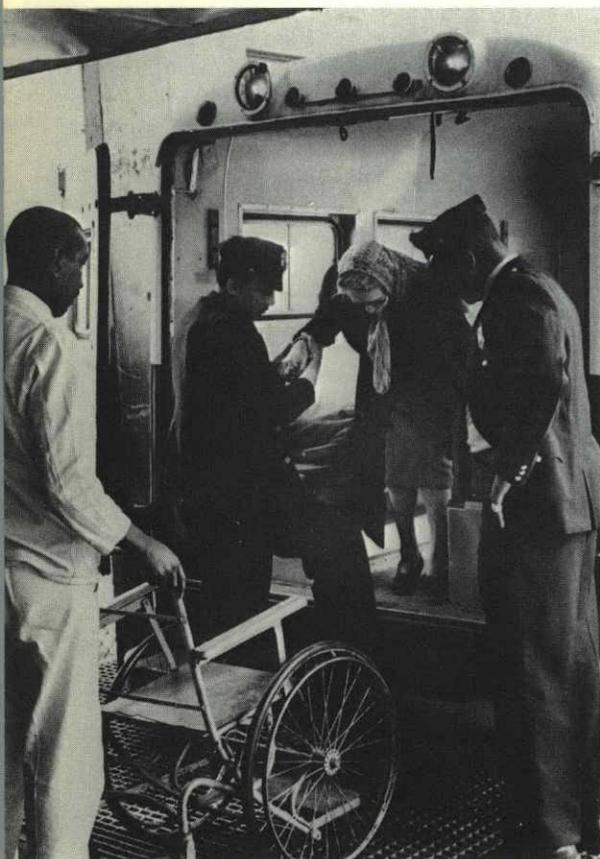
11:00 a.m. Mrs. Brockington waits for her number to be called.

12:00 noon Mrs. Brockington describes her problem to a service worker. After he has heard it, he will relay the details to the appropriate caseworker, and Mrs. Brockington will return to her seat to wait until the caseworker is free to see her—perhaps an hour, perhaps 3 hours, sometimes not till the next day.

photos by Louis B. Schlivek



Medical services for the poor are illustrated at Harlem Hospital in Manhattan. On the whole, however—and particularly outside New York City—preventive medicine (including dental care) and outpatient services are very limited for those who cannot afford to pay for them. This report recommends “a substantial increase in public expenditures for personal health care for the poor (a one-third increase in New York City and much more in percentage terms in the other old cities) to provide more complete coverage to the low-income population, improve standards for the services actually provided and make a wider range of health care services available to the poor.”



photos by Louis B. Schlivek

3. POVERTY-LINKED SERVICES

In 1965, local governments in the Study Area spent an estimated \$1.2 billion, one-sixth of their budgets, for welfare, health and hospital services—services which are very largely directed at the poorer members of the community.¹ In addition, they spent an estimated \$300 million for other services linked to the existence of poverty, ranging from special anti-poverty programs to low-income housing. An important component of these services consisted of special educational services in schools in ghetto areas.

As the concentration of the poor in the Region's old cities would suggest, support for poverty-linked services falls heavily on the local governments serving these old cities. Table 4 shows New York City at the extreme. With only 44 percent of the Study Area's population, it accounted for 71 percent of all health, hospital and welfare outlays in 1962. The areas containing other older cities have a larger proportion of the Region's population than they do of health and welfare expenditure, but this is largely a consequence of the fact that some of the counties involved include sizeable suburban populations in addition to the populations of the older cities.² The areas which do not contain any major old cities exhibit the characteristic suburban pattern—in 1962, they housed one-third of the Study Area's population but accounted for only 12 percent of health and welfare expenditure. The per capita expenditure figures provide what is perhaps the best comparison—almost four times as high in the old city areas as elsewhere, and substantially higher than in totally suburban counties.

All of these outlays have been rising rapidly in recent years. Welfare and health expenditures, for example, rose by more than one-third in the three-year period 1962-65 and are estimated to have risen another 25-30 percent between 1965 and 1967. This is consistent with the nation's decision to place the eradication of poverty high on the list of national priorities, although the increase is by no means entirely a reflection of this change in attitude. The rise also reflects the increased numbers on the public assistance rolls as well as rapid increases in the cost of medical care services and dissatisfaction with the quality of health services previously provided.

To some extent, the data used thus far understate

the scale of poverty-linked outlays. Among the omissions, the special school costs related to poverty are the most significant. These have been expanding rapidly in recent years and, as will be shown below, the indicated but now unmet needs will cost vastly more. Their magnitude is indicated in Table 5, which breaks down identifiable 1966-67 New York City poverty-linked outlays by major class. As shown, those for education account for just under 10 percent of the total.

Table 4

PER CAPITA LOCAL GOVERNMENT EXPENDITURE FOR HEALTH AND WELFARE SERVICES,^a 1962

	Share of Study Area Population ^b	Study Area Total Health & Welfare Expenditure	Per Capita Health & Welfare Expenditure ^b
Areas containing eleven old cities (areas with old cities dominant)	67%	88%	\$65
New York City	44	71	79
Essex, Hudson and Passaic Counties; cities of Bridgeport, New Haven and Waterbury ^c	13	12	44
(other counties containing old cities)			
Union, Mercer and Westchester	10	5	27
Rest of Study Area	33	12	18
Total Study Area	100	100	49

^aExpenditure by all local governments within indicated counties (including county governments) for health, hospitals and public welfare.

^b1960 population data used here.

^cFor the Connecticut cities, there are no overlapping local governments.

Source: U.S. Census of Population: 1960 and U.S. Census of Governments: 1962.

Table 5

IDENTIFIABLE NEW YORK CITY EXPENSE BUDGET EXPENDITURES LINKED TO POVERTY, 1966-67

	millions of dollars
Human Resources Administration	
Income maintenance (i.e., welfare payments and administration)	\$607
Child care	75
War on poverty (and related programs)	111
Juvenile delinquency prevention	8
Drug addiction control	13
Subtotal	\$ 814
Health Services Administration	
Personal health care (in and out of hospitals) ^a	585
Board of Education	
Guidance, remedial and special educational programs	72
After-school and summer activities	13
Vocational high schools	36
Subtotal	121
TOTAL	1,520^b

^aExcludes estimated fees paid by patients to municipal hospitals by private hospital insurance plans.

^bThis is roughly one-third of all Expense Budget expenditures.

Source: City of New York, Office of the Mayor, Budget message and the executive budget as submitted to the Board of Estimate and the City Council for the fiscal year 1967-1968, April 15, 1966.

¹An exception is the relatively modest share of service in publicly-owned hospitals consumed by fee-paying patients. In New York City, for example, fees paid by patients equalled only about 5 percent of City hospital expenditures.

²As Table 3 shows, the bulk of health and welfare expenditures in behalf of old city populations outside New York City is made by county, rather than city, governments.

As large as these absolute and percentage outlays are, there is no doubt that they fall considerably short of the amounts needed to eliminate poverty. Not only are the sums spent on existing programs inadequate, but the programs themselves are deficient in a number of ways:

1. Health services provided the poor consist largely of care for acute or severe chronic illness in hospitals. Preventative and ambulatory treatment service and dental care service to the poor have been very limited, especially outside of New York City.

2. Very large numbers of people with incomes that classify them as poor do not receive public assistance to supplement their incomes. They live at decidedly substandard levels. Nationwide, about 30 million people have incomes below the officially defined poverty lines; of these, only about 7 million receive public assistance.³ Even in New York, where standards of eligibility for assistance are relatively lenient, data on personal incomes suggest that there are as many families and individuals eligible but not on welfare rolls as there are present welfare recipients. In this connection, it should be pointed out that only about 2 to 4 percent of present recipients are male adults of working age without physical disabilities. Most welfare recipients are old and/or disabled, or dependent children and their mothers.

3. Assistance payments provide minimal standards of living. More important, perhaps, is that the very low standards of living for aid to dependent children families do not afford a home environment conducive to breaking the intergeneration "cycle of poverty."

4. The public assistance system provides positive deterrents to self-help by recipients who potentially could find employment. Unless they can earn large amounts, they have no incentive to earn at all since the assistance payments are reduced one-for-one by any earnings—in effect, a 100 percent tax on earnings.⁴ This, together with the very limited child care facilities for working mothers with low incomes, tends to perpetuate dependency.

There are numerous proposals to correct the shortcomings in the existing programs designed to reduce poverty and to alleviate its effects. The critics differ among themselves as to the basic causes of poverty and/or their preferences for a short-run versus a long-run attack. One group, for example, emphasizes the

lack of jobs and the inability of many to hold them. This points to expansion of the investment in human resources and programs of national and regional development. Others, who emphasize the immediacy of poverty, look to programs aimed at mitigating interruptions of income, ensuring its adequacy and directly providing improvements in the living conditions of the poor with respect to health, housing, etc.

In all likelihood, the war on poverty will be fought on a number of fronts, guided by different approaches. The actual costs of the improved public programs will, of course, depend upon the approaches emphasized. A tentative measure of the need can be derived from estimates of the costs of improvements that have been proposed by a number of experts and organizations for the programs now receiving emphasis—public assistance, government participation in personal health services provided to the poor (via Medicaid and local government hospitals and health departments) and the bundle of programs under the federal war on poverty—all the poverty-related services except education.⁵ Together, these conventional programs cost \$1.4 billion in New York City in 1966-67 and an estimated \$200 million in the other ten larger old cities in the Region—roughly \$700 million for public assistance and \$900 million for other welfare, health, hospital and anti-poverty programs (see Chart 1).

We estimate that really adequate programs would cost more than \$1 billion a year over and above the \$1.6 billion spent in 1966-67, an increase of \$800 million (nearly 60 percent) for New York City and \$250 million (125 percent) for the other ten old cities.⁶ This estimate assumes, first, a doubling of public assistance caseloads with the addition of the large numbers of those eligible who do not now receive assistance. Second, it includes a doubling of child care expenditures in New York City and a much larger percentage increase in the other old cities, which now provide only rudimentary child welfare services. Third, it assumes a substantial increase in public expenditures for personal health care for the poor (a one-third increase in New York City and much more in percentage terms in the other old cities) to provide more complete coverage to the low-income population, improve standards for the services actually provided and make a wider range of health care services available to the poor.

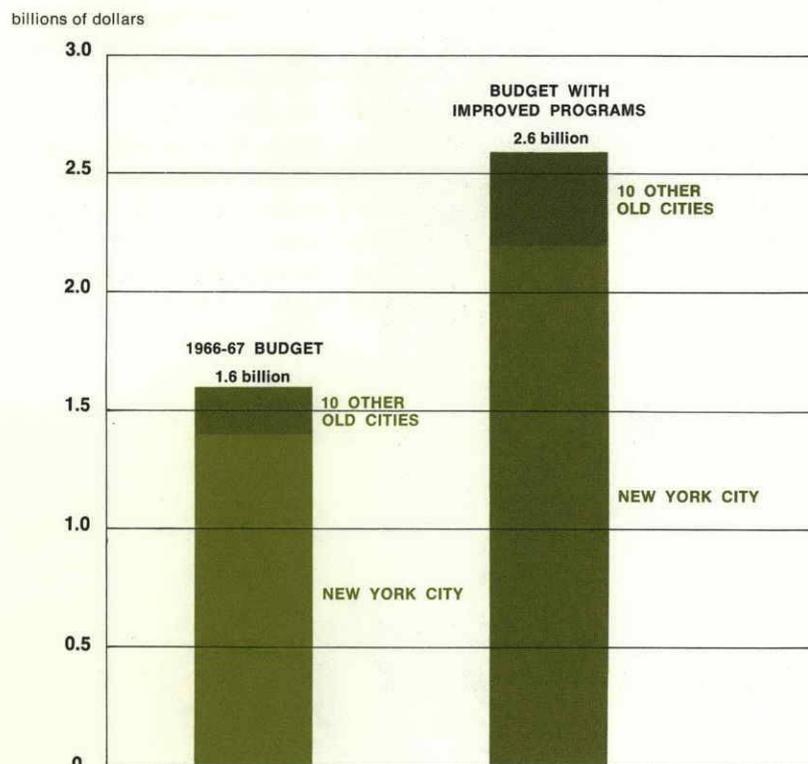
³For a summary of the evidence on the extent to which present income maintenance programs actually reach the poor, see Christopher Green, *Negative Taxes and the Poverty Problem* (Washington, D.C.: The Brookings Institution, 1967), Chap. 3.

⁴It is worth noting that New York City is conducting an experiment which would reduce this disincentive to work by permitting welfare recipients to retain their first \$85 of earnings per month without any reduction in assistance payments. A similar experiment is now underway in New Jersey.

⁵This is not to argue that the conventional approaches are the most effective ones, but that the costs of improvements along conventional lines afford a reasonable approximation of the costs of any type of comprehensive improvement of poverty-related public services.

⁶This assumes current levels of consumer prices (which affect public assistance family budgets) and current levels of public employee salaries (which affect administrative and operating costs of health and welfare programs).

Chart 1
NEEDED INCREASE IN BUDGET FOR POVERTY-LINKED SERVICES
FOR ELEVEN OLD CITIES



The fiscal solutions

A strong case can be made for relieving local governments of all fiscal responsibility for poverty-linked services. Within this Region, as in nearly all of metropolitan America, poverty and the governmental services to alleviate it are concentrated in older centers, not because old city governments choose this but because of the dynamics of metropolitan development. The poorest, least adequately educated migrants who come to urban areas—mainly from the rural South and Puerto Rico—settle in the old cities of metropolitan areas where housing is inexpensive. Meanwhile, the better-off residents of the older cities move to other parts of the Region; similarly, new middle-class migrants to the Region tend to settle in suburban communities. It is clearly inequitable to suggest that the communities in which the poor happen to be concentrated should be responsible for the fiscal consequences of poverty.

The inequity aside, local government fiscal responsibility for services to the poor makes it unlikely that the poverty-linked services will ever be provided at

adequate levels. Some of the older cities simply do not have the taxable capacity to do so. In others, high taxes for the alleviation of poverty can be evaded by migration, thus reducing the local tax base. In the absence of a region-wide taxing authority to finance poverty-linked services—and in a vast, geographically expanding region this seems impracticable—the only way to assure adequate services is to finance such services from funds collected over a wider geographic area by state and/or federal governments.

In our highly mobile society, with no impediments to movements of people, goods and money over state boundaries, there is a strong presumption in favor of federal government financing of poverty-linked services. Business and individuals can move among the states in reaction against heavy taxation for poverty-linked services, though, to be sure, they are less likely to flee states than cities or counties. Nevertheless, pending full federal financing of poverty-linked services, state government assumption of the fiscal responsibilities now borne by the older cities is reasonably safe and certainly worthwhile.⁷ However, full federal financing should remain the goal.

Some proposals for more federal financing. In the past year or so, a number of responsible organizations have proposed to increase federal responsibility for poverty-linked services. In December 1967, for example, New York City's Citizens Budget Commission recommended it. In June 1966, an Advisory Council on Public Welfare established by the United States Department of Health, Education and Welfare called on the federal government to set nationwide standards for public assistance, with the federal government assuming the costs above a stipulated share.⁸ The Council went on to suggest guidelines for correcting the deficiencies in assistance standards, eligibility for aid, eligibility determination, specific child and youth welfare services, other specific services such as homemaker, old age and community services, legal rights of clients and criteria for state-federal sharing of costs. The Council did not cost out its recommendations, but a doubling or trebling of costs was implied by its suggestion that public assistance be ensured for all those eligible.

Another approach which has received much attention

⁷Transfer of public assistance to the New York State government was provided for by the State's 1967 constitutional convention, but the proposed constitution was rejected at the polls; however, this can be done by the legislature without constitutional change. State assumption of the welfare responsibility and increased State financing of schools in poverty areas has been recommended by the New York State Joint Legislative Committee on Metropolitan and Regional Areas Studies in its October 1967 report.

⁸Advisory Council on Public Welfare, *Having the Power We Have the Duty; Report to the Secretary of Health, Education and Welfare* (Washington, D.C., June 1966).



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When job opportunities dry up in rural areas and welfare payments are below the subsistence level, the poor move to the cities, carrying with them little education or preparation for city living. Poverty, then, is a national problem that increasingly takes place in cities. This report recommends that the nation as a whole finance all poverty-related services: welfare, public health, anti-poverty and special educational programs.



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recently is the notion of making income transfers to the poor through taxation, or rather through what amounts to negative income tax rates. There are many variants of the basic negative income tax idea,⁹ but they all have the same rationale:

The focus in transfer-by-taxation plans is on reducing or eliminating the poverty gap. All allowances would be paid in cash; recipients would be free to determine how the cash is used. Everyone would have access to the benefits as a matter of right. This contrasts with the view implicit in the public assistance and unemployment compensation programs that society must be protected from the "loafer"—the person who can work and is unwilling to do so. The removal of any distinction between the able-bodied poor and those who cannot work because of dependency, disability, or other reasons is at the heart of the difference from present programs. This difference is reinforced by the proposed use of income and family size as the only criteria for determining the amount of the payment from the government.¹⁰

Under any negative income tax plan, each household would file an income tax return. Where household income stood below some specified level, say \$2,000, the government would rebate to the family a sum equal to the amount by which it was deficient. As family income rose the rebates would continue, but at a diminishing rate. Finally, at some point, say \$6,000, the family would no longer receive any negative income tax payments and would begin to pay positive income taxes instead.¹¹ One of the advantages cited for this proposal is that it would avoid the 100 percent "tax" which welfare clients now pay on their earnings under the existing formula of reducing welfare payments by the full amount of earnings.

Still another approach now being discussed is that of monthly federal family allowances or childrens' allowances, similar to programs now existing in many other advanced countries. For example, a program which made monthly payments of \$50 for all children under six and \$10 for all children 6-17 would have

⁹These are explored at length in Green, *op. cit.*, which is the most complete study of the whole subject.

¹⁰The Brookings Institution, *Using Negative Taxes to Narrow the Poverty Gap* (Brookings Research Report 65; Washington, D.C., 1967), p. 2. This report is a summary of the Green book cited above.

¹¹A negative income tax plan along these lines was devised by James Tobin and was proposed in "The Case for an Income Guarantee," *The Public Interest*, No. 4, 1966, and *Daedalus*, Fall 1965. The mechanics of the proposal are explored in James Tobin, Joseph A. Pechman and Peter M. Mieszkowski, "Is a Negative Income Tax Practical?," *Yale Law Journal*, November 1967.

had a net cost (after some income tax offsets) of roughly \$10 billion nationwide in 1965. Of all children in families below the poverty line in 1965, 43 percent would have been brought up above the poverty line had this program then been in effect.¹² There is little evidence to substantiate the fear of many opponents of this approach that childrens' allowances encourage increased family size.

The issue here is not which among the various proposals is best. The alternatives presented demonstrate that there are a variety of ways to deal with poverty problems via the income maintenance route. None of them is cheap. The cost of the negative income tax proposal outlined above is estimated at \$12 billion annually. Though on first sight a great sum, about \$5 billion of this would replace existing public assistance payments and the remainder certainly could be absorbed by an economy which grows at a rate of some \$50 billion per year.

The proposal to make the federal government fiscally responsible for poverty-linked services—whether through negative income taxation or otherwise—is meant to apply not only to public assistance but to all poverty-related programs, including those in health and education.

What this would imply for all old city budgets may be inferred from the New York City data. Of the \$1.5 billion the City now spends on such programs, it raises about \$500 million from City sources. These are funds that can and should be available for functions more appropriately financed out of local taxes—the non-poverty components of education, sanitation, police, fire, recreation facilities and the like. One-half billion dollars could buy substantial improvements in these services.¹³ But even more important, federal financing of the poverty-linked services would permit a more adequate confrontation of the problems of poverty and better service to the poor than ever can be the case when financially hard-pressed local and state governments must bear a major part of the cost.

¹²Mollie Orshansky, U.S. Social Security Administration (background material prepared for Citizens' Committee for Children Conference on Children's Allowances, October 22-24, 1967).

¹³It might be thought that the validity of this argument could be demonstrated by analyzing the experience of the many states in which local governments today have little or no fiscal responsibility for public assistance—does this fiscal relief permit local governments to do a better job with respect to purely local functions? The complicated and fragmented structure of local government in American metropolitan areas and the wide variations in other important factors make such an analysis difficult. However, we do know that local taxes relative to personal incomes are generally much lower in metropolitan areas located in states where public assistance is largely a state government responsibility than in metropolitan areas located in states where public assistance is largely the responsibility of local government. Thus, local governments do have the capacity to do a better job with respect to local functions when not burdened with the costs of public assistance, even if they do not tap this capacity.

Table 6

**EDUCATION AND OTHER GENERAL EXPENDITURE
IN ELEVEN OLD CITIES, 1955-65**

	Increase in Local Governmental Expenditures 1955-65	
	Education	All Other
New York City	133%	93%
Hudson County ^a	36	11
Newark	66	41
Bridgeport	77	97
New Haven	69	84
Paterson	90	84
Trenton	71	54
Elizabeth	66	33
Waterbury	76	57
Mount Vernon	80	106
Passaic	65	3
Ten cities (excluding NYC)	62	40
	Education expenditure as percent of total general expenditure	
	1955	1965
New York City	19.9%	22.3%
Ten cities	31.5	34.6

^aIncluding six old cities: Bayonne, Hoboken, Jersey City, Union City, Weehawken and West New York.

Source: U.S. Bureau of the Census, *Compendium of City Government Finances: 1955-63* and *City Government Finances: 1963-64 and 1964-65*. Includes only city government and school district expenditure.

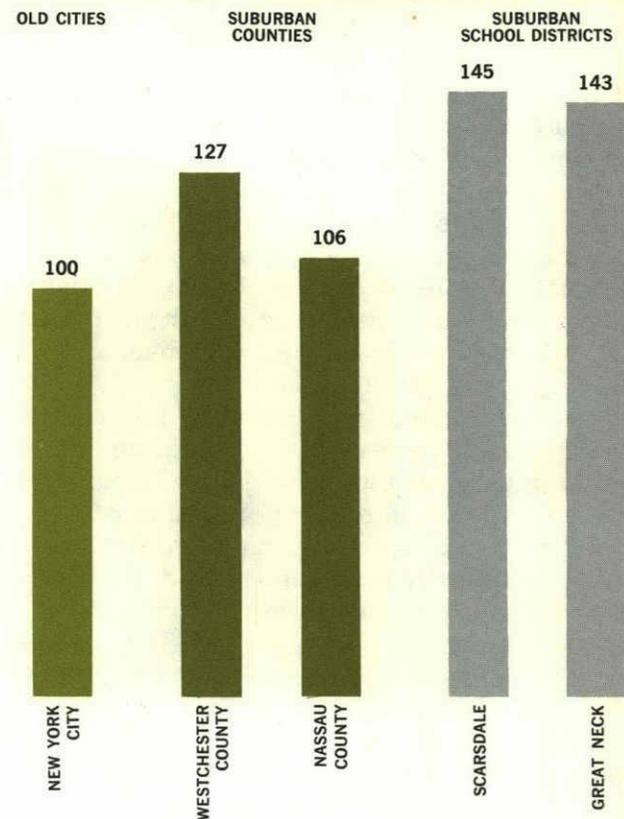
Evaluating education in the older cities

This is the backdrop for the discussion which follows on the educational needs of the Region's old cities. These needs will be assessed for all socio-economic groups which make up the population of the old cities. The discussion will concentrate on the following questions:

1. How good is the education offered by the public schools in the old cities and what does this education cost? Since it has been established that there is a fairly strong correlation between quality and cost, comparisons will be made with some so-called "best" suburban school systems.
2. What special educational problems do the old cities face? Do their schools meet these problems adequately?
3. If not, what programs will effectively improve educational quality and how much will they cost?

In dealing with the second and third sets of questions, attention will be focused mainly on the New York City school system, partly because the problems seem to be most acute there and partly because more data are available with which to construct a hypotheti-

Chart 2

COMPARISON OF PER PUPIL EXPENDITURES: NEW YORK CITY VS. SELECTED SUBURBAN COUNTIES AND HIGH-EXPENDITURE SUBURBAN SCHOOL DISTRICTS IN NEW YORK STATE, 1963-64*


*Per pupil expenditures converted to an index in which New York City = 100.

cal cost model. The findings should, however, have relevance for the other old cities.

Education expenditure in the old cities

The cost of public school education has risen dramatically in the past decade. In part, this has been a result of enrollment increases—the ten old cities other than New York City experienced an 18 percent rise in enrollment during the 1955-65 decade, while New York City's enrollment rose by 14 percent.

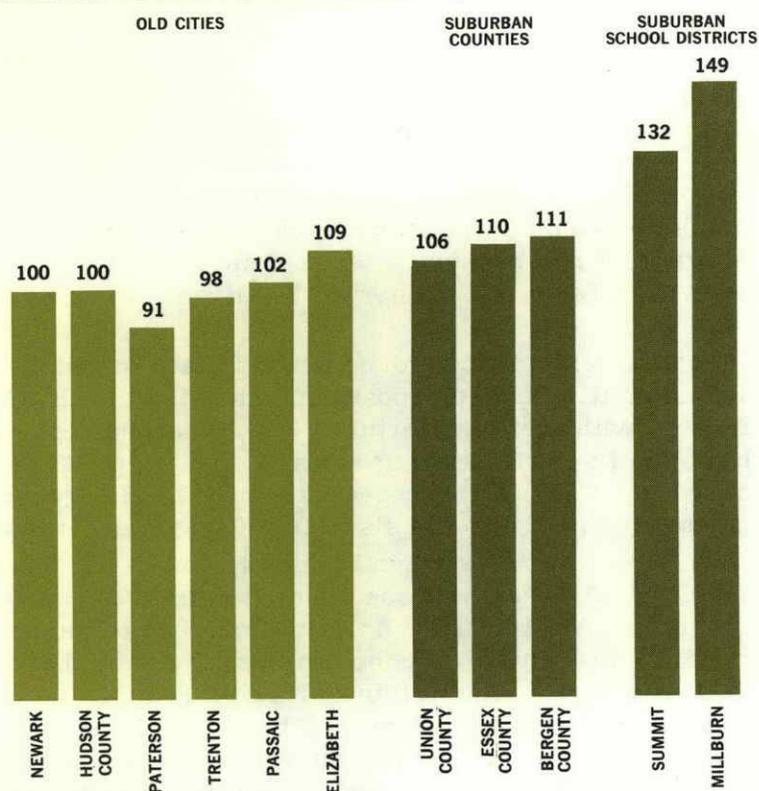
Higher enrollment does not, however, fully account for the soaring costs of elementary and secondary education. In the ten cities, the rise in salaries and other costs is largely responsible for the 62 percent increase in expenditures in the 1955-65 decade (see Table 6). New York City's 133 percent increase can be explained in part by the wide array of new programs and services introduced to try to cope with the changing composition of the City's school pupils.⁴

Despite their rapid rise in education expenditure, the old cities have been lagging far behind their sub-

⁴See Appendix 2 for a discussion of these programs.

Chart 3

COMPARISON OF PER PUPIL EXPENDITURES: NEW JERSEY OLD CITIES VS. SELECTED SUBURBAN COUNTIES AND HIGH-EXPENDITURE SUBURBAN SCHOOL DISTRICTS IN NEW JERSEY, 1963-64*



*Per pupil expenditures converted to an index in which Newark = 100.

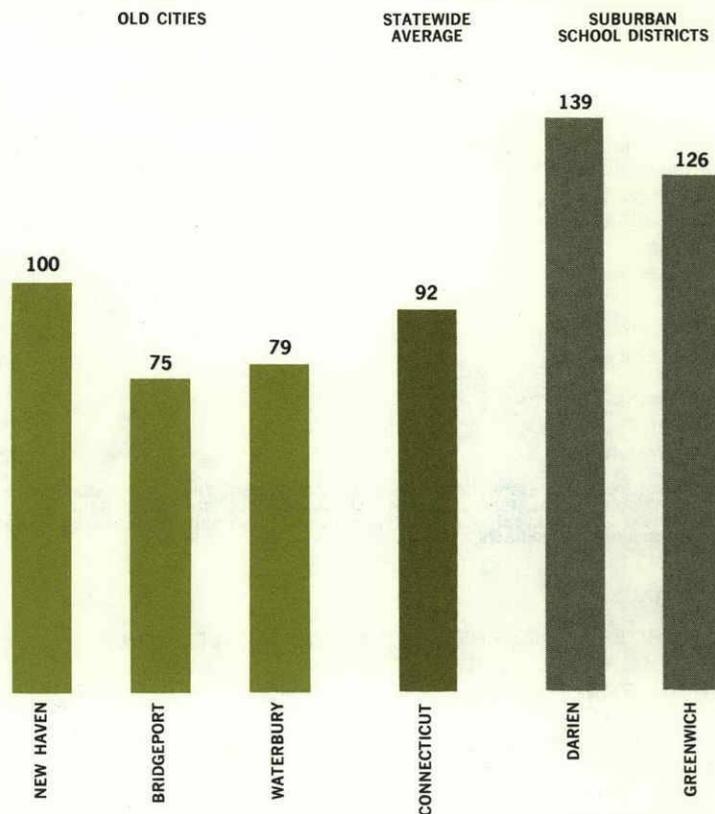
urban competitors in the amount currently being spent per pupil. This is shown in Charts 2-4 for a few localities in the Region. Additional data come from a special study of comparative school quality in the New York Region made for this report by the Institute of Administrative Research, Teachers College, Columbia University. (For a detailed report on the study, see Appendix 1, p. 49).

Chart 2 shows that in 1963-64, New York City was not spending as much per pupil as school districts in adjacent suburban counties taken as a whole and that two suburban school districts known for high educational expenditures, Scarsdale and Great Neck, spent nearly half again as much as New York City per pupil. The Institute of Administrative Research report found that this relationship continued in 1966-67 expenditures, with Scarsdale and Great Neck combined spending 43 percent more than New York City, seven Westchester suburban school districts combined spending 21 percent more and three Nassau County school districts spending a third more.

Chart 3 shows a similar relationship for six old cities of New Jersey in 1963-64. School districts combined in each of three mainly suburban counties spent

Chart 4

COMPARISON OF PER PUPIL EXPENDITURES: CONNECTICUT OLD CITIES VS. CONNECTICUT STATEWIDE AVERAGE AND SELECTED HIGH-EXPENDITURE SUBURBAN SCHOOL DISTRICTS, 1963-64*



*Per pupil expenditures converted to an index in which New Haven = 100.

somewhat more than Newark and Hudson County school districts, and two especially high-spending suburban school districts paid one-third and one-half more per pupil for education. The Institute study compared the old cities with three different suburban districts in 1966-67 and found expenditures in the suburbs 22 to 33 percent higher than those in Newark and Trenton. Again, Paterson was about 10 percent below Newark and Trenton, Elizabeth slightly higher than those cities.

Chart 4 compares Connecticut old cities to the statewide average of school district expenditures per pupil in 1963-64. (There is no county government in Connecticut.) While New Haven was spending more than the average Connecticut school district, the other two old cities were spending considerably less; and two high-spending suburban school districts were spending one-third and one-quarter more per pupil than New Haven. The disparity between New Haven's expenditures and Bridgeport's and Waterbury's is very large. The 1966-67 figures from the Institute reveal the same disparity among the old cities, but the difference between old city and suburban spending, while still substantial, has diminished somewhat.

Table 7

**NON-WHITE PUPILS AND PER PUPIL EXPENDITURE
IN SELECTED CONNECTICUT SCHOOL SYSTEMS, 1965-66**

Communities with old city characteristics	Percent Non-White	Current Expenditure Per Pupil
Bridgeport	21%	\$432
Danbury	8	579
Meriden	3	438
New Haven	44	566
Norwalk	14	600
Stamford	16	614
Waterbury	17	514
High-income suburbs		
Darien	—	772
Greenwich	2	723

Source: Connecticut State Department of Education, *The Distribution of Non-Whites in the Public Schools of Connecticut*, Research Bulletin No. 3, 1965-66 and *Local Current Expenditures Per Pupil in Connecticut Public Schools, All Schools, 1965-66*.

Table 8

**NON-WHITE SCHOOL AGE POPULATION AND PER PUPIL
EXPENDITURE IN SELECTED WESTCHESTER COUNTY
SCHOOL SYSTEMS**

Communities with old city characteristics	Percent Non-White 1965	Expenditure Per Pupil 1963-64
Mount Vernon	32%	\$ 667
New Rochelle	11	840
Peekskill	18	692
Port Chester	14	699
White Plains	12	875
High-income suburbs		
Bronxville	—	1,198
Scarsdale	1	1,042

Source: U. S. Bureau of the Census, *Special Census of Westchester County, April 1965*, and New York State Education Department, *Annual Educational Summary, 1963-64*.

Table 9

**NEGRO AND PUERTO RICAN PUPILS AND PER PUPIL EXPENDITURE
IN SELECTED NEW JERSEY SCHOOL SYSTEMS**

Old city school districts	Percent Negro and Puerto Rican 1967	Expenditure Per Pupil 1963-64
Newark	75%	\$486
Jersey City, Bayonne, Hoboken	40	482
Trenton	48	477
Passaic	41	497
Paterson	53	440
Elizabeth	36	531
High-income suburbs		
Millburn	—	721
Glen Rock	5	646
South Orange-Maplewood	1	646

Source: State of New Jersey Department of Education, *Special Report, June 1967*, and New Jersey Education Association, *Basic Statistical Data of New Jersey School Districts, 1965 Edition*.

Ethnic composition and expenditure levels. There are only scattered data available on the ethnic composition of old city and suburban school systems.⁵ The Connecticut Department of Education, for example, reported the results of a sight survey which indicated substantial concentrations of non-whites in some of the old cities and practically none in the suburbs. The figures for the communities used in this survey are shown in Table 7, together with current expenditure per pupil.

There seems to be no consistent pattern relating spending to ethnic composition. But Greenwich and Darien, with wealthy, virtually all-white populations, have the highest spending rates in the group, 65 percent and 77 percent, respectively, above Bridgeport, where one-fifth of the pupils in 1965-66 were non-white.

Some data are also available for New York State (Table 8). A special census conducted in Westchester County on April 5, 1965 shows the number of persons residing in the various communities by age and race. The data in the first column of Table 8 apply to the school-age population (ages 5-17), not to actual public school enrollments. The percentage of non-white children actually in the schools may be considerably higher than the percentage of non-white children in the school-age population because enrollment in private and parochial schools in the old cities consists very largely of white children. Again, the connection between racial composition and per pupil expenditures is not a consistent one, although the really high-spending suburbs have few, if any, non-white pupils.

In the old cities of New Jersey, the ratios of non-white and Puerto Rican pupils are far higher than elsewhere in the Region, with the single exception of New York City. A report obtained from the New Jersey State Department of Education (see Table 9) shows that 75 percent of Newark's school population is either Negro or Puerto Rican; even in Elizabeth, which has some suburban attributes, these two groups make up 36 percent of the total. But in some wholly suburban communities there are few or no non-white pupils; there, per pupil expenditure runs 30 percent and more above the amounts shown for the old cities.⁶

⁵Data in this section for white and non-white school age population in New York and Connecticut exclude Puerto Ricans. Approximately 96 percent of persons with Puerto Rican birth or parentage in the United States in 1960 was reported as white by the U. S. Census of Population.

⁶The percentages cited in this paragraph are approximations. They were computed from data submitted by individual schools within the district.

Are old city schools competitive with the suburbs?

The Institute of Administrative Research, in its study of comparative school quality for this report, compared a group of old city school systems and a group of high-income suburbs with quality indexes for the 65 mainly suburban school systems in the Region which form the Metropolitan School Study Council (MSSC). Three indexes of school quality were used: (1) the ratio of professional staff to pupils, (2) average annual salary of all professionals, and (3) a measurement of special materials and services associated with the education program.

On the basis of these quality indexes, old city school systems in Connecticut and New Jersey consistently scored very near the bottom of the MSSC range, and suburban school systems in these states scored roughly in the middle of the MSSC range. In New York State, the old city school systems lay near the middle of the range, but far below the New York State suburban school systems, which scored extremely high in the quality measures.

In sum, it appears that large differentials in per pupil expenditure between old city and suburban school systems do go along with large differentials in quality of program.⁷

The generally low level of expenditure per pupil in old city school systems suggests that the quality of school programs in the old cities does not match that provided in the high-income suburbs, and that this would be true even if there were no special educational problems (and costs) connected with the presence of large numbers of children from low-income families in old city schools.

Some of the findings of the special study with regard to New York City are treated separately in Table 10. This table compares New York City's school expenditures with those of the MSSC group. The City's net current expenditure per pupil slightly exceeds the group average, while its ratio of professional staff to pupils is almost identical with the group average. In terms of professional salaries, the City is competitive with many of the old cities and pays about 5 percent more than the average MSSC district. However, its

⁷The MSSC standards describe school program characteristics. Another approach would be to compare pupil achievement test scores, presumably as a measure of the quality of educational "output." However, it is widely agreed that achievement tests measure social characteristics as much or more than they measure school characteristics. The MSSC approach, although unsatisfactory, appears superior to the achievement test method.

Table 10

SCHOOL QUALITY INDICATORS: A COMPARISON OF NEW YORK CITY WITH DISTRICTS OF METROPOLITAN SCHOOL STUDY COUNCIL, 1966-67

	Systems Comprising Metropolitan School Study Council			New York City School System
	High	Mean	Low	
Net current expenditure per weighted pupil ^a	\$ 1,325	\$ 857	\$ 464	\$ 873
Professional staff per 1,000 weighted pupils ^a	78.2	63.3	45.2	64.0
Average professional salary ^a	\$12,342	\$9,058	\$6,794	\$9,526
Expenditures for noninstructional staff and other non-maintenance current expenses, per weighted elementary pupil ^a	\$ 311	\$ 134	\$ 1.2	\$ 4.5

^aSee Appendix 1 for explanation.

Source: Reports for 1966-67 from school districts comprising the Metropolitan School Study Council.

professional salaries are 15 to 23 percent lower than those in some of its neighboring suburbs.⁸

The present closeness of New York City's per pupil expenditure to the MSSC median is deceptive, in that the figure does not take into consideration a number of special expenses which the suburban school systems do not share with the City. Unit costs for a number of budget items are higher in New York City than in suburban schools, and the City school system's administrative overhead costs are notoriously high. Moreover, much of the City's recent increased rate of spending—at least \$100 million—has been on special rather than regular school programs.

Therefore, for the City to be competitive with the best suburban school systems for the kinds of children which dominate suburban pupil population, the City would have to spend substantially more per pupil (excluding the special compensatory programs in ghetto schools) than is spent in the suburban districts. Our estimate is that in 1966-67, this would have required a per pupil expenditure level at least \$300 above the MSSC median. In other words, were New York City schools to compete with suburban schools in per pupil expenditure as it applies to middle-income children who could live either in the suburbs or the City, the City would have to spend another \$300 million a year. But even this amount constitutes only a part of the

⁸Historical note: In 1944-45, New York City spent \$203 per pupil, 16.6 percent above the median MSSC school district at that time. The City's position worsened steadily in relation to the median until 1959-60 when it turned up slightly, but it did not catch up to the median until recently. Had New York maintained its relative position of 22 years earlier, it would have spent \$999 per pupil in 1966-67, instead of \$873—\$126 more per pupil. However, there is nothing sacred about the 1944-45 relationships. Some of the MSSC districts changed from rural to suburban during this period and experienced very large increases in per pupil expenditure on that account alone. On the other hand, back in 1944-45, the City already compared unfavorably with these schools in a number of quality considerations.

total gap between the level of the City's spending today and that which would be necessary to meet all of its pupils' needs.

Components of compensatory education

The rest, and the larger part, of the gap between City school expenditures and what City schools need to spend consists of the cost of school programs to compensate for the disadvantages which children from low-income (largely Negro and Puerto Rican) families bring with them to school—their needs for special approaches and services to enable them to realize their potential.

Appendix 2 reviews recent efforts at compensatory programs in the New York City school system. None of them has been an outstanding success. They do provide, however, a basis for estimating the costs of the elements that experts believe to be essential ingredients of successful compensatory education programs.

The controversial More Effective Schools (MES) program in New York City is a useful starting point. As Appendix 2 indicates, the present MES program clearly has had small, if any, success with students whose previous academic performance has been poor. But experts in and out of the school system generally feel that elements of MES are valuable, e.g., small class size, large numbers of auxiliary professionals and more and better educational materials. If the MES program as presently operating were available to all educationally disadvantaged children in the system, and extended in appropriate fashion at the high school level, the added cost is estimated to be in the neighborhood of \$300 million.⁹

But even if ideally implemented, the MES program probably does not go far enough in meeting present-day educational needs of the disadvantaged. Education during both pre- and post-elementary school years requires a vast infusion of resources. Many educators believe that it is the early years which should receive the highest priority in teaching children of the poor. They propose mandatory kindergarten and full-day care with educational experiences for four-, three- and even two-year olds on a year-round basis. A recent

⁹It has been assumed in this report (as a statistical convenience which probably is not far from the truth) that the number of academically motivated among Puerto Rican and Negro pupils about balances the educationally disadvantaged among the white, non-Puerto Ricans. Consequently the rough cost estimates presented here have been based on the assumption that the total number of educationally disadvantaged is in fact about 550,000. The present program covers only twenty-one schools and 16,000 pupils, and involves extra costs (above those in ordinary elementary schools) of roughly \$700 per pupil.

study by the Institute of Public Administration (IPA) of programs for children in New York City states:

Those who have fought for programs for the early childhood years have become hopeful [of their value] because of the rediscovery of the importance of these years as the crucial period for the development of skills needed to be successful in school and adult life. The evidence indicates that 20 percent of adult intelligence is developed by age 1, 50 percent by age 4, and 80 percent by age 8. . . . Unless there is early intervention . . . youngsters [born and raised in poverty] tend to fall one year behind in grade 3 skills, two years in grade 6, and by the 9th grade they are almost certain to become dropouts.¹⁰

In line with this concept, the Board of Education proposed spending an additional \$20 million in 1967-68 to incorporate some elements of the MES program, notably saturation of instructional services and reduced class size, in kindergarten and grades one and two in all Special Service Schools. The intention was to extend the program to one higher grade each year; budget stringencies, however, forced the program's elimination.

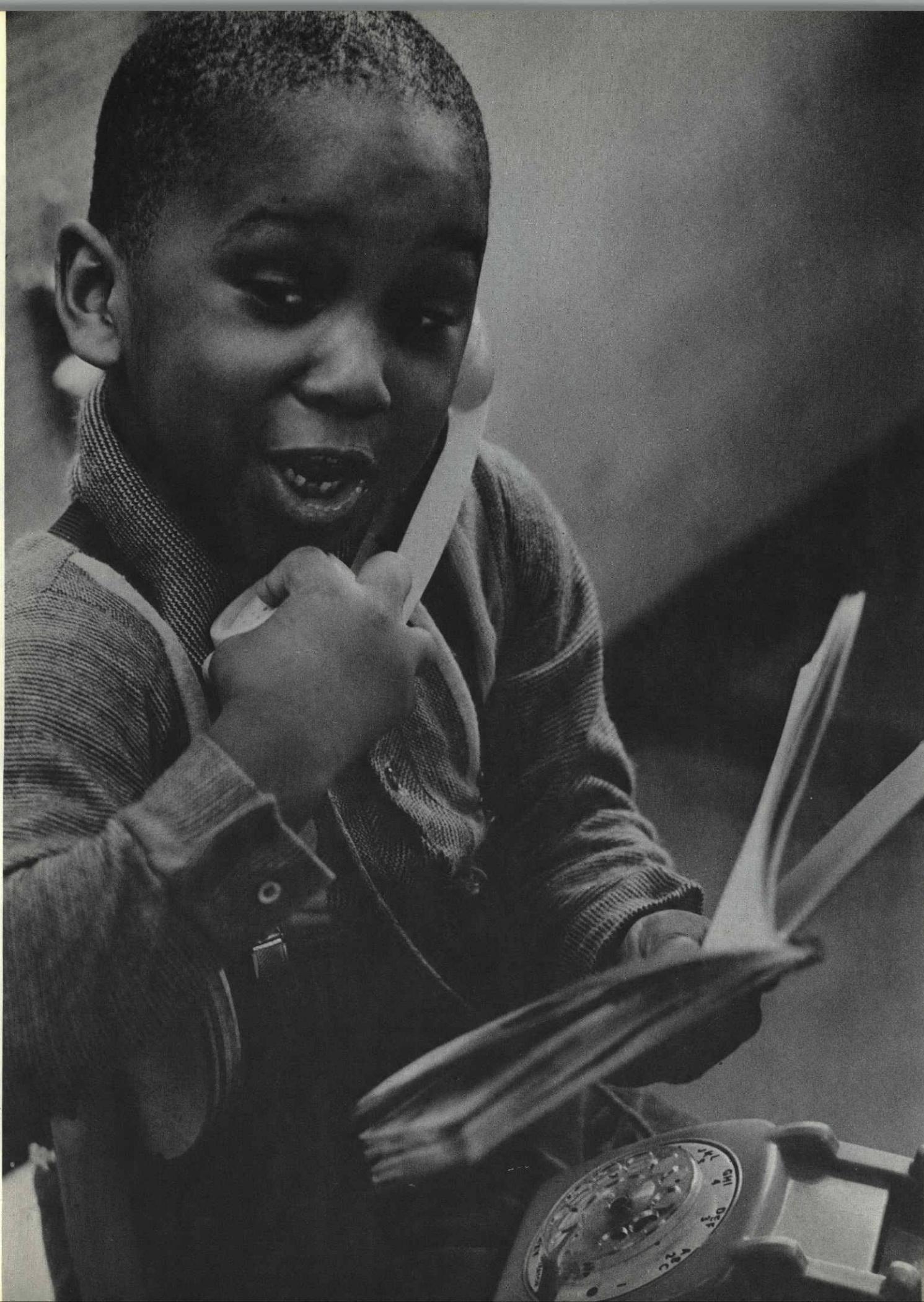
Current demonstration projects and prevalent theories of educating children from poverty families indicate the need for new approaches to training fledgling teachers and even extensive retraining of experienced teachers to enable them to understand and deal with the conditions found in today's urban schools. Also required are the tripling or quadrupling of paraprofessional personnel to help provide needed individualization of instruction; the development of new teaching materials; and massive use of audio-visual equipment, learning machines and master teaching via television.

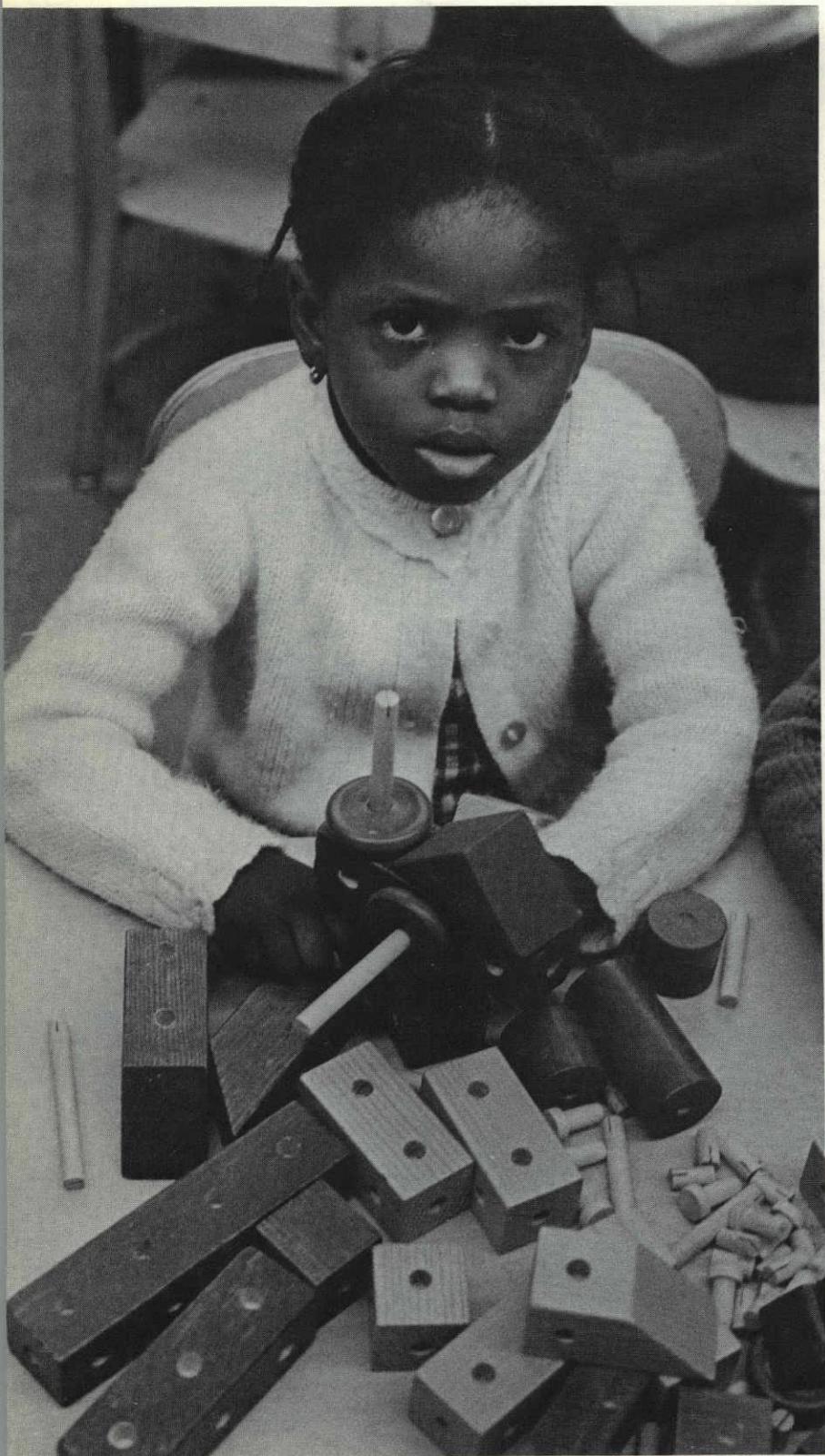
But even this will not be enough. Educators conducting experimental and demonstration projects are now agreed on one thing at least—the necessity of involving the parents and the community in the schools in ways which will not only support the aims of the educational system but contribute positively to the success of the children.

What does all of this mean in money? A few clues can be found in recent studies and demonstration projects.

The Institute of Public Administration study, cited

¹⁰Institute of Public Administration, *Ladder to Learning, A Coordinated Approach to Programs for Young Children in New York City* (New York, May 1967), p. 5.





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Many new school programs aim at filling in the preparation and stimulation for academic education that many poor families cannot provide. While such programs are still in the trial and error stage, they are essential. This report suggests that much more money must be invested in such programs.

above, estimates that there are more than 241,000 three- to five-year-olds in the twenty-nine poverty areas of New York City. Of these, about 82,000 are five-year-olds eligible for kindergarten, 79,000 are four-year-olds and 81,000 are three-year-olds. Some of these children are currently enrolled in Head Start, Day Care and other programs (Table 11).

Table 11

THREE-, FOUR- AND FIVE-YEAR-OLDS ENROLLED IN PUBLIC SCHOOL PROGRAMS IN TWENTY-NINE POVERTY AREAS IN NEW YORK CITY^a, 1966-67

Age Group	Enrolled	Not Enrolled
Five-year-olds	47,000	35,000
Four-year-olds	17,500	61,700
Three-year-olds	^b	81,000

^aAnd in poverty pockets in other sections of the City.

^bVery small; number not known.

Board of Education data indicate that the average per pupil cost of kindergarten in the public schools is about \$500. Since this is a half-day program and since the average per pupil cost of the All Day Neighborhood School¹¹ is nearly \$1,100, it would not be unreasonable to estimate the cost of a full-school-day kindergarten program at \$1,000 per child. Enrolling those five-year-olds from poverty areas not now in kindergarten and lengthening the program to a full day for all already enrolled would entail a cost of roughly \$80 million. Extending the same opportunity to poor children not living in the twenty-nine poverty areas and not now enrolled (estimated at 30,000) would add \$30 million, raising the total additional cost of providing full-day kindergarten for all five-year-olds to \$110 million.

The IPA study recommends an organizational set-up for early childhood programs that would cost about \$1,275 per pre-school child. If this figure were applied to the estimated 100,000 three- and four-year-olds in poverty areas not now enrolled in pre-school programs of any kind, the cost would be in the neighborhood of \$125 million. Large as this figure is, one recognized expert consulted considers the per pupil cost too low, even for the program projected, and believes a more realistic cost figure to be \$1,500.

Needless to say, cost depends upon the amount of service provided. An early childhood education center in the City, sponsored by a leading educational institution, provides training and health as well as educa-

¹¹The All Day Neighborhood School is New York City's oldest compensatory program, providing special educational experiences to low-income elementary school children through extra teaching staff and recreational activities after the regular school closing.

tional services and includes parents in many of its activities. The director estimates that the over-all cost of this center ranges between \$1,800 and \$2,000 per pupil.

Over-all costs of school quality improvements

The study made by Columbia University's Institute of Administrative Research provided a basis for estimating that New York City would have to spend at least \$300 million and probably more to raise educational quality for its middle-class pupils to a level comparable to the best offered anywhere in the Region.

To that amount should be added at least another \$300 million for additional instructional and auxiliary services and supplies merely to make the MES program, or something corresponding to it, available to all children from disadvantaged homes. To make the program more effective in reaching the low achievers, especially those in the bottom quartile who are the potential dropouts, additional expenditures would be needed for teacher training, parent education and community involvement. Whether or not these expenditures would show up in the education budget or in the budgets of other public agencies is immaterial if one looks at the over-all picture of poverty-related educational spending. It would not be unreasonable, on the basis of expert opinion, to price them at another \$100 to \$200 million.

Developing early childhood programs on the scale described above would require \$110 million to provide kindergarten classes for all five-year-olds and \$125 million for pre-school experience for four- and three-year-olds in the City's poverty areas, although many experts would suggest \$150-200 million as a more realistic figure.

These estimates are not an indication of future costs; they represent amounts which New York City would be spending today if the programs were in operation. Thus, the tentative bill for providing quality education for all the City's children adds up to something on the order of \$1,100 million above current expenditure levels, which were roughly \$1 billion in 1966-67. Of this amount, perhaps \$700 million could appropriately be linked directly to the effects of poverty and deprivation; another \$100 million or so would provide system-wide benefits; and \$300 million would be in the form of "competitive" improvements.

Financing quality schools in the old cities

How can these vast outlays be financed without making old cities unattractive because of disproportionate tax burdens and/or without starving those community functions which are the legitimate responsibility of local governments?

The major component of the ultimate solution must be federal government financing of the educational costs which can be defined as related to poverty. These costs are estimated to be roughly 40 percent of the total costs of adequate educational programs in the eleven large old cities (see Table 17, p. 45). The other 60 percent of school costs, not strictly related to poverty concentrations in the old cities, would then be the responsibility of the state and local governments serving the old cities.

Federal support is now inconsequential (see Table 12), and there is no tradition of federal support for public schools. However, the application of federal education aid to programs directly related to poverty follows the argument that poverty is a national problem and its solution must be found through nationally financed programs.

The states, on the other hand, have traditionally been responsible for public education, and the school districts are merely their creatures. State aid to public schools has been around a long time, and it makes up a substantial segment of school financing already (Table 12).

Table 12

SOURCE OF REVENUES FOR PUBLIC EDUCATION IN MAJOR OLD CITIES, 1966-67^a

	Local	State	Federal
New York City	65%	35%	1.0%
Hudson County ^b	72	28	.4
Newark	65	35	1.0
Bridgeport	70	28	2.0
New Haven	70	28	3.0
Paterson	73	27	.3
Trenton	59	39	2.0
Elizabeth	73	23	4.0
Waterbury	63	33	5.0
Mount Vernon	63	36	.3
Passaic ^c	—	—	—

^aRevenues exclude balances, surpluses, tuition and the like. Because of rounding, the 3-column totals will not necessarily equal 100 percent.

^bIncluding six old cities: Bayonne, Hoboken, Jersey City, Union City, Weehawken and West New York.

^cData not available

Source: Special Survey, Metropolitan School Study Council (see Appendix 1 for description).

The extent of the statewide involvement should logically relate to the extent to which education benefits spill over school district and municipal boundaries. Since ours is a highly mobile population—nearly 18 percent of the Study Area's 1960 population above five years of age had lived in a different county in 1955—most people will not spend their entire working lives within the community in which they received their education.¹² Therefore, there is considerable justification for heavy state involvement in public school financing.

As Table 12 shows, in 1966-67, state aid for education in the large old cities ranged from slightly less than one-fourth to somewhat more than one-third of total school costs; the remaining costs were largely locally financed. Benefit spill-over considerations would suggest a reversal of these proportions; that is, because so many children educated in the old cities will live in other parts of the three states in later years, state aid should provide 60 percent or more of school costs not related to programs compensating for poverty. This proposal for a reversal of state and local shares of educational financing in older cities applies to the whole state, not just to the older cities. Statewide, state aid to public schools now amounts to about 40 percent of school costs in New York, about 30 percent in New Jersey (after a very large increase in 1966) and less than 30 percent in Connecticut.

It can be argued that benefit spill-overs should be tempered by fiscal capacity in the distribution of state aid—that is, richer communities need less state aid, proportionately, to induce them to provide quality educational systems, while poorer communities, including the old cities, require more state aid.

Table 13 presents indexes of ability to support schools—equalized real estate valuations per pupil—on which property taxes, the main source of local revenues for education, are based. The pattern is striking in New Jersey. With the Newark figure set at an index of 100, the range among the old communities is between 82 and 156. Millburn and Summit stand wholly apart, at 260 and 199, respectively. Thus, even with federal financing of all costs of compensatory education programs, the old cities would have a claim for much larger proportions of state school aid. Furthermore, we cannot expect that the federal government will quickly assume all the poverty-related costs of education. In the meantime, state school aid programs must perform

¹²Most of this inter-county migration is within the confines of a single state.

two jobs—financing the poverty-related costs and increasing the state share of financing conventional educational programs in recognition of the statewide interest in education.

Existing state aid programs perform neither job well. Each of the three states employs a somewhat different approach in its basic school aid program. New York State's basic program (there are other, less important aids for school transportation, construction, etc.) has been called a "cost-sharing" plan; New Jersey's is of the so-called "foundation" variety; and Connecticut's is a flat per pupil grant.

The New York State formula

In New York State, each school district or city computes "approved operating expenditures;" approved in the sense that the State will consider sharing in them under the basic aid program. The expenditures include most regular day-to-day outlays. The main exclusions are capital outlay, debt service and transportation costs. Approved operating costs are then stated on a per pupil basis.¹³ In New York City, approved operating expenditures per weighted pupil in average daily attendance were about \$840 in 1966-67.

However, the State (under present law) shares in only the first \$660 per pupil. This means that New York City makes outlays of almost \$200 per weighted pupil that are disregarded for state aid purposes. This, of course,

¹³In this computation, pupils are weighted as follows: kindergarten counts .5, grades 1-6 count 1, and grades 7-12 count 1.25.

Table 13

INDEX OF EQUALIZED PROPERTY TAX VALUATION PER PUBLIC SCHOOL PUPIL: OLD CITIES VS. SUBURBAN COMMUNITIES WITH SUPERIOR SCHOOL SYSTEMS

New York State, 1963-64	
New York City	100
Mount Vernon	75
Bronxville	151
Scarsdale	107
New Jersey, 1964-65	
Newark	100
Hudson County ^a	146
Paterson	99
Trenton	82
Elizabeth	156
Passaic	130
Millburn	260
Summit	199

^aIncluding six old cities: Bayonne, Hoboken, Jersey City, Union City, Weehawken and West New York.

Source: Based on state education department data.

discourages cities and school districts from providing school programs which cost more than \$660 per pupil. More importantly, it assumes no need for the State to participate in the financing of costly compensatory educational programs for the poor.

The other factor in determining New York state aid is fiscal capacity. The percentage of approved operating expenditures (within the fixed ceiling) which the State will provide varies inversely with the ratio of property valuation per child in the district to the statewide average property valuation per child, under this formula:

$$\text{State aid percentage} = 1.00 - \frac{\text{Valuation per resident child in district}}{\text{State average valuation per child}} \times .51$$

Thus, a district having the statewide average valuation per child receives state aid equal to 49 percent of its approved operating expenditures (within the ceiling); a poorer district has a higher state aid percentage and a richer one has a lower percentage. But no matter how rich a district is, the state aid percentage does not fall below 36 percent, or \$238 per pupil.

Because of the concentrations of high value property in Manhattan's central business district, New York City's aid ratio has been declining in recent years. For 1967-68, the City is at the minimum grant level. The formula in effect says that New York City is as well able to finance education as the highest income all-white suburb in the State, which is patently untrue. But note that the difficulty lies in the formula's measurement of needs relative to fiscal capacity; it implies that it should cost no more to achieve a given educational result in old cities than it does in poverty-free suburbs.

In recognition of the absurdity of this implication, the legislature agreed to treat New York City as five separate counties, with aid computed separately for each. Under this arrangement, Manhattan and Queens will be minimum-grant districts, but the other three boroughs will have higher state aid percentages. As a condition for this, the Mayor was required to recommend a plan for decentralizing New York City's school system. It is striking to observe that it is the City's school system, and not the state aid formula, which is going to be adjusted. Moreover, the change works on one side of the state aid formula—the measurement of fiscal capacity—and not the measurement of needs, which is the really defective element in the state aid computation.

The New Jersey formula

The basic school aid calculation accounts for nearly all state aid in New Jersey. Under the basic program, the State subtracts what is regarded as a local fair share from a figure of \$400 per pupil and turns the remainder, multiplied by the number of pupils, over to the local school district. The local fair share is computed by applying a mill rate against the community's equalized property valuations. Rich communities are expected to provide greater local shares of the "foundation" \$400 figure. As in New York State, there is a minimum guarantee, but unlike New York, a very large part of total state aid in New Jersey is distributed on the basis of the minimum guarantee. Thus, the degree of equalization among rich and poor communities is very limited, much more so than in New York State.

Furthermore, the New Jersey formula also contains the disadvantages of the New York one. It, too, implies that poverty-ridden old cities can do as good an educational job for a given dollar amount per pupil as the high-income suburbs. And the ceiling is very low (\$400 versus \$660 in New York State), implying that the State has no interest in school programs costing in excess of \$400 per pupil.

The over-all level of State support has been historically low in New Jersey. The present \$400 foundation is double what it was in 1965, and the State still contributes only about 30 percent of public school costs throughout the State. This tradition of relatively low statewide support has contributed greatly to differences in educational opportunity among communities in New Jersey.

The Connecticut formula

Connecticut's state aid formula is simple: a flat per capita grant per pupil. This arrangement has the virtue of ease of computation and is readily understood by laymen. On the other hand, it takes no account of

local differences in cost, effort, fiscal capacity, socio-economic factors influencing education costs and so on.

There are proposals in the State to overcome the formula limitations by raising the per capita grant to a level which would bring the statewide contribution to 40 percent. The implicit judgment is that whatever inequities and other weakness there may be in a universal per capita grant will become unimportant if the per capita figure is high enough. Then, old city problems could be ameliorated though old city-suburban disparities probably would remain much as they are at present.

Recommendations on state aid formula

In summary, none of the three states has a satisfactory state school aid system. The New York State formula probably could be revised to perform more adequately the dual role of supporting the statewide interest in public education and financing poverty-linked services. This formula, with relatively minor changes, could compensate for disparities in needs and resources, if the whole level of state sharing was radically increased. Also, the ceiling on per pupil costs recognized for state aid would have to be removed, or at least raised very substantially. Equally important, poverty itself must be taken into account in the formula. The most obvious method of so doing is to acknowledge the extraordinarily high per pupil costs of compensatory education in the weighting of pupils to derive approved per pupil expenditure. The existing weighting, noted above, is by grade level; in addition to this, a weight (of perhaps 2) should be applied to the number of disadvantaged children in the city or school district. The net result would be substantially reduced local financing of compensatory education. Complete elimination of the local role in financing compensatory education must await recognition of the federal responsibility.



Shelly Halpern

5. OTHER PUBLIC SERVICES

Middle-income families seem to be more concerned with the quality of schools than with any other public services when making choices among alternative residential locations. This is suggested by such limited evidence as the very high residential land values in suburban communities with reputations for markedly superior schools. In Regional Plan's Goals for the Region Project, more respondents to questionnaires ranked "good schools" as the most important factor in residential choice than any other environmental condition on a list of thirty-two.¹ This was true whether the respondents were suburban residents or old cities residents. Significant numbers of suburbanites with children said that improvement in central city schools might induce them to move to the cities, and significant numbers of city residents said that deterioration of school quality might induce them to leave.

Nevertheless, there are other public service characteristics which affect residential choice. Most respondents also placed a high value on clean air, personal safety and transportation convenience, and many were repelled by central city conditions with regard to congestion, traffic and lack of parking near home. A somewhat smaller percentage (but still a large one) was concerned with recreation and open space conditions—access to swimming and to large outdoor recreation areas, and characteristics of parks themselves.

For many middle-income residents of the Region, wherever they now live, the image of the older cities is an unattractive one—dirty, difficult to get around in, and lacking in recreational amenities. All these are conditions which can be affected by improvements in public services, but at very high cost. Some of the cost implications are spelled out in the following paragraphs, based largely on evidence for New York City.

Parks and recreation

If the older cities are to be genuine alternatives for middle-class families with children, publicly provided park and recreation facilities must measure up to the often high suburban standards for local parks, must substitute in part for the private open space found in individual lots in suburban communities, and must compensate for the greater distance city residents must travel to large regional parks and the greater difficulty

they have of reaching them, unless these parks can be much better served by public transportation.²

Some of the Region's older cities have splendid large parks in central locations or, as in the case of New York City, along the shore-fronts. But few older cities have an adequate supply of neighborhood-sized, readily accessible parks. In most, the supply of recreational facilities is grossly inadequate for almost every conceivable type of recreational activity, even for those that do not require large amounts of space, including playgrounds, athletic fields, tennis courts and the like. In nearly all the older cities, standards of park maintenance are modest, and budgetary pressures have severely restrained the employment of sufficient personnel as recreation supervisors.

Table 14

LOCAL RECREATION FACILITIES IN RELATION TO POPULATION IN SELECTED OLD CITIES

	Municipal and Public School Recreation Areas—Acres Per 1,000 Population	Population Per Playground	Population Per Ballfield
New York City	4.7	5,580	9,590
Bronx	2.8	6,010	10,630
Brooklyn	4.2	6,110	11,780
Manhattan	1.5	5,900	9,800
Queens	9.2	4,870	7,310
Staten Island	19.4	3,070	6,240
Hudson County ^a	1.2 ^b	5,800	8,430
Newark	0.2	7,420	6,070
Bridgeport	8.1	7,050	4,980
Paterson	1.3	4,600	3,200
Elizabeth	0.7	10,160	30,480
Mount Vernon	0.9	2,150	5,030
Passaic	2.1	4,670	8,670
Rest of twenty-two-county New York Region	4.7	3,000	2,650
Recommended by Regional Plan	5.6		

^aIncluding six old cities: Bayonne, Hoboken, Jersey City, Union City, Weehawken and West New York.

^b2.7 including county park acreage.

Source: Regional Plan Association, *The Race for Open Space*, 1960.

One set of measures of the deficiency can be found in *The Race for Open Space*, the final report of Regional Plan's 1960 Park, Recreation and Open Space Project. Data from that report, applying to 1958, are shown in Table 14. In most of the larger old city areas, local recreation acreage in relation to population is far below the acreage in the rest of the Region, and below the standard of 5.6 acres per 1,000 population recom-

¹Regional Plan Association, *Public Participation in Regional Planning*, A Report of the Second Regional Plan (October 1967).

²As of 1960, only 43 percent of New York City's households owned cars; among those with incomes below \$5,000, only about 20 percent owned cars.



Louis B. Schlivek

Few older cities have as much parkland per capita as recreation and park experts recommend. Queens is an exception. This is Brookville Park in Queens. In addition to shortages of park land, most older cities suffer from poor park maintenance due to lack of funds.

mended in **The Race for Open Space**. The exceptions are Queens, Richmond and Bridgeport. Similarly, in most of the old cities there are far fewer playgrounds and ballfields than elsewhere in the Region, although the basic needs for publicly supplied recreational facilities are higher, rather than lower, in the old cities.

Some indication of the costs of overcoming these deficiencies for New York City can be found in two other studies. The first is the projection of capital requirements for public facilities for the 1960-85 period developed by Regional Plan's staff in 1961 and 1962 and published in **Spread City**. The second is the 1967 report of the National Recreation and Park Association (NRPA) to the City Planning Commission, **A Study of New York Outdoor Recreation Needs**. The **Spread City** projections were based on **The Race for Open Space** acreage goals for land acquisition, and on New York City experience in the late 1950's with regard to capital expenditures for park development, equipment and the like. The twenty-five-year total amounted to nearly \$1.2 billion, or about \$41 million a year. The second study, which placed much more emphasis on development and renovation of existing park acreage and less on acquisition of new acreage, proposed a twenty-year program with total capital costs of about \$1.1 billion, or about \$55 million a year.

If, as the Goals for the Region Project results suggest, access to natural conditions and a general feeling of openness are important above and beyond the recreational facilities actually used by middle-class residents, it is likely that a really adequate park and recreation capital program would include the large acquisition program of **The Race for Open Space** plus the major recreational development program proposed by the NRPA study. Such a package of programs, supplemented by recreation piers and other such facilities, might involve annual capital outlays of \$70-75 million over the first ten years of the program. In contrast, the 1967-68 New York City Capital Budget plus the 1968-73 Capital Improvement Program provide for allocations averaging only \$33 million annually during the six-year period. The suggested program thus would have annual capital outlays \$40 million or so higher than in present spending programs,³ which in turn are somewhat higher than in the recent past.

³Under prevailing New York City debt management practices, a \$400 million, ten-year capital outlay program would involve annual debt service charges of roughly \$40 million. Since the two basic programs are long-term ones, extending over twenty and twenty-five years, high capital outlays would continue over a long period, and debt service charges would continue to climb.

These increased levels of capital expenditures would provide new facilities which would have substantial operating costs. For example, it is estimated that the new facilities proposed by the NRPA would have annual operating costs of \$25 million if operated at the same cost levels and standards applying to existing recreational facilities in New York City. This is more than the City now spends for "active sports and recreation" (see Table 15). Also, operating and maintaining the acreage in major parks owned by the City but not now developed for park use (part of both the **Spread City** and NRPA programs) might cost an additional \$9 million annually.

All this is at current operating standards which are not high. The NRPA study, for example, recommends that each of the City's 1,300 playgrounds have two full-time recreation directors. In contrast, the 1966-67 City budget provided for only 470 playground recreation leaders and 181 playground attendants; even if the 765 seasonal playground assistants are included, the number is barely one-half the NRPA standards. In a rough and admittedly arbitrary way, Table 15 takes account of the need for improvements in standards by pro-

Table 15

RECOMMENDATIONS FOR ADDITIONS TO 1966-67 NEW YORK CITY PARK AND RECREATION BUDGET*		millions of dollars
Active sports and recreation		
1. Estimated costs of operating new facilities at 1966-67 standards	\$ 25	
2. Added costs (above 1966-67 budget) of operating existing facilities at standards improved by about 50 percent ^b	10	
3. Costs of operating recommended new facilities (see item 1) at improved standards	12	
Subtotal	\$ 47	
(Actual 1966-67 Expense Budget amount)	(20.5)	
Preservation of nature—parks and beaches		
1. Costs of improving maintenance of existing facilities by about 30 percent ^c	8	
2. Costs of operating and maintaining major parks not now developed ^d	9	
Subtotal	17	
(Actual 1966-67 Expense Budget amount)	(26.7)	
Annual debt service costs of ten-year capital expenditure program, in excess of 1966-73 program ^e	40	
TOTAL	104	

*Based on programs recommended in National Recreation and Park Association 1967 report, capital requirements projections of Regional Plan Association (**Spread City**, 1962) and improvements in current operating standards.

^bImplies roughly 1,000 more permanent and 1,000 more seasonal employees than in 1966-67 budget.

^cImplies an increase of roughly 1,000 full-time equivalent employees.

^dThere are 6,000 acres not developed at present and 22,000 acres (not underwater) which are developed.

^eBased on annual capital outlays of \$40 million above and beyond the average of \$33 million in the 1967-68 Capital Budget and 1968-73 Capital Improvement Program, over a ten-year period.

viding for a 50 percent improvement in active sports and recreation service standards and a 30 percent improvement in park maintenance standards.

In all, the recommended additions to the park and recreation budget for New York City work out to an increase of \$104 million above the 1966-67 expenditure level. This increase, when added to the actual 1966-67 Department of Parks budget, yields a substantially enlarged total Department of Parks budget (Table 16).

Table 16

PROPOSED TOTAL PARK AND RECREATION BUDGET, NEW YORK CITY

	millions of dollars		
	Operating Expenses	Debt Service	Total
1966-67 Department of Parks budget	\$59.2	\$20.5	\$ 79.7
Cost of suggested improvements	64.0	40.0	104.0
Proposed budget, including improvements	123.2	60.5	183.7

If the ten other old cities in the Region discussed in this report had park and recreation programs with per capita costs equal to the improved New York City one (roughly \$23.50 per capita), they would be spending almost \$50 million a year, in contrast to the \$12 million or so they are now spending annually for park and recreation activities. Thus, high-quality park and recreation programs could cost the local governments serving the larger old cities an additional \$140-150 million a year.

Transportation services

Transportation services and facilities in the Region's older cities, particularly New York City, need improvement in two respects—transportation to and from central points of attraction, primarily central business districts and other major job locations; and access to local shopping facilities and the like. Regional Plan's staff has done considerable work on the needed improvements in center-oriented transportation facilities and services, which will be the subject of a forthcoming Second Regional Plan report. The discussion in that report, and actual work now underway under state and federal government auspices, make it clear that there will be major improvements in access to central business districts from suburban locations, in the form of speedier suburban rail service and better rail connections, beginning in 1968 on the Long Island Rail Road.

Even today, commuting to Manhattan from the outer parts of Brooklyn, the Bronx and Queens is not only far less comfortable but also slower than commuting from many suburbs. If commuting from the suburbs is greatly improved and no changes are made in public transportation service between the outlying parts of the old cities and their centers, increasing numbers of families who can choose to live outside the central cities will in fact do so. As incomes rise, the sole transportation advantage of the old cities—the low fares on public transit lines compared to those on suburban railroads—will become steadily less significant in family decisions. For family heads earning over \$10,000 a year, spending an extra \$25 a month for commuting is not likely to be much of a price to pay for fast and comfortable transportation service.

It is difficult to greatly improve speeds on public transportation services within the old cities, at least within present-day technology. However, the levels of amenity and convenience, especially on the New York City transit system, can be substantially improved. Stations and equipment can be cleaner, more attractive and cooler in summer months. Off-peak service can be increased, and new capacity can be built to reduce the extreme overcrowding along some of the present subway lines. The capital costs of such improvements amount to perhaps \$1 billion more than will be spent if present capital budget allocations of roughly \$100 million a year continue. The increased operating costs for cleaner stations, more station personnel, better frequency of service in off-peak hours and operation of new lines, together with the additional debt service costs, will be at least \$150 million annually. Some part of the capital costs of these proposals will be financed from the proceeds of the \$2.5 billion transportation bond issue authorized by New York State's voters in November 1967.

New York City and, to a lesser extent, some other older cities, are decidedly inhospitable to automobile ownership. Middle-class families with children except, perhaps, Manhattanites, are rather unlikely to accept willingly a residential location which makes car ownership one of life's major trials. Overcoming this will require expansion of neighborhood parking facilities (especially in shopping areas and moderately high-density residential areas) and improvements in traffic control, in pavement condition and the like. Moreover, the generally low standard of municipal housekeeping evidenced by rough and broken street pavements,

Like other city services, subway standards have not kept pace with improvements that most people want in their living conditions. Typically, subway riders suffer long, crowded and hot trips. While commuter railroads have been little improved over the years, the suburban rail rider has a seat most of the time, and trains are seldom overcrowded. If New York City were relieved of poverty-related health, education and welfare costs, as recommended in this report, its funds would be freed to redress the balance between city and suburban living.

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which is characteristic of the Region's older cities, surely is one element of the widespread indictment of the cities as deficient in "cleanliness"—they look, and are, run-down.

In 1966-67, New York City had operating expenses (exclusive of debt service) of roughly \$90 million for street maintenance, traffic control and parking facilities. An improved program might call for a 50 percent increase in outlays for street and bridge maintenance and a similar increase in the expenditures of the Department of Traffic, for both traffic control and parking programs. This would work out to roughly \$20 million in additional annual operating expenditures at 1966-67 cost levels. Annual debt service costs of a capital outlay program involving expansion of parking facilities and replacement of the many miles of "temporary" street pavement in residential areas might also entail an additional \$20 million at current cost levels. For the other large old cities, a similar improvement program might require additional current and debt service costs of roughly \$10 million a year. Very little is being spent for these purposes currently.

A high-amenity budget

Parks and recreation and transportation services are among the easiest to cost out. To derive the over-all costs of an old cities budget for the Region which would substantially improve amenity through better public services would require a detailed analysis of dozens of activities in each of the old cities. For example, under the "cleanliness" heading, an analysis of the necessary frequency of street cleaning and refuse removal must be made, and expressed in dollar terms. Thus, an increase of \$10 million in the \$110 million expense budget of the Department of Sanitation in New York City might permit almost daily sweeping of all streets, more frequent collections of trash and frequent cleaning of vacant lots.

In the absence of such a detailed, time-consuming scrutiny, an over-all estimate can be made for New

York City on the basis of the discussion heretofore. Let us assume that the City's other services (aside from education and the poverty-linked services) are relatively as deficient as those examined in the preceding paragraphs. The proposed increases in operating expenses for parks and recreation; street maintenance, traffic control and parking; and street cleaning and refuse removal total \$94 million annually, which is a 36 percent increase over the actual 1966-67 budget totals for these activities.

Assume, then, that a high-amenity budget would require an increase in operating expenses of 30 percent for all City services, aside from education and the poverty-linked activities. In 1966-67, these "other services" involved expenses of \$1,400 million;⁴ 30 percent of this is \$420 million. The high-amenity budget thus would require these increases in expenditure:

"other services," as above	\$420 million
additional transit operating and debt service costs	150
additional debt service for parks, streets, parking, etc.	100
TOTAL	\$670 million

These additional outlays, totalling nearly \$700 million, suggest what New York City's budget might look like today had it, a decade ago, set about improving services along the lines suggested here. The comparable increase in expenditures for the other ten older cities is probably on the order of \$200 million. In all, to improve public services other than those related to poverty and education for the old cities of the Region in the manner described would require an additional expenditure approaching \$1 billion at 1966-67 cost levels. And, to repeat, all this is above and beyond the indicated increases in outlays for poverty-linked services and for schools.

⁴In rounded numbers, the 1966-67 New York City expense budget items were:

Total	\$4,600 million
Less: education (including higher)	1,150
health and welfare	1,425
debt service	625
Equals: "other services"	\$1,400 million

6. FINANCING THE IMPROVEMENTS

Over-all costs

The foregoing estimates indicate what the Region's older cities "should" have been spending in 1966-67 to provide services that meet the needs of the poor and that somewhat equalize conditions of living between older cities and suburbs. They do not reflect the expenditure increases associated with rising public employee salaries, school enrollments and medical care costs over the years ahead. That is, the estimates are at 1966-67 cost levels.

All of these cost estimates, together with some additional ones for the larger old cities other than New York, are compared with 1966-67 budget figures in Table 17. In all, expenditure increases of \$3.25 billion, about 60 percent above current spending levels, are indicated—a 55 percent increase for New York City and nearly a 95 percent increase for the local governments serving the Region's ten other large older cities dealt with in this study. The larger relative increase for the ten other cities reflects the present generally lower level of adequacy of public services compared to New York City—especially in regard to education. This in turn is a reflection of their more limited local tax bases and the lower levels of state aid to local governments in New Jersey and Connecticut than in New York State.

In both percentage and dollar terms, the largest increases are for education, reflecting the very costly nature of compensatory education programs. In combination, all the services related to poverty—compensatory education as well as health and welfare programs—involve an increase in expenditure of \$1.9 billion, compared to current spending of about \$1.7 billion, a 110 percent increase. The other services—those directed at improving the quality of urban life for both middle-class residents and the poor, including education competitive with the suburbs—involve an increase in expenditure of \$1.35 billion compared to current spending of \$3.6 billion (a 37 percent increase) for these purposes. How are such vast increases in expenditure to be financed?

Sources of funds

Even now, the older cities have well-publicized budgetary difficulties, despite the inadequacies of the services they provide. It was pointed out in earlier sections that, in New Jersey and New York, the older cities have fiscal problems mainly for two reasons. First, despite considerable state and federal aid to help finance poverty-linked services, local governments in the older cities bear a sizeable share from locally-raised

Table 17

SUMMARY OF ESTIMATES OF COSTS OF PUBLIC SERVICES IMPROVEMENTS FOR THE REGION'S LARGE OLD CITIES^a

(approximate figures, in millions of dollars, at 1966-67 price and salary levels)

	New York City		Local Governments Serving 10 Other Large Old Cities ^b		Total	
	1966-67 Expenditures	Cost of Improvements	1966-67 Expenditures	Cost of Improvements	1966-67 Expenditures	Cost of Improvements
Poverty-linked services	\$1,400	\$ 800	\$200	\$250	\$1,600	\$1,050
Public assistance	600	500	100	100	700	600
Other health and welfare services	800	300	100	150	900	450
Education ^c	1,000	1,100	200	200	1,200	1,300
Competitive	900	400	— ^d	50	— ^d	450
Compensatory	100	700	— ^d	150	— ^d	850
All amenity-type services	2,200	700	300	200	2,500	900
TOTAL	4,600	2,600	700	650	5,300	3,250

^aSee earlier text for basis for estimates. The New York City estimates are considerably more reliable than those for the other cities; 1966-67 expenditure amounts for the other cities are partly estimated.

^bIncludes activity of county governments, wholly or in part, a proportion allocated on the basis of each older city's size in relation to the county which contains it.

^cEducation here refers only to elementary and secondary education. No provision is made in this table for improvements in the higher educational facilities and services operated by local governments in old cities, notably the City University of New York.

^dSeparation of compensatory from competitive costs was not estimated for areas outside New York City.

taxes—a burden which is minor elsewhere in the Region. New York City, for example, will raise about \$500 million in City taxes to finance poverty-linked services in this fiscal year. Second, state school aid to the older cities has been entirely inadequate in the light of statewide spill-overs of education benefits and fiscal disparities among school districts.

The combination of heavy reliance on local taxes to finance many of the poverty-linked services and most public school expenditures has led to tax rates in the older cities which already burden the typical manufacturing firm there with substantially higher local taxes than those elsewhere in the Region. Thus, the fiscal difficulties of the older cities may be self-reinforcing. Special burdens lead to higher tax rates which may spur the out-migration of businesses and well-off individuals. This, in turn, drives away some of the tax support and begins a cycle of tax rises or deterioration in public services which further drive away tax-paying installations. It may also add to the poverty burden by moving unskilled jobs out of reach of city residents who do not own cars.

There is a strong case for relieving local governments of all fiscal responsibility for poverty-linked services, since poverty is a national phenomenon that happens to exist mainly in cities and our society is so mobile that inadequate poverty-related services in one place affect other regions of the country. Relief could be accomplished by substantial increases in grants-in-aid from the higher levels of government and/or by actual transfer of the responsibility for providing a service to the higher levels. For example, public assistance is now entirely administered by local governments in New York State and very largely so in New Jersey, an arrangement which is highly unusual in this country; in most other states, the expensive components of the public assistance programs are administered by state governments and financed without local government contributions.⁵ The new types of income maintenance programs previously referred to are designed for nationwide administration by the federal government. In other poverty-related public programs, the appropriate change seems to be more aid from the higher levels of government, including 100 percent state or federal financing of the costs of compensatory education and greater aid for health and social services provided by old city governments.

⁵Effective July 1, 1968, Massachusetts' state government will assume the responsibility of administering and financing all welfare programs for the 351 cities and towns in Massachusetts. This will reduce to eleven the number of states following the New York practice of assigning the responsibility entirely to local governments.

Pending full federal financing, state government assumption of the fiscal responsibilities for poverty-linked services now borne by the local governments serving the older cities is an urgent necessity.

Full federal financing of all poverty-linked outlays, including those for schools, will, of course, require very large increases in federal government expenditures throughout the country. In the fiscal year ending June 30, 1967, the federal government spent a total of roughly \$6.5 billion for anti-poverty and income maintenance programs, health care for the poor, and education for disadvantaged children. In addition, state and local governments spent, from their own funds, another \$5 billion or so for similar services. Fully adequate programs, at current costs, might require the expenditure of an additional \$15 billion on a nationwide basis. This suggests an increase in total federal spending for poverty-linked services of about \$20 billion—\$15 billion for improvements and \$5 billion to replace state and local expenditure. But federal revenues are growing at the rate of \$8 billion a year. In other words, these calculations suggest an increase in federal spending which will absorb two-and-one-half years of normal increase in federal revenues.⁶

Interim state and ultimate federal financing of all poverty-linked services combined with improvements in the state school aid system will greatly relieve present fiscal pressures on the older cities. Indeed, these steps can make it possible for the older cities to finance, fairly readily, the improvements in other types of public services necessary to make them competitive with the suburbs as residential choices for middle-class families.

This is illustrated in Table 18, where the financing of the actual 1966-67 budget of New York City is compared with the financing, under these proposals, of the expanded services discussed previously. The actual figures are shown in the top part of the table. State and federal sources now finance \$1 billion of poverty-linked services and \$500 million of other services, but City funds provide \$500 million for poverty-linked services.

Assume now that poverty-linked services are substantially improved but that the entire cost is financed from state and federal funds. This would permit the City to substantially improve the non-poverty services,

⁶While the entire automatic increase in federal income cannot be expected to go to poverty-linked services, the relationship between this sum and the poverty funds recommended here shows that this proposal is well within reason, especially since some replaces local and state expenditures.

Table 18

ACTUAL AND HYPOTHETICAL NEW YORK CITY EXPENSE BUDGET, 1966-67

Actual	billions of dollars		
	All Sources	City Funds	State and Federal Funds
Total expenditures	\$4.6	\$3.1	\$1.5
Poverty-linked services	1.5	0.5	1.0
Other	3.1	2.6	0.5
Hypothetical, with needed improvements in public services^a			
Total expenditures	7.2	3.7	3.5
Poverty-linked services	3.0	—	3.0 ^b
Other	4.2	3.7	0.5 ^c

^aIncrease for poverty-linked services includes \$700 million for schools (compensatory education), \$800 million for other services. Increase for other functions includes \$400 million for schools, \$700 million for other services (see Table 15).

^bAssumes all poverty-linked services will be financed from state and federal funds.

^cAssumes state and federal aid for non-poverty services will be unchanged from actual 1966-67.

but at a relatively small cost in added City tax funds—in this illustration, a 35 percent increase in outlays (from \$3.1 to \$4.2 billion) with only a 19 percent increase in City tax revenues (from \$3.1 to \$3.7 billion). It is likely that so large an improvement in the City's attractiveness as a residential choice would significantly enhance its tax base. Of course, a sudden 19 percent increase in City taxes would hardly strengthen the City's attractiveness. But a combination of service improvements and tax increases over a period of years would be a different matter. In a sense, the service improvements would be self-financing, provided that outside governments absorb the entire costs of greatly expanded programs to alleviate and eradicate poverty.

Chart 5
NEEDED INCREASE IN FEDERAL AND STATE FINANCING OF POVERTY-LINKED SERVICES: NEW YORK CITY

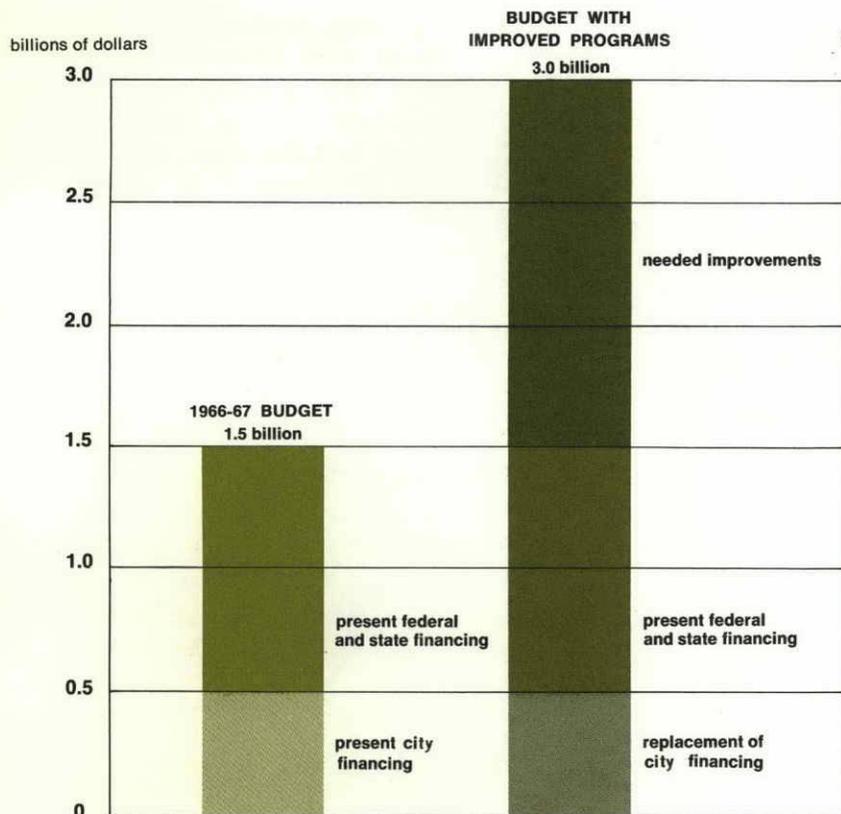
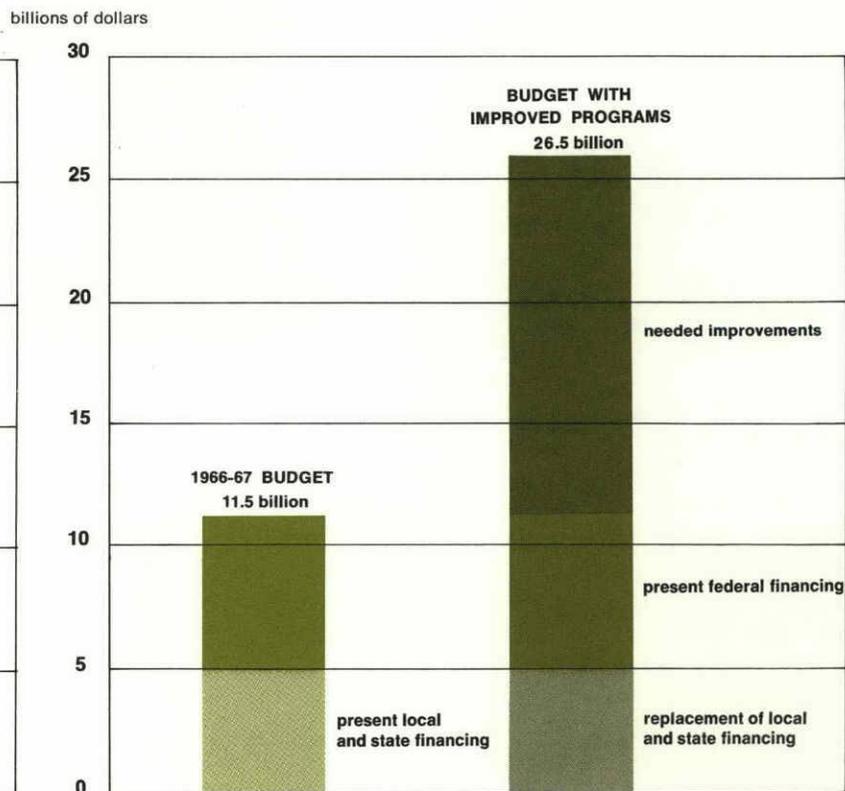


Chart 6
NEEDED INCREASE IN FEDERAL FINANCING OF POVERTY-LINKED SERVICES: NATIONWIDE



The estimates of the costs of needed improvements in compensatory education and health and welfare services are, to be sure, open to question; there is no "correct" amount. But this does not change the principle illustrated by the table. However high the costs of the poverty-linked services, they should be financed from state and, preferably, from federal funds. Local tax resources then can be relied upon to improve greatly other types of public services.

The argument, then, is that the older cities are neither ungovernable nor insolvent, but that they are burdened with special kinds of fiscal responsibilities which they cannot and should not sustain by themselves. Relieved of these responsibilities, they can be

asked to finance, largely from their own resources, a wide range of service improvements. Self-governing and self-supporting local government can produce livable and attractive cities under these conditions.

This suggests a strategy which is a far cry from the begging-bowl strategy most large cities now employ—a plea for federal aid, however small, for any activity whatsoever, from building code enforcement to library construction. Instead, it suggests that the cities focus on the really costly services, where their case for federal aid is far more convincing. This is a strategy which seems more nearly consistent with the American tradition of local autonomy and local initiative.

APPENDIX

1. Comparative quality of school programs in old cities and high-income suburbs

Relation of spending to quality

Differences in per pupil expenditure among school systems within a metropolitan area are likely to have some relation to differences in the quality of school programs, since it takes money to command resources in the form of personnel and instructional materials. But it is not at all clear that this is a one-for-one relationship.

The amount of money going into teachers' salaries is the principal item of educational expense, usually accounting for around 75 percent of the school current expense budget. The dollar amount is mainly influenced by two factors: the level of teachers' salaries and the ratio of teachers to pupils, usually expressed as class size. Both of these factors are frequently used as measures of quality. Also contributing to current expense is the number of auxiliary professionals employed—administrative personnel, guidance counselors, psychologists, social workers, etc. When these are added to the teacher total and related to the number of pupils, another numerical measure of quality results, that of professional staff ratio, which is directly reflected in the per pupil expenditure figure.

Many educators feel, however, that while indicative, these measures are too crude to be used by themselves as indexes of quality. After all, there are excellent teachers and there are poor teachers. Some teachers show great concern for the needs of their pupils based on individual differences; some show little concern and treat all more or less alike. These as well as other intangibles affect quality and may or may not be reflected in dollar expenditures.

Since the goal of education is the development of the individual to his fullest potential, the level of pupil achievement in acquiring language, mathematical and other skills is also a mea-

sure of the quality of education provided by the schools. But, again, this measure cannot be used in isolation, since the achievement level of pupils has been shown to be related not only to the quality of teaching but to their own personal characteristics, both mental and emotional, and to socio-economic considerations.

In view of the complexity of the factors entering into measurement of quality and their relation to cost, no attempt was made to undertake an independent study of quality and cost of the school systems in the old cities. Instead, an arrangement was made with the Institute of Administrative Research at Teachers College, Columbia University, which specializes in this field, to undertake such a study. The Institute has developed and tested a number of criteria which it considers to be good indicators of quality and has applied them over a period of years to a group of sixty-five mainly suburban but nevertheless varied school systems in the New York Region which form the Metropolitan School Study Council (MSSC). The study provides information which makes it possible to measure the old cities' school systems qualitatively against the Council group and against individual selected suburbs known for the high quality of their school systems.

The study dealt with material provided by twenty-one old cities and ten suburban communities in those areas of Connecticut, New Jersey and New York which make up the New York Metropolitan Region. The twenty-one old cities in this group include the majority of the Region's old settlements which could be conceivably designated as cities. Of the eleven old cities discussed in the text of this report, only Passaic, for which data were not available, is not included among the twenty-one cities.

Data were released to the Institute by the communities involved on agreement that they would not be identified individually and that the data would be used only to designate general trends.

Table A-1

STANDARD SCORES FOR SELECTED INDEXES OF QUALITY AND NET CURRENT EXPENDITURE PER PUPIL: MSSC¹ SAMPLE VS. SELECTED OLD CITIES AND SUBURBAN COMMUNITIES, 1966-67

	Net Current Expenditure Per WEPU ²	Professional Staff Per 1,000 WEPU ²	Average Professional Salary	NISMO ³
Highest score, MSSC systems	71.9	71.6	79.4	79.5
Lowest score, MSSC systems	31.5	23.5	29.7	28.0
Connecticut				
Old cities				
A	38.3	40.2	41.3	40.6
B	31.6	28.5	35.0	37.3
C	28.4	21.6	39.7	27.8
Suburban communities				
A	45.9	49.6	51.8	49.5
B	43.0	45.2	48.0	49.6
New Jersey				
Old cities				
A	39.1	34.8	42.3	42.3
B	37.8	50.0	30.0	38.9
C	37.7	38.3	39.8	42.3
D	36.6	40.8	32.1	42.4
E	35.1	34.1	31.5	44.3
F	33.8	27.5	38.8	38.6
G	33.6	34.1	35.3	35.1
H	33.6	22.4	39.7	40.1
Suburban communities				
A	45.6	54.0	46.9	46.1
B	44.0	48.0	47.6	46.5
C	42.4	44.7	51.2	41.8
D	41.2	38.6	56.2	39.3
New York				
Old cities				
A	62.0	55.8	64.4	51.0
B	60.7	57.9	58.7	54.2
C	56.2	51.3	56.9	48.8
D	55.3	38.8	59.3	62.3
E	54.8	55.5	48.0	57.9
F	53.0	48.4	56.6	47.5
G	52.8	47.2	49.1	56.3
H	50.7	50.9	54.2	35.3
I	49.4	41.2	50.6	50.7
J	40.1	35.7	44.4	34.9
Suburban communities				
A	71.2	64.2	68.5	64.8
B	69.6	59.8	79.4	49.8
C	65.4	54.8	70.3	68.4
D	61.3	53.6	68.3	47.5

¹Metropolitan School Study Council.²Weighted elementary pupil unit: 1 per pupil in grades kindergarten-6, 1.25 per pupil in grades 7-12.³Expenditures for noninstructional staff and other non-maintenance current expenses per weighted elementary pupil unit.
What the study shows

Table A-1 presents a comparison of three indexes of quality (columns 2, 3 and 4) with current expenditures per pupil for the thirty-one old cities and suburban communities and the MSSC sample as a whole. The indexes include (1) the number of professional staff per 1,000 weighted elementary pupil unit (WEPU),¹ (2) the average annual salary of all professionals, and (3) a measurement of expenditure on special materials and services associated with the education program. The actual figures for these three indexes, as well as the figures for net current expenditure per pupil, have been converted to standard scores which tell how far above or below the average a given district falls.²

Connecticut. For the two Connecticut suburban communities, the quality indicator scores hover around the average (50) for the MSSC group. Only one old city scores as well as the bottom of the normal two-thirds (40-60) range; the other two fall in the lowest sixth, close to the lowest-scoring MSSC district, on two of the three indexes. Per pupil expenditure converted to standard scores follows fairly closely the pattern of the quality indexes.

New Jersey. A larger number of localities was surveyed in New Jersey, but the general pattern is not unlike that of Connecticut, i.e., (1) there were sharp differences between old cities and suburbs; (2) in almost all items, the old cities again were in the lower sixth of the score range (below 40) with the suburban communities for the most part scoring between 40 and 50.

New York. In New York, quality indexes even in the old cities fall, with only minor exceptions, within the normal two-thirds (between 40 and 60). One locality included among the old cities has a large suburban component and resembles the four suburban communities in some respects. But, on the whole, the four suburban communities in New York stand out above all school districts surveyed as being both high-quality and high-spending measured against the highs of the MSSC group.

The scores shown in Table A-1 can be compared with the absolute rather than comparative figures for the Metropolitan School Study Council, shown in Table A-2. These scores serve as points of reference for the school systems comprising Table A-1.

¹Children in grades kindergarten-6 count as 1 unit, and children in grades 7-12 as 1.25.²A standard score of 50 represents the average MSSC school district. A standard score of 60 represents one standard deviation above the average, and 40 represents one standard deviation below the average. In a normal distribution, the scores of two-thirds of the group will fall between standard scores of 40 and 60; one-sixth will fall above the 60 mark, and one-sixth below the 40 mark.

Table A-2

NET CURRENT EXPENDITURE PER PUPIL AND SELECTED INDICATORS OF QUALITY FOR MSSC¹ SAMPLE, 1966-67

MSSC Range	Net Current Expenditure Per WEPU ²	Professional Staff Per 1,000 WEPU ²	Average Professional Salary	NISMO ³
High	\$1,325	78	\$12,342	\$311
Median	857	63	9,058	134
Low	464	45	6,784	1.2

¹Metropolitan School Study Council.²Weighted elementary pupil unit: 1 per pupil in grades kindergarten-6, 1.25 per pupil in grades 7-12.³Expenditures for noninstructional staff and other non-maintenance current expenses per weighted elementary pupil unit.

2. Efforts to improve educational performance in the New York City school system

The New York City school system

The City's public school system comprises 870 schools and serves nearly 1.1 million children, one-third of all the school children in New York State and 72 percent of all the school children in the City. (The rest are in parochial schools [390,000] and private schools [25,000].) Just over half (594,000) of the total register is in kindergarten and the first six grades, another 10,000 are in pre-kindergarten classes and about 7,000 are in various kinds of special schools. The junior high schools enroll about 210,000 pupils, the academic high schools 228,000, and the vocational high schools 42,000. These are all regular daytime enrollments. In addition, the City school system provides numerous after-school, evening and summer programs for instructional and recreational purposes.

The school budget provides for 57,000 teaching positions, 3,000 non-teaching professional positions, and thousands of full-time, part-time and hourly administrative, maintenance and operational personnel.

Average class size in the elementary grades was about 27.1 in 1966-67 and about 29.0 in homeroom classes of junior highs in 1965. But it should be noted that 46 percent of all classes in elementary schools and 53 percent of all classes in junior highs have more than 30 pupils to a class. Bringing these ratios down to a more acceptable level for every class, say 25, would require a minimum of 15,000 more teachers (at average salaries of \$8,600, equalling \$17,500,000).

In money terms, the present vast operation calls for a total expenditure estimated for the 1967-68 school year at \$1,358 million, 7 percent higher than in the preceding school year.

Ethnic changes in the schools. As indicated in the body of this report, an important dimension of the problem of the old cities, and especially of New York City, is the great increase in the number of minority children who are surging into the schools.

Between 1957 and 1966, total enrollment in the City's schools increased by 132,000, or almost 14 percent (Table A-3). In the same period, the number of Puerto Rican pupils increased by 76 percent, to nearly a quarter of a million; the number of Negro pupils grew by 84 percent, to 318,000; while the number of "others" (mostly white), declined by 110,000 to 541,000, or 49.8 percent of the total. Thus, in 1966, Puerto Rican and Negro children for the first time made up a majority, though slight, of the City's school children.

The continuing exodus of middle-class white families to the suburbs has been associated with a number of factors. Several are closely related to public school education.

In the early 1950's, the feeling predominated that the City schools were inferior to suburban schools; inferior, that is, in those school characteristics which education-conscious parents associate with academic achievement. The competitive pressure for admission to college was on.

In more recent years, however, the outward movement has also responded to another factor—mandated integration. Under directives from the State Board of Education and pressures from civil rights groups, the Board of Education took several steps to achieve integration in the schools, among them busing from overcrowded ghetto schools, an open enrollment policy and school pairing (see page 53). Organized boycotts against these programs were evidence of the attitudes of some white parents who could not, or did not want to, leave the City. Some did leave, however, and the Board of Education now estimates that the total number of school children in non-slum areas is declining by about 2 percent a year.

As has been shown, this out-migration of white pupils has been more than offset by the influx of Puerto Rican and Negro children. The high birth rates of both of these groups have accelerated the rise in their numbers. The economic, cultural and educational deprivation of a large proportion of the Negro and Puerto Rican entrants into the City's schools has introduced a new element of urgency into the search for ways of helping these children achieve their highest potential.

Table A-3

ETHNIC DISTRIBUTION IN NEW YORK CITY SCHOOLS, 1957 AND 1966

	1967		1966		Change 1957-66	
	Number of Pupils	Percent of Total	Number of Pupils	Percent of Total	Number of Pupils	Percent Change
Puerto Rican	129,000	14	227,000	21	+ 98,000	+76
Negro	173,000	18	318,000	29	+145,000	+84
Other	651,000	68	541,000	50	-110,000	-17
TOTAL	953,000	100	1,085,000	100	+132,000	+14

Note: Figures in table rounded to nearest thousand.

Source: Board of Education, *Special Census of School Population*, October 31, 1966, Summary Tables, February 1967.

Programs to improve quality

Over the years, the City school system has developed a wide variety of programs designed to upgrade the quality of education offered children from minority and low-income families generally, in order to bring the achievement level of these children up to the level of their more fortunate contemporaries and to raise their cultural aspirations.

Some of these programs are easily quantified because they are self-contained, e.g., the College Bound program, which involves only a specific number of children and has been costed out. Others apply across-the-board, like the projected City-wide shift in school organization from a ratio of number of grades to school of 6-3-3 to 4-4-4.¹ This reorganization, which reduces the number of grades in each elementary school and thereby leaves room to draw pupils from a wider geographic area, is aimed at securing greater racial-ethnic integration and thus enriching the social and educational experience of the culturally deprived. The true cost of such a program is difficult to determine because it affects both disadvantaged and other pupils.

A brief review of the school system's major efforts in providing quality education for disadvantaged children, together with indications as to the success and cost where available, may be worthwhile. The limitations of space permit only some highlights to be presented. Entirely excluded from consideration are special programs for the socially maladjusted, the retarded and other handicapped children.

All Day Neighborhood Schools. This is the oldest program in the City schools and widely acclaimed as successful. It was originally sponsored in the 1930's by private organizations and continues to receive extra financial support from them. It is conducted in fourteen elementary schools located in congested areas where incomes are relatively low, but not necessarily in the areas of greatest poverty. Extra teachers are assigned to give special help to pupils during a part of the regular school day and to conduct recreational and other activities after the regular school closing. Some 16,000 children are enrolled in these schools. According to the Superintendent of Schools, the cost per pupil is \$287 above the amount spent on the average elementary school child, or nearly \$1,100 per pupil.² If the program were extended across-the-board in the 330 regular elementary schools, it would add something like \$67 million to the total cost of the education of the pupils in these schools.

Higher Horizons. The once famous Higher Horizons program, launched in September 1959, was an attempt to meet the needs of disadvantaged children with good academic potential. Much was made of raising their aspirations for education through remedial reading, enrichment of the curriculum and cultural experiences. It was very flexible and quite decentralized. Within four years of its inception, the program was operating in fifty-two elementary schools affecting 34,000 pupils, in thirteen junior highs with over 19,000 pupils, and in the tenth grade of nine academic high schools and two vocational high schools.

At first, the program was very successful and was copied by school systems nationwide. Gradually, the program was watered

down, and it apparently lost its original effectiveness. The program as an independent entity has been abandoned, although certain elements have been picked up in other, newer programs for the disadvantaged child.

Special Service Schools. In the 1950's, the City school system endeavored to identify those elementary and junior high schools with a high proportion of slow learners. They were designated Special Service schools and were provided with extra teachers to reduce class size and with supplementary remedial and guidance services. There are 264 Special Service elementary schools and sixty-seven junior highs.

Average class size in the Special Service elementary schools is 27.2 compared with 28.8 in regular elementary schools; in the junior highs, the average ratios are 27.2 and 29.5 respectively.

More Effective Schools. This program, commonly referred to as MES, is aimed at helping children from Spanish-speaking and Negro families by focusing on "prevention of academic failure in the early years by starting education at the pre-kindergarten level and by organizing small classes to insure individual attention for each child's needs."³

Twenty-one Special Service elementary schools were tapped for the MES program (ten in 1964 and eleven a year later), located in various types of areas: racially unbalanced, integrated or with potential for integration, and integrated but beginning to lose middle-class pupils. Pupil register of the twenty-one schools totalled 16,275, and their ethnic composition was 29 percent Puerto Rican, 53 percent Negro, and 18 percent "other." Nine other elementary schools were designated as a "control" group.

The basic features of the MES program are:

1. Pre-kindergarten for four-year olds (some schools have classes for three-year olds).
2. Maximum of 15 children in pre-kindergarten, 20 in kindergarten, and 22 in grades 1-6.
3. An extra teacher for a cluster of two classes at pre-kindergarten levels and three classes at other grades, and one preparation period per day for every teacher.
4. Large numbers of additional personnel for each school, including an administrative assistant for each principal and three assistant principals; a team of three guidance counselors, one social worker, one attendance teacher and the services of a psychiatrist and clinical speech teacher one day a week; a team of seven specialist teachers for library, reading instruction, science, etc.; and a community relations coordinator for each school, whose primary duty is to involve the community in active participation with the schools.
5. An extra allotment for supplies and books with special emphasis on materials stressing city children of varied racial and economic backgrounds.

Operation of the MES program was evaluated by the school system after two years.⁴ The cost was found to be extremely high as compared with average expenditure in all other schools City-wide. The average per pupil cost of the first group of ten schools in 1965-66 was \$859; the average cost for the second group of eleven schools was \$930. In the same year, the average cost per pupil of the nine control schools was \$460. (These figures do not

¹The basic organization of the City's schools for some years has been, with some exceptions, elementary (grades 1-6), junior high (grades 7-9), and high school (grades 10-12). The organizational change now underway provides for primary (grades 1-4), intermediate (grades 5-8), and high school (grades 9-12).

²Board of Education, *Budget Estimate for 1967-68*, December 12, 1966.

³Board of Education, Bureau of Educational Research, *Evaluation of the More Effective Schools Program*, Summary Report, September 1966.

⁴*ibid.*

include all costs normally comprised in the term "current expenditures.") Apparently, the cost rose still further in 1966-67; the Board of Education estimated the cost at \$1,263 a pupil, more than double the average City-wide cost in elementary schools of \$559 and nearly 60 percent above the \$750 cost of the Special Service elementary schools.⁵

The official evaluation of the two-year experience of the MES schools was somewhat favorable. In general, reading results showed a net gain in excess of expectations (i.e., compared with national norms at given grade levels and for elapsed time). The higher achieving groups at the start usually registered improvement beyond the norm and exceeded expectations for elapsed time. On the other hand, it was invariably true that, while the lowest quartile of each group made some improvement, it did not usually reach the norm. Pupil progress in arithmetic solving was favorable but more uneven. The reaction of administrators, teachers and parents was said to be "definitely favorable." Parent and teacher groups have been pressing for extension of the MES program to other schools.

The Superintendent of Schools has stated that, while academic achievement was somewhat better in the demonstration schools, "it varies from school to school and the improvement in pupil achievement has not been proportionate to the increased cost."⁶ Other evaluations have been even less favorable, although recognizing that two years is too short a time to permit an unconditional assessment of failure or success. The unevenness in results noted by the Superintendent is ascribed by some to failures of leadership and attitudes and training of staff directly concerned with carrying out the program within the individual school, rather than to structure and numbers of personnel. With further experimentation and training, some of these defects might be eliminated. The twenty-one MES schools have been retained, although no new ones were established in 1967-68.

College Bound. A new program initiated in the 1967-68 school year is designed to develop the college potential of disadvantaged students from poverty areas. In its first year, the program involves 3,000 ninth- and tenth-grade students who would not ordinarily go to college, in twenty-four of the City's sixty academic high schools. Students are placed in classes of twelve to twenty pupils and given an enriched academic, cultural, remedial and guidance program, with intensive work in English and reinforced study in other academic subjects.

The cost per pupil is \$2,000-2,200, well above the \$1,200 average cost per academic high school pupil. The 1967-68 budget for the program is \$3 million, with \$1.5 million coming from the Board of Education budget and the remainder from state and federal sources. Both the enrollment and budget of this program are expected to double in its second year of operation.

A unique aspect of the College Bound program is its association with the College Bound Corporation, a private corporation made up of some forty colleges in and around the Metropolitan Area, whose purpose is to insure that successful graduates of the program will have a place in one of these colleges with full expenses paid.

To date, none of the quality-improvement efforts tried in the New York City school system has proven to be a great success, nor "the answer" to the problems raised by the low educational performance of disadvantaged children when exposed to conventional school programs. However, some of the programs have not been given long enough trials nor been tried under conditions which really permit a persuasive evaluation. For some, despite their high costs, still greater investment along the same lines might produce enough benefit to warrant the cost. For example, somewhat smaller classes may not produce results that warrant the added funds needed, but very much smaller classes may produce substantial improvements in education that are worth the investment.

Finally, it should be noted that some of the elements of the various experimental programs seem promising under some conditions and are being utilized with good results in individual schools within and without the City school system. Pre-kindergarten programs for three- and four-year-olds, for example, comprise the anti-poverty Head Start program, which has had many failures but some major successes and which will be a continuing effort.

Therefore, it seems reasonable to base cost estimates for really effective compensatory education programs on actual costs under the relatively ineffective programs tried heretofore, but to call for a doubling of funds, as has been done in the body of this report.

Programs for furthering integration

Numerous programs have been developed with the objective of achieving integration in the City's schools, for its own sake and also as a means of improving academic achievement. In theory, the educational value of integration to the minority child does not inherently involve additional costs; in practice, however, there is clear evidence from official statements that extra resources were made available to all children in the schools to be integrated to defend the system against the charges that integration would drag down the previous educational level of predominantly "white" schools.

Three principal programs classifiable under the heading of furthering integration have been tried so far. They are:

1. Busing from overcrowded minority-segregated schools to underutilized schools, usually in predominantly white areas—a mandatory program,
2. A free-choice open enrollment plan which, with some added features, was an extension of the first one, but voluntary,
3. Community-zoned (paired) schools.

In addition, the More Effective Schools program, described above, was incorporated in schools chosen for some integration efforts.

It is difficult to pin down the costs of the first two programs. The only firm figure found shows that transportation is an expensive item, amounting to over \$200 per pupil. But not many pupils are involved—only 22,300 in the first five years. There is, moreover, little evidence to suggest that either the mandated or the voluntary program has made any substantial contribution to the goal of providing integrated education and, in fact, the Board of Education in May 1967 announced curtailment of the open-enrollment program as it applied to the high schools.

⁵As reported in *The New York Times*, May 28, 1967.

⁶*Budget Estimate for 1967-68, op. cit.*

The third program, community zoning, was put into effect in September 1964 in eight elementary schools specifically to achieve ethnic balance. Each of four predominantly white schools was paired with one of a group of four predominantly Negro and Puerto Rican schools. Children in the first four grades of each pair of schools were sent to one school in the pair and those in the upper grades to the other. Stress was laid on improving quality through providing extra allowances for supplies and equipment and adding more professional and nonprofessional personnel to sharply reduce class size. Pupil-teacher ratio for the paired schools after one year of operation was 17 compared with a City-wide average of 23.1; class size was cut to 22.5 pupils compared with 28.7 in the rest of the system.

The cost of these staffing ratios was high. Whereas the average per pupil instructional cost in the eight schools was \$389 just before pairing, it was \$594 two years later, an increase of 52 percent. The over-all cost was the second highest of any program in the system.

Results of the experiment were disappointing. Of particular importance was the high rate of transfer of pupils in the paired schools to other public, private and parochial schools in and outside of New York City (Table A-4). Of the 6,349 children in the eight schools in October 1963, the year before the pairing, only 5,253 were still enrolled in the schools at the start of the pairing and only 5,085 one year later. The number of Negro and Puerto Rican children declined as well as "other" (mostly white) children, but not nearly as rapidly. Thus, the mere announcement of pairing seems to have stimulated a net exodus; nearly 1,100 left in the first year, of whom about 690, or 63 percent, were "others." In the following year, the register of "other" pupils declined by another 227, so that in the two years between October 1963 and October 1965 the eight paired schools lost, on balance, one-fifth of their "other" population.

Not only did the community zoning experiment fail to hold a majority of white pupils in the schools, but the effect on achievement of minority pupils was minimal. The official Board of Education evaluation⁷ of standardized test results noted that while

⁷Board of Education, Bureau of Educational Research, *Evaluation of the Community Zoning Program*, Summary Report, September 1966.

Table A-4

SHIFTS OF NEGRO, PUERTO RICAN AND OTHER PUPILS IN EIGHT PAIRED SCHOOLS

Net Change	October	October	October	Change	
	1963	1964	1965	1963-64	1963-65
Puerto Rican	456	422	449	- 34	- 7
Negro	2,554	2,179	2,211	-375	-143
Other	3,339	2,652	2,425	-687	-914
TOTAL	6,349	5,253	5,085	-1,096	-1,264

Discharges, 1964-66	To	To	To	To	TOTAL
	Public Schools in NYC	Parochial Schools in NYC	Private Independent Schools in NYC	Schools Outside NYC	
Puerto Rican	157	70	4	29	260
Negro	458	32	16	128	634
Other	495	399	214	444	1,552
TOTAL	1,110	501	234	601	2,446

Source: Board of Education, Bureau of Educational Research, *Evaluation of the Community Zoning Program*, Summary Report, September 1966.

"nearly all pupil groups and sub-groups improved in standing in relation to national norms and predictive or expected achievement levels," nevertheless, Negro and Puerto Rican pupils showed less improvement in the experimental period, thus falling further behind. Teachers had mixed reactions to the program but on balance "did not believe that [it] promoted an optimal total learning situation for all the pupils." Negative reactions were greater in the second year than in the first.

The school pairing plan was a sincere effort to promote quality integrated education. Its apparent failure no doubt had many causes. Some outside critics felt that overly centralized control, inadequate teacher preparation and an atmosphere of hostility to the plan by some parents and teachers played their part in the experiment's lack of success.

In 1967-68, community zoning is in effect in only two of the original eight paired schools, and there is little expectation that the program will be expanded again in the future.

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