

Block Grants: A Fiscal Plan to Save Schools

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California school districts are facing major financial crises pending budget decisions from the state. Numbers range from large to enormous with schools potentially losing as much as 10% of their general fund. This requires judicious analysis of current expenditures, programs, and allocations. As a result, districts must have the flexibility to decide how best to allocate their scarce resources. Local decision-making power is crucial to financial solvency and survival. The current categorical structure ties the hands of local educational agencies. To deal with the current crisis the strings must be removed from categorical monies, empowering districts to make decisions that meet local goals and priorities.

According to Sack (2003, January 22) the current categorical spending of \$11.03 billion accounts for nearly a third of all state education spending. Historically, categorical funds have served the purpose of addressing special needs and conditions for public school students. Opponents of block grants argue that while block grants would bring freedom and flexibility, the plan comes with a hefty price. As O'Brien (2000, May) argues, block grants require less accountability. Therefore, since there appears to be no direct correlation between student achievement and funding this could result in reduced funding over time. Block grant opponents further argue that the loss of targeted categorical funding would mean that schools would face no legislated obligation to provide for specific areas of need. As a result, those who have historically been under-funded might return to times of greater inequity and an ever widening achievement gap.

It is critical that special needs and conditions continue to be addressed throughout the educational system. While categorical funding serves a valid purpose, the implementation and execution of the funding inhibits the ability to institute creative reforms and maximize results. For example, some local educational agencies are forced to use funds in ways that do not benefit their actual needs. A school's ability to tailor programs to meet the distinctive demands of its educational community is hindered by current legislated restrictions. In contrast to categorical funding, block grants would provide each learning community with the freedom to best decide how funds should be spent—this is the goal.

In addition to greater flexibility, block grants would increase cost effectiveness. The current categorical maze requires a significant amount of resources for bureaucratic administration. Decreased expenditures for program management would result in money going where it would have the greatest impact. Putting money in the hands of those closest to the needs of students we believe will help achieve improved results.

An additional argument in favor of block grants is that they help to reduce the intrusive political influence in education. Unfortunately, many categorical programs were designed to satisfy political rather than educational needs. As indicated by Kollars (2003, February 20) some aid such as the Economic Impact Aid, Gifted and Talented, and International Baccalaureate were designed to benefit vocal constituents seeking individual benefit. Others were created in response to political pressure on politicians from educators, parents, and other interest groups who responded in the name of educational reform. Categorical funds currently slated for consolidation into block grants will undoubtedly attract loud protests. Some recipients are reluctant to move from the status quo because people have become reliant on their designated monetary allocations. Parents fear losing programs for their individual student. Politicians fear losing the public recognition that accompanies one's name on a bill. Lobbyists and public administrators fear losing their livelihood. However, none of these motivations result in improved student achievement.

In summary, the current state fiscal crisis demands creative solutions. Boggling money down in complicated funding systems will result in financial devastation. Block grants will help resolve the hardships that local educational agencies face, especially in these times of economic recession.

- Block grants increase cost effectiveness.
- Consolidating categorical funding promotes flexibility.
- Change in the funding structure enables local priorities and needs to be the focus.

It is time for a change in educational funding. California needs a system that maximizes efficiency and empowers those closest to the needs of the learning community.

References

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