

## From Front Yards to Schoolyards: Linking Housing Policy and School Reform

WORKING PAPER #09-07

June 2009

**Amy Ellen Schwartz**

*Institute for Education and Social Policy  
Steinhardt and Wagner Schools  
New York University*

**Leanna Stiefel**

*Institute for Education and Social Policy  
Steinhardt and Wagner Schools  
New York University*

**Abigail Conover Carlton**

*Institute for Education and Social Policy  
New York University*

## **Acknowledgements**

We thank Vicki Been and Ingrid Gould Ellen for their guidance on this project and Jaclene Begley, Alan Biller, Todd Ely, Andrea Halpern and John Tye for their assistance.

## **Editorial Board**

The editorial board of the IESP working paper series is comprised of senior research staff and affiliated faculty members from NYU's Steinhardt School of Culture, Education, and Human Development and Robert F. Wagner School of Public Service. The following individuals currently serve on our Editorial Board:

**Amy Ellen Schwartz**

Director, IESP

NYU Steinhardt and NYU Wagner

**Sean Corcoran**

NYU Steinhardt

**Cynthia Miller-Idriss**

NYU Steinhardt

**Leslie Santee Siskin**

NYU Steinhardt

**Leanna Stiefel**

Associate Director for Education Finance, IESP

NYU Wagner

**Mitchell L. Stevens**

NYU Steinhardt

**Sharon L. Weinberg**

NYU Steinhardt

**Beth Weitzman**

NYU Wagner

## Abstract

---

Housing and education share strong ties in the United States. This relationship is shaped, in large part, by mobility. Students move to new schools, homes and neighborhoods as a result of planned and unplanned family relocations. Taxpayers move from one school district to another in a nation where school quality is closely tied to the district in which a family resides. Teachers weigh factors such as location, pay, and long-term career opportunities as they decide where to work and when to move within or between school districts. Despite the strong relationship between housing and education, policies that recognize and support this relationship are relatively rare. In this paper, we explore the mechanisms by which housing and education are related. We focus particular attention on disadvantaged students in urban areas, as these students often face a unique set of challenges that set them apart from their more advantaged and/or non-urban counterparts. First, we explore the ways in which a child's housing unit, his neighborhood, and the political economy of public schools might shape his educational outcome. We then turn to a discussion of the implications of these mechanisms for education and housing policy. Herein, we highlight recent efforts to strengthen the ties between education and housing policy and discuss how the lessons learned from these efforts might be brought to bear as policymakers consider new education and housing initiatives.

## **I. How are housing and education related? What are the implications for housing policy?**

A common mantra in the real estate world asserts the importance of “location location location.” As we consider the relationship between education and housing policy, a similar mantra emerges: mobility mobility mobility. Students move to new schools, homes and neighborhoods as a result of planned and unplanned family relocations. Taxpayers move from one school district to another in a nation where school quality is closely tied to the district in which a family resides. Teachers weigh factors such as location, pay, and long-term career opportunities as they decide where to work and when to move within or between school districts. Together, these various types of mobility shape the relationship between housing policy and the educational attainment of our elementary and secondary school students. Yet, despite these ties, local, state and federal policies that recognize and support the relationship between education and housing are relatively rare.

In this paper, we first explore the mechanisms by which housing and education are related. While the links between education and housing impact students across the income distribution, we focus particular attention on disadvantaged students in urban areas, as these students often face a unique set of challenges that set them apart from their more advantaged and/or non-urban counterparts. We begin in the *housing unit* itself with a discussion of the ways in which a child’s physical home environment might impact his educational outcome. Second, we explore the relationship between education and the institutions, individuals and overall quality of a child’s residential *neighborhood*. Finally, we consider the *political economy* of public schools and the ways in which the school district links housing and education decisions, policies and outcomes. We then turn to a discussion of the implications of these mechanisms for education and housing policy. We address, in turn: 1) reducing student mobility and its impact;

2) creating neighborhood support for children in low-income housing; and 3) siting low-income housing and supporting local schools. Herein, we highlight recent efforts to strengthen the ties between education and housing policy and discuss how the lessons learned from these efforts might be brought to bear as policymakers consider new education and housing initiatives. While our focus in this section is primarily on housing interventions that may improve student outcomes, we conclude with a brief discussion of education interventions that may address housing-related issues such as high student mobility.

## **II. Impact of *housing unit* itself on children's education.**

Adequate housing is critical to a child's ability to learn in myriad ways. Children are affected not only by the physical amenities and layout of their housing unit, but by the stability that comes with secure and constant housing. What seems particularly critical today is the way in which housing instability leads to student mobility across schools, neighborhoods and school districts. This mobility, particularly when it occurs frequently and/or within a school year, is more harmful to a child's education than is commonly understood. Mobility can negatively impact a student's learning by rupturing the continuity of his curriculum and social relationships. Mobility can also hurt teachers and the non-movers in the student mover's new classroom if the new student(s) arrives mid-year and is unprepared for the curriculum of the new school.

A significant body of literature suggests that high levels of mobility have a negative impact on student learning. Highly mobile students perform significantly worse in school, and are more likely to drop out, than less mobile students (Crowley, 2003; Astone and McLanahan, 1994). Children who switch schools four or more times before sixth grade are about one year behind those who have not changed schools (Kerbow, 1996). Further, mobility varies by class

and race. In our work at the Institute for Education and Social Policy, we find that poor students are approximately twice as likely as wealthier students to switch schools in the middle of a school year. By 8<sup>th</sup> grade, black students have, on average, attended a greater number of schools than white students. Of students who switched schools, most blacks moved to new schools with lower test scores than their old schools, while most whites moved to new schools with higher test scores than their old schools (Schwartz, Stiefel and Chalico, 2007). Similarly, Hanushek *et al.* (2004) find that while student turnover has a negative impact on movers and their non-mover classmates, the impact is greatest for lower income and minority students as they typically attend higher turnover schools and move more frequently. Taken as a whole, these findings suggest policies aimed at ameliorating the impact of family mobility due to housing instability on student outcomes.

In addition to questions of mobility and housing stability, the design of a child's physical housing unit and the way the unit is inhabited with relationship to the design may have an important effect on student educational outcomes. For example, a student who has his own bedroom may have an easier time finding a quiet place to study within the housing unit than a student who shares a bedroom with other family members. If a child does not have a personal bedroom, is there another quiet place for studying within the housing unit? Additionally, an in-home internet connection may promote academic achievement by allowing students to conduct online research at home and stay connected to teachers, fellow classmates and online learning tools during non-school hours. Similarly, it may be the case that students with greater access to books within the housing unit are more likely to perform well in school. Health and safety concerns, while less directly related to academic achievement, may have an indirect effect on student outcomes – students who live in unhealthy and/or unsafe conditions may suffer from

attendance problems as a result or find it more difficult to concentrate on schoolwork at home and in the classroom. Finally, what is the relationship between the household unit itself and the way it is used by its residents? How many people live in the housing unit? What is the household age distribution? How large is the household unit compared to the number of residents? Students who are crowded into small housing units with numerous other residents may well face challenges, such as difficulty finding quiet time to study and sleep, beyond those of other students.

In fact, research on the relationship between the housing unit itself and student academic outcomes is relatively thin. Researchers often take a broader approach, focusing on “housing quality,” which may include crowding and physical conditions, but also frequently includes neighborhood characteristics, access to amenities, home values, and issues related to housing tenure and home ownership (see the following section for a discussion of neighborhood characteristics). Most research on physical housing conditions as they relate to school performance focuses on the effect of crowding. Students who share bedrooms or share a small living space with a large number of people are less likely to have a dedicated space for school work and tend to perform less well in school (Gaux and Maurin, 2005; Currie and Yelowitz, 2000; Maxwell, 2003). Notably, while public opinion surrounding the quality of public housing is often negative, Currie and Yelowitz (2000) find that after controlling for the endogeneity of project participation, crowding and the likelihood of being held back in school are less likely in public housing projects. Opposite-sex siblings who may have to share a bedroom in a private housing unit are more likely to have their own bedrooms in public housing because of housing unit assignment rules. Consequently, residents entitled to a larger housing unit based on family sex composition are 24 percent more likely to live in public housing (Currie and Yelowitz,

2000). A tangential body of research looks at the relationship between housing conditions and physical and mental health. A significant amount of this literature focuses on the relationship between housing conditions and asthma, the most common chronic condition among children. The studies consistently show that substandard housing conditions, particularly water intrusion and inadequate ventilation, contribute to increased occurrences of asthma and other chronic respiratory symptoms among children (*see* Krieger and Higgins, 2002, for a review of literature on housing and health). While the majority of these studies go beyond the scope of this paper, Harker (2007) notes that substandard housing units, such as those with mold and moisture, a lack of heat, or crowded conditions, have a negative impact a child health, thus impacting student absenteeism.

A child's physical housing unit plays an important role in his day to day life. Students with stable housing are less likely to face the frequent moves between schools that can negatively impact the academic performance of their more mobile counterparts. Additionally, the layout and use of the housing unit itself is tied to a student's ability to study at home, the availability of in-home academic resources, and health and safety issues that may impact academic performance and other school-related outcomes such as attendance. Next, we turn to a discussion of the mechanisms by which a child's neighborhood may impact his educational achievement.

### **III. Impact of *neighborhoods* on children**

A family's housing choices extend beyond the selection of a particular housing unit. Each housing unit is situated within a neighborhood that brings with it a certain set of institutions, individuals and issues. Housing and education are jointly chosen and institutionally linked

through a reliance on place-based assignment rules for local elementary schools, and in most districts, local middle and high schools; children are assigned to a local public school based on the school “zone” in which they reside. In their 1997 review of the literature on neighborhood effects, Ellen and Turner identify “six mechanisms through which neighborhood conditions may influence individual outcomes: quality of local services, socialization by adults, peer influences, social networks, exposure to crime and violence, and physical isolation and distance” (p. 836). Here we turn our attention to these and other mechanisms through which neighborhoods might specifically influence children’s educational outcomes.

A considerable amount of research explores how a child’s neighborhood shapes his academic performance, and these studies consistently find that children growing up in more affluent neighborhoods outperform children from poorer neighborhoods (Ellen and Turner, 1997). Why might this be the case? One plausible reason is that children in less affluent communities have less access to the kinds of local services and amenities that benefit children in wealthier areas. A child’s housing situation places him within a set of neighborhood institutions that can influence his educational opportunities and achievement. Middle- and high-income neighborhoods regularly provide students with out-of-school supports that may contribute to their educational success. For example, these neighborhoods commonly have community centers that provide students with a safe place to congregate after school and/or participate in extra-curricular enrichment activities. Similarly, students in more affluent neighborhoods may have greater access to after-school sports, tutoring, arts, dance and other neighborhood programs that support and complement the education they receive in school. Middle- and high-income neighborhoods are also more likely to have libraries with high-speed internet connections, reference librarians, children’s reading hours, and quiet space for homework or research. In a

study of four Philadelphia-area neighborhoods, Neuman and Celano (2001) find that the quality and condition of public and school libraries improve with neighborhood income level. Additionally, they find that children's access to print reading materials varies widely by neighborhood income level; children in middle-income neighborhoods benefit from greater access to and a wider variety of print materials compared to children in low-income neighborhoods.

While local enrichment activities may provide academic benefits to student participants, these activities and services are also important because they provide students with an opportunity to interact with adults who can serve as role models and mentors. These figures can provide students with valuable advice and assistance as they progress through their academic careers. To the extent that students in lower-income neighborhoods have less access to local extracurricular opportunities and thus adult role models, they may find themselves at a disadvantage in the classroom.

Neighborhoods also influence the peer groups with whom students interact in and outside of school. Children are likely to form friendships with other children who live in their neighborhoods and school zoning regulations mean that neighborhood peers are also likely to be school peers. Several studies find a link between a student's academic performance and the performance and/or behavior of his classmates (*see* Boozer and Cacciola, 2001; Zimmer and Toma, 2000; Hanushek et al., 2003). Therefore, students who live in neighborhood with a higher concentration of high-achieving, school-oriented peers may have a greater chance of academic success. This relationship is complicated by the fact that students are not randomly assigned to classrooms; thus, it may be the case that a lower-achieving student with high-achieving neighborhood peers may be placed in a different course "track" than the higher achievers.

Nonetheless, students who live in neighborhoods with more academically-oriented peers may find more academic support from peers in after-school hours, such as study groups, and less pressure to engage in other activities. Conversely, students who are surrounded by negative peer influences may face pressure to engage in activities, such as skipping school, that are detrimental to academic achievement.

Children in certain neighborhoods must also cope with the stress and insecurity that comes from being surrounded by higher levels of crime and violence. These problems are often exacerbated by a lack of local employment opportunities and corresponding high levels of unemployment. Parents and teenage students may have trouble finding employment and turn instead to alternative (and possibly illegal) means of earning income. These factors, while not directly linked to a child's education, are likely to make for a more difficult home life that may spill over into a student's educational performance.

In the end, because schools tend to draw students from the local neighborhood due to school zoning policies, they often reflect and even reinforce local socioeconomic patterns. Research continues to show that the price of housing is higher in neighborhoods and school districts with high-quality schools (Black, 1999; Schwartz and Voicu, 2007; Hayes and Taylor, 1996). Black (1999) finds that parents are willing to pay two percent more for homes located in school zones that have test scores five percent higher than the mean test scores for that particular district. Additionally, neighborhood quality is often an important factor in a teacher's decision about where to work, making it more challenging for troubled neighborhoods to attract high-quality teachers. In the following section, we expand upon the ways in which the existence of school districts, and more broadly, the political economy of public schools, may impact a child's education.

#### IV. The *political economy* of public schools

The school district provides perhaps one of the most important links between housing, neighborhoods and schools. As previously mentioned, a family's decision to reside within a particular neighborhood is also a decision about the school district to which children will be assigned, and within that district, which "zone" school children will attend. These decisions also have important financial implications for families, school districts and the local economy. Schools are funded through a combination of local, state and some federal funds. Local school districts currently rely on a combination of local property taxes and state aid, with small amounts of federal funds; states, on average, fund over 50 percent of K-12 education and local property taxes account for the majority of local funding. A typical urban area is likely to include many school districts, differentiated by their size, quality, and spending. Given these relationships, how might the political economy of public schools impact a child's education?

School resources often reflect the economic circumstances of local residents and despite "equalizing" state aid, on average there remains a tie between school funding and local property taxes. Higher home values in more affluent neighborhoods often translate to increased funding and more educational opportunities in local schools. In turn, higher-quality schools in middle- and high-income neighborhoods attract new residents who can afford high home prices and come with academically-prepared students, creating a cycle that serves to perpetuate school quality differences across districts. In addition, parents in these neighborhoods may place higher demand on their local schools to provide high-quality resources and educational opportunities for students. As we saw in our discussion of neighborhoods, families balance the quality of schools and cost of housing when choosing a place to live, and many families are willing to pay more to live near higher-performing schools (Black, 1999; Hayes and Taylor, 1996). Funding inequalities

across districts have decreased in recent decades, in large part due to state-level efforts to use income and sales tax revenues to increase state shares and reduce the reliance on local property taxes (Corcoran, Romer and Rosenthal, 2008). Card and Payne (2002) find that redistribution efforts lead to more equal spending across districts and a modest decrease in the test score gap among high school students from different family background groups. Local property taxes, however, continue to serve as the source of local school funding in most districts and policies that erode the property tax base may have the unintended consequence of reducing school spending overall in a state (*see* Downes and Shah, 2006, on California).

The relationship between local property taxes and school funding is of particular importance as city officials decide where to site new subsidized housing. Ellen *et al.* (2007) examine the impact of the construction of new subsidized housing units in New York City on local school quality and find that the construction of subsidized rental housing is associated with significant school change, including an increase in higher attendance rates and teacher turnover and a modest decline in academic performance several years later. New subsidized housing units are also likely to increase the demands on local public schools by creating an influx of children, many of whom may need supplementary support services. The implication here is that the cost of education will rise. If the district is not provided with adequate additional funds through state or federal aid, the strain on the local budget may have a secondary, pernicious effect as higher income families move out in response to the higher cost of education, ultimately reducing the property tax base and with it, school funding.

Unfortunately, further de-coupling school spending and local finance, as has been done over the past three decades through increases in state aid, may not provide a fully satisfying solution for equity issues. State and federal efforts to delink local funding and school spending

can lead some students to exit the public school system and/or decrease per-pupil spending for all students. For example, state education finance reforms in California led to an increase in the state's share of education funding from 46.25 percent in 1975 to 73.85 percent in 1985 (Downes and Shah, 2006). Subsequently, this state has witnessed a decrease in per-pupil expenditures and a substantial increase in the number of students enrolled in private schools. In addition, efforts to loosen the ties between school funding and local property taxes may be constrained by a lack of political support from residents of more affluent neighborhoods who fear that such measures will decrease the quality of their local schools.

## **V. Implications for Policy**

Our discussion thus far has focused on the mechanisms through which housing and education are related at the home, neighborhood and school district levels. These relationships suggest that increased coordination of education and housing policies could benefit students and schools. In this section, we discuss some of the implications of these relationships for policymakers and highlight policies that have attempted to bridge the gap between housing and education policy. First, we explore strategies that may reduce student mobility and its impact on both students and schools. Second, we discuss programs designed to increase neighborhood support for children in low-income housing. And third, we consider potential approaches to siting low-income housing and supporting local schools.

### *Strategies for Reducing Student Mobility and Its Impact on Schools*

Strategies to reduce student mobility seem particularly important given the relationship between high levels of mobility and student outcomes. One way to reduce mobility is to allow students to remain in the same school even if their families switch housing. This can be done by

loosening constraints of traditional catchment zones and allowing students who move to remain at their old neighborhood school. Some schools and districts – for example, most charter schools in New Orleans – have experimented with guarantees that students will be bused to their schools from anywhere in the city. In New York City students who move within the city are entitled to remain in the school they were previously attending, even if they no longer live within that school’s attendance zone, until they have completed the school’s terminal grade. This appears to be a promising policy response, especially in urban areas, where student mobility appears to occur largely within the school district (Kerbow, 1996; Family Housing Fund, 1998). Providing students with transportation to their existing school from their new location, possibly in the form of public transit, is a critical component of this policy response (Kerbow 1996 27). The federal government has implicitly acknowledged the benefits of this approach in the McKinney-Vento Act, which guarantees homeless student rights to remain in their existing school regardless of where they are currently living (Lovell, 2008).

Another possible response is to address the problem of student mobility directly through housing subsidies. Such a solution specifically targets those prospective movers for whom current housing costs are the main determinant of a move. For example, in Portland, Oregon, the Schools Families Housing Stabilization Program (SFHSP) provided \$5000 annual housing assistance and a year of case management services to 143 student families identified as high risk for moving during the school year. The money could be used for rent, mortgages, deposits, and move-in costs. SFHSP achieved measurable reductions in student mobility and improved academic performance among participants, with 76 percent of the program students improving their performance relative to their peers in math and reading. The program was funded by the City of Portland, which was able to recoup a significant part of its outlay by retaining about

\$5000 in state education funds for those pupils that would have otherwise left the city school system (Ledezma, 2008). While these results are promising, the program has only been running for one year, and aggregate data will give a better indication of how the program works in the long term.

A similar pilot initiative in Flint, Michigan, the Genesee Scholars Program, provided \$100 monthly rent subsidies for two years to the families of selected classrooms of second graders. Participating classrooms also kept the same teachers for the two years of the program. Before the program began, the two participating schools had intra-year student mobility rates of 75.3 percent and 58.9 percent, respectively – meaning that the majority of students who started the year at each school left by the end of the school year. Classrooms in which the program was implemented consistently showed major reductions in student mobility and increases in student performance compared to non-participating classrooms during the program’s first cycle of students (Cook, 2006). While the first cycle of the program isolated all the Genesee scholars in one classroom, the second cycle selected students throughout the various 2nd grade classrooms to counteract any effects one particular teacher may have had on performance. Subsequently, the results of the second cycle were more ambiguous with inconsistent changes in mobility and academic performance between Genesee scholars in the different schools (Ybarra, 2008).

At the federal level subsidies are also being used to address housing instability. The Homelessness Prevention Program, a part of the American Recovery and Reinvestment Act (ARRA) of 2009, provides assistance to currently-housed individuals and families at risk of homelessness in the form of rental and utility assistance or support for relocating to a more affordable space. While the mission of this program is not focused on lessening student mobility, the \$1.5 billion program will likely reduce residential mobility among many families with

school-aged children. This type of program presents an opportunity for housing and education officials to draw attention to the negative effects of school mobility as families are faced with the possibility of a housing transition.

In an effort to reduce mobility in a single school in St. Paul, Minnesota, the East Side Housing Opportunity Program (HOP) has used financial support, in the form of a revolving loan fund, and school-based staff to assist families with housing needs (Metropolitan Housing Coalition, 2004). In 2008, this integrated approach resulted in more than two dozen families completing housing plans and finding placement in stabilized housing, more than 50 families in case management, and staff contact with 73 landlords (East Side Neighborhood Development Company, 2009). The use of specialized staff within the schools to provide housing assistance for students families, as well as identify students at risk of moving, is a well-regarded strategy for addressing mobility (Rumberger, 2002).

#### *Creating Neighborhood Support for Children in Low-Income Housing*

Improving local support for children and their families in low-income housing is another way to address student mobility and potentially improve student academic outcomes. Research in Great Britain has reinforced this approach finding that the highest use of school resources by community members takes place in poorer areas where “the school effectively acted as a key public resource at the hub of the community” (Pricewaterhouse Coopers, 2003, p. 27). The resources most often used by the community included information technology resources, childcare facilities, auditoriums, and athletic facilities, which led the authors of the study to conclude that investment in these areas would provide the greatest community benefits. The Gates Foundation efforts to expand library and internet access to impoverished areas are an example of such targeted community investment (Bill and Melinda Gates Foundation, 2009).

The 21st Century Community Learning Centers program, administered by the U.S. Department of Education, is also an example of an effort to bolster the support system in low-income neighborhoods. Specifically, centers are established in schools with high-poverty and low performance for academic enrichment during out-of-school time (U.S. Department of Education, 2004).

Some low-income housing developers have used new housing development as an opportunity to create new schools and community centers, and generally to increase the capacity of existing neighborhood infrastructure. When the firm McCormack Baron Salazar began to redevelop housing around the Washington University Medical Center in St. Louis, it also used innovative financing strategies to rehabilitate the historic Adams School in the neighborhood, which is now classified as a “school of excellence” within the public school system. McCormack went further, and created a new gymnasium, ball field, and a community center offering recreational programs for youth, adult education, and day care (Matthews, 2004).

In Georgia, the East Lake Foundation redeveloped a public housing development to include mixed-income housing, a YMCA, a public golf course, and a charter school that has dramatically outperformed the prior local school (Markiewicz, 2008). The New Columbia Development in Portland used an amalgamation of housing and education to redevelop a downtrodden community. Columbia Villa, a low-income housing development that was a center for gang activity, was redeveloped with the conscious goal of re-attracting families and rejuvenating the area. To that end, the city set aside two blocks for a new public school, built a park, built a community center, and gave out contracts to local businesses to encourage them to

relocate to the area (Center for Cities and Schools, 2007). Similar examples, often using HOPE VI money to redevelop public housing units, exist nationwide.<sup>1</sup>

Skeptics argue that there is no firm data showing that place-based social programs are especially effective at altering educational outcomes for children. For instance, a comprehensive effort to rehabilitate the blighted Sandtown-Winchester neighborhood in Baltimore with far-reaching social programs produced only mixed results. While educational gains were made, high student mobility is cited as a limiting factor to further improvement (Olsen, 2003). Nonetheless, the circumstances under which place-based social programs are more effective than individual-based programs remain an open question.

#### *Siting Low-Income Housing and Supporting Local Schools*

Low-income housing developments, which often contain high-density housing and many school-aged children, can also have a significant financial impact on local school districts. New developments can add many children to local school rolls very quickly. Further, low-income students may be more likely to require special education and other high-cost educational services. Finally, low-income developments often provide lower property tax revenues than market rate housing to fund the local share of schools. For these reasons, as mentioned above, some developers have decided simply to build new schools. More generally, advocates have proposed subsidizing local school districts for the costs of educating new low-income students.

The federal government already provides some additional funding to schools with high percentages of low-income students through Title I of the Elementary and Secondary Education Act (ESEA), and funds some special education services through the Individuals with Disabilities

---

<sup>1</sup> The HOPE VI program, active since 1992, is an effort to reshape and revitalize public housing projects administered by the Department of Housing and Urban Development.

Education Act (IDEA). Most states also provide additional funds for poor and disabled students. These programs could be expanded to more fully cover the marginal costs of poor or disabled students. In addition, funds could be more directly tied to new low-income housing in an effort to fully offset the effects of new developments. One such model could be the Impact Aid program, intended to subsidize the costs to local school districts of educating military children, who do not proportionately expand the tax base (Buddin et al., 2001). Using a complex funding formula, the Impact Aid program provides about \$900 million annually to approximately 1400 local education agencies nationwide.

Local land use regulations, which often set minimum lot sizes and many other requirements for new housing, can limit the socioeconomic and racial composition of a community. When local regulations and local opposition prevent the construction of new low-income housing in middle-income and wealthy communities, the poor and often minority children who might have lived there are denied access to what tend to be high quality schools. But when low-income housing is introduced, and those schools are forced to educate poorer students who provide fewer local tax receipts, historically some families have left for neighboring communities, or private schools, where they need not subsidize the education of low-income students. Research further suggests that when provided with school choice, the outflow of students from public schools tends to increase the racial and economic segregation of the remaining students (Lankford and Wyckoff, 2001).

Massachusetts seeks to resolve this tension by providing low-income students more access to quality schools, while offsetting their financial impact on local school systems, through its 40R and 40S statutes. Chapter 40R allows some Smart Growth developments (incorporating mixed land use, affordable housing, compact design, community aesthetics, the conservation of

open space, transportation choices, and the rebuilding of communities) to bypass otherwise applicable local land use regulations. Simultaneously, the state passed Chapter 40S, creating a Smart Growth School Cost Reimbursement Fund. The Fund provides reimbursement for any net new education costs that result from housing units built under 40R, where those costs are not already covered by the property and excise taxes paid by the new households (Rollins, 2006). Although the programs do not currently have a reliable funding source, together 40R and 40S may provide a conceptual model for how to allow more poor children access to excellent schools while reducing incentives for incumbent families to abandon the public school system.

## VI. Conclusions

In the previous section, we discussed housing interventions that recognize and support the relationship between education and housing and may serve to improve student outcomes. We conclude by offering a list of education interventions that may lessen the impact of housing-related issues on student outcomes:

### *Mobility*

- Develop a common curriculum across schools serving highly mobile students
- Develop programs to help incoming students adjust to new schools and help schools assimilate new students
- Closely track and monitor educational progress of highly mobile students
- Train teachers to better meet needs of highly mobile students

### *School Finance*

- Adjust school finance formulas to make sure school districts with new subsidized housing are compensated for additional costs

- Create state aid programs like Massachusetts 40S to compensate school districts for costs associated with inclusionary zoning

## References

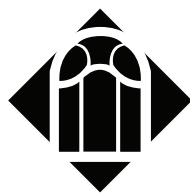
- Astone, N.M., & McLanahan, S.S. (1994). Family Structure, Residential Mobility and School Dropout: A Research Note. *Demography*, 31(4), 575-584.
- Bill and Melinda Gates Foundation. (2009). "Libraries", Retrieved March 31, 2009, from <http://www.gatesfoundation.org/topics/Pages/libraries.aspx#>
- Black, S.E. (1999). Do Better Schools Matter? Parental Valuation of Elementary Education. *The Quarterly Journal of Economics*, 114(2), 577-599.
- Buddin, R., Gill, B.P., & Zimmer, R.W. (2001). *Impact Aid and the Education of Military Children*, RAND National Defense Research Institute, MR-1272-OSD.
- Card, D., & Payne, A.A. (2002). School finance reform, the distribution of school spending, and the distribution of student test scores. *Journal of Public Economics*, 83(2002), 49-82.
- Center for Cities and Schools, (2007) Planning for Families: The Housing and Education Nexus, Proceedings Summary, University of California – Berkeley. Retrieved March 31, 2009, from [http://citiesandschools.berkeley.edu/reports/CC&S\\_2008\\_planning\\_for\\_families.pdf](http://citiesandschools.berkeley.edu/reports/CC&S_2008_planning_for_families.pdf)
- Cook, J. (2006). Genesee Scholars Program Report, Genesee County DHS.
- Corcoran, S.P, Romer, T., & Rosenthal, H.L. (2008). The Troubled Quest for Equality in School Finance. In H.L. Rosenthal & D.J. Rothman (Eds.), *What do we Owe Each Other? Rights and Obligations in Contemporary American Society* (pp. 61-77). Piscataway, NJ: Transaction Publishers.
- Crowley, S. (2003). The Affordable Housing Crisis: Residential Mobility of Poor Families and School Mobility of Poor Children. *Journal of Negro Education*, 72(1), 22-38.
- Currie, J., & Yelowitz, A. (2000). Are public housing projects good for kids? *Journal of Public Economics*, 75(1), 88-124.
- Downes, T.A., & Shah, M.P. (2006). The Effect of School Finance Reforms on the Level and Growth of Per-Pupil Expenditures. *Peabody Journal of Education*, 81(3), 1-38.
- East Side Neighborhood Development Company Inc. (2009) East Side Housing Opportunity Program, Retrieved March 31, 2009, from <http://www.esndc.org/EHOP.html#Anchor-Case-14210>
- Ellen, I.G., & Turner, M.A. (1997). Does Neighborhood Matter? Assessing Recent Evidence. *Housing Policy Debate*, 8(4), 833-66.
- Ellen, I.G., Schwartz, A.E., Stiefel, L., & Chellman, C. (2007). *Does Subsidized Housing Affect Local Schools?* A Report for the MacArthur Foundation, Sept. 30, 2007.

- Gaux, D., & Maurin, E. (2005). The Effect of Overcrowded Housing on Children's Performance at School. *Journal of Public Economics*, 89(6-5), 797-819.
- Harker, L. (2007). The Impact of Housing on Children's Life Chances. *Journal of Children's Services*, 2(3), 43-51.
- Hayes, K.J., & Taylor, L.L. (1996). Neighborhood School Characteristics: What Signals Quality to Homebuyers? *Federal Reserve Bank of Dallas Economic Review*, 4<sup>th</sup> quarter, 2-9.
- Kerbow, D. (1996). *Patterns of Urban Student Mobility and Local School Reform*. Technical Report, University of Chicago Center for Research on the Education of Students Placed at Risk, Report No. 5.
- Krieger, J., & Higgins, D.L. (2002). Housing and Health: Time Again for Public Health Action. *American Journal of Public Health*, 92(5), 758-768.
- Lankford, H., & Wyckoff, J. (2001). Who Would Be Left Behind by Enhanced Private School Choice? *Journal of Urban Economics*, 50(2), 288-312.
- Ledezma, D. (2008). *School Families Housing Stabilization Program Year One Report*, Bureau of Housing and Community Development.
- Markiewicz, D.A. (2008). Program puts students on post-high school path, *The Atlanta Journal-Constitution*, June 26, 2008, Pg. 4JE.
- Matthews, S.V. (2004). "Building a Community, Not Just Housing". *Planning*, March 2, 2004.
- Maxwell, L.E. (2003). Home and School Density Effects of Elementary School Children: The Role of Spatial Density. *Environment and Behavior*, 35(4), 566-578.
- Metropolitan Housing Coalition, (2004) *Moving On: Student Mobility and Affordable Housing*, February, [http://www.metropolitanhousing.org/pdf/mhcdoc\\_32.pdf](http://www.metropolitanhousing.org/pdf/mhcdoc_32.pdf)
- Neuman, S., & Celano, D. (2001). Access to Print in Low-Income and Middle-Income Communities: An Ecological Study of Four Neighborhoods. *Reading Research Quarterly*, 36(1), 8-26.
- Olsen, J. (2003). The Hundred-Million Dollar Question: Can Inner-City Neighborhoods Be Transformed? *Next American City*, June.
- PricewaterhouseCoopers. (2003). *Building better performance: an empirical assessment of the learning and other impacts of schools capital investment*. Department for Education and Skills: Research Report RR407.

- Rollins, D. (2006). An Overview of Chapters 40R and 40S: Massachusetts' Newest Housing Policies, New England Public Policy Center at the Federal Reserve Bank of Boston, Policy Brief 06-1.
- Rumberger, R.W. (2002). *Student Mobility and Academic Achievement*. Champaign IL.: ERIC Clearinghouse on Elementary and Early Childhood Education. ED466314, 2002.
- Schwartz, A.E., Stiefel, L., & Chalico, L. (2007). *The Multiple Dimensions of Student Mobility and Implications for Academic Performance: Evidence from New York City Elementary and Middle School Students*. A Condition Report for the New York Education Finance Research Consortium.
- Schwartz, A.E., & Voicu, I. (2007). Which Schools Matter? Disentangling the Impact of Zones Schools and Unzoned Schools on House Prices in New York City. Working Paper, Institute for Education and Social Policy, New York University.
- U.S. Department of Education, (2004) Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, *When Schools Stay Open Late: The National Evaluation of the 21st Century Community Learning Centers Program New Findings*, October.
- Ybarra, M. (2008). Genesee Scholars Program II Report, Genesee County DHS.



NEW YORK UNIVERSITY



I N S T I T U T E F O R  
Education and Social Policy

The Institute for Education and Social Policy is a joint research center of NYU's Wagner and Steinhardt Schools. Founded in 1995, IESP brings the talents of a diverse group of NYU faculty, graduate students and research scientists to bear on questions of education and social policy. We are one of the nation's leading academic research centers addressing urban education issues and a substantial amount of our work focuses on New York City public schools and students. More information is available on our website at <http://steinhardt.nyu.edu/iesp>.