This analysis is the first in a series of seven reports on the ways that the urban fiscal crisis has affected children. It discusses the issue in general, and provides an overview of the other reports. Over the past 100 years, all levels of government have developed public services responsible for the health, education, protection and physical and social development of the young. Common schooling was the earliest service provided by local government, complemented by out-of-school developmental and socialization programs. Even in the best economic periods, the out-of-school programs have been vulnerable to criticism and retrenchment. Changing demographics and a continuing climate of fiscal austerity in state and local government create debate over what services are essential, who should provide them, and who should pay for them. While the number of children under the age of 18 has declined by 11.6 percent in the last decade, the number of two-earner and single-parent families requiring support and services has increased dramatically. Through the 1970s and the 1980s, numerous states have enacted limits on state and local revenue collections and expenditures. The other reports in this series explore changes in urban children's services caused by tax limitation efforts and by unfavorable economic conditions in California, Massachusetts, Michigan and New Jersey. Each report examines changes in tax burdens and expenditure levels, changes in the decision-making process concerning children's services, and the direct and indirect outcomes of budget reductions on families and children. A list of 13 references is appended. (FMW)
SERVICES TO CHILDREN AND THE URBAN FISCAL CRISIS:
A COMPARISON OF EXPERIENCES
AMONG STATES AND LOCALITIES

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Chapter One

Children's Services in an Era of Uncertainty

In a century's time significant responsibilities for the health, education, protection, and physical and social development of the young have devolved in the public sector. All levels of government are now inextricably involved in the process of rearing children and preparing them for adulthood. We have, in fact, come to value and take pride in this commitment, as much for its symbolic value—it suggests that we place high priority on helping the next generation get a "fair start"—as for the actual outcomes that are achieved by the services and programs we provide.

While common schooling was the earliest, most ubiquitous example of public sector involvement in the lives of the young, and is by far the largest area of intervention even today, a host of out-of-school programs and services have emerged to complement and supplement basic educational activities.

Efforts in this out-of-school domain began in the late 1840's when philanthropists and settlement house leaders founded a variety of programs to ameliorate the consequences of poverty and substandard living conditions of urban immigrants. Some of these programs were gradually taken over by municipal government agencies, and over time the private sources of funding diminished

-1-
in importance. Library services and recreation programs, for instance, were clearly rooted in this earlier era and expanded through the first three decades of the twentieth century with increasing public sector support.

Out-of-school services for school-age children developed a stable niche in local government in the 1920s by supplementing the social control and welfare objectives developed in the Progressive Era with a broader range of activities for influencing the leisure time of the young. But the municipal bureaucracies in place by the early 1930's were severely undermined by the Depression and only survived through the massive infusion of New Deal federal employment, training and public works programs.

The period of the 1950's and early 60's in many ways paralleled the 20's in the expansion of recreational and cultural programs as a basic part of local government, especially in growing, "child-centered," suburban communities. But the system of local financing and metropolitan fragmentation left inner cities with obsolete facilities and inadequate resources with which to meet the needs of their poorer populations. In the mid-1960's, inner-city programs for children and youth once again received substantial but temporary federal assistance through various Great Society programs. These efforts were characterized by a rediscovery of the potential for recreation as social control, and of the capacity for non-school community services to reach young people where schools had failed. Though
those federal (and private foundation) initiatives have mostly been disbanded, they left a legacy of programs, many of which came to be supported by Comprehensive Employment and Training Act (CETA) funds through the 1970's. Today, nearly 2% of municipal government budgets (about $1.5 billion) are allocated for after-school programs, services and facilities. It is also estimated that well over two billion dollars more is spent by private, philanthropic and quasi-public agencies in comparable fashion.

Historically, out-of-school services have been directed toward filling many needs simultaneously—needs of child clients, needs of parents, and needs of those who provide the services. Each group has a different agenda, and each perspective is important to understanding the place these services hold in family life and in children's daily lives. Providers of children's services generally speak of two types of objectives, those related to development and those related to socialization. The developmental objectives follow from the notion that children have a good deal of free time that could be used to sharpen cognitive, creative, and physical skills. These developmental objectives are generally similar to the broader educational goals adopted by the schools, but there is one basic difference: children participate in after-school activities on a thoroughly voluntary, noncompulsory basis. To meet objectives for socialization, children's services provide many activities designed to teach cooperation, "desirable" social skills and values, and
self-discipline: that is, to promote certain norms that are thought to "build character."

Children's services, then, serve multiple objectives. They respond to children who are looking for interesting things to do; to parents looking for supervised and educational opportunities that will also keep children safe and out of trouble; and to service providers and politicians, some concerned with children's development, others simply hoping for social peace.

To achieve these objectives, planners recognized that because children spend most of their time close to home, it was necessary to provide services at the neighborhood level whenever possible. Today, the urban landscape reflects this commitment to decentralized service provision—multiple facilities, parallel programs, and extensive staffing. It is this feature of both school and out-of-school children's services that has been their great strength and is still recognized as a fundamental criterion for effective service delivery.

Despite proliferation of out-of-school services, they have always rested uncomfortably within the context of local government. While it is recognized that they contribute to the welfare and development of youth, they have never succeeded in garnering recognition as essential services. They are viewed as a necessarily collective function (in that few families could individually provide their children with similar opportunities); and they are recognized as merit goods (whereby benefits are shared not only by clients but by society in general). However,
these rationales have not always resulted in broad-based political support. Further, translation of the objectives described earlier into actual programs with concrete, measurable outcomes has always been difficult. As a result, out-of-school services have been hard to defend on grounds of cost-effectiveness. One factor which undercuts opportunities to demonstrate quantifiable program impacts is the informal and voluntary nature of the sector. It has been argued that in these voluntary settings children could develop their individual potentials, away from the homogenizing drudgery of the classroom. In this spirit, librarians and recreation leaders could enliven books, sports or crafts for students who are turned off by their school's homework, physical education or shop class (or who have dropped out of school altogether). The sometimes cordial, sometimes testy rivalry among schools and other services for the attention of children has been a constant theme in their history and is today as common as ever.

In the early decades of the growth in out-of-school children's services provided by local government, most political issues concerned whom to serve and where to locate. The internal workings of the programs were relatively simple and usually not controversial. Almost exclusive reliance on local tax revenues for fiscal support, however, left out-of-school services in an unusual position; strengthened and weakened at the same moment. On the one hand, children's services became nearly pure expressions of "home rule." They reflected the
priorities and resources of each community, as evidenced by great diversity in programs and facilities. In theory, this local control was supposed to encourage programs responsive to the needs of particular populations. On the other hand, this dependence on local financial support also made children's services much more vulnerable than most services to shifts in the fiscal fortunes of local government, a point that will receive a great deal of attention in this volume.

Understandably, the construction of decentralized, easily accessible facilities, and the hiring of numerous professionals in children's services have occurred mainly in periods of economic expansion. Even in the best of times, however, the out-of-school programs have not always been accepted as legitimate functions of local government. The two most frequently voiced criticisms have been: that these "quality of life" programs do not compare in importance to the "essential" city functions such as police and fire protection; and that the non-essential services, if they continue to exist at all, should make greater use of volunteers rather than trained professionals. As suggested earlier, these arguments threaten the very core of legitimacy of cultural and recreational institutions. The strength of their position largely depends on public acceptance that they perform valuable social, educational and economic functions; and that they require skilled, professional, paid staff in order to operate properly.5

These persistent questions about the legitimacy of children's
out-of-school services are at present complicated by several major social trends, including: A) a changing demographic profile, principally the declining proportion of children and the emergence of a constituency of two-parent working families and families headed by single parents; and B) the continuing climate of fiscal austerity in state and local government, giving new urgency to the debate over what services are essential, who should provide them, and who should pay for them.

Demographics

The 1970's and 80's have been a period of extraordinary demographic change, so rapid that social policymakers are just beginning to grasp their long-range significance.

The numbers are compelling. On the one hand there were 11.6% fewer children under 18 years of age in 1980 than in 1970 (65.7 million in 1970; 58.1 million in 1980). The population is aging and, not surprisingly, children are less "in fashion" than they were say, in the baby boom period after World War II.

At the same time, the demographics reflect other changes suggesting that the number of families who need certain kinds of support and services is growing. In 1980 fully 52.8% of all children under 18 years of age lived in a family with a working mother; a 35.7% increase in the course of a decade. Even more dramatic, 42.9% of mothers with children under six years of age were in the labor force (an increase of 50.5% in
Simultaneously, the number of single parent families continues to grow rapidly. Where 6.7 million children lived in a single parent family in 1970, that number increased to 10.3 million in 1980—a rise of 54.2%. And of these single parents 6.4 million, or 62.4% were in the labor force (an increase of 80.9% in a decade).

Indicative of the impact that these changes in family structure have had on childrearing is the fact that in 1978 68% of children 3-5 spent some portion of the day in out-of-home care. Similarly, nursery school enrollments increased by 71% between 1970 and 1979. The apparent demand for out-of-the-home services as reflected in these few statistics points to one element of the problem currently confronting government agencies: while there are fewer children than in decades past, the nature of the family has changed so dramatically that their needs for social and community services are perhaps even more pressing and extensive.

Indications are that with the declining size of the youth cohort, taxpayers and legislators are less willing to vote for increases in spending on children's services. The phenomenon can be clearly seen in indices ranging from the fate of school bond elections to the proliferation of adults-only housing developments.

Some analysts attributed the overwhelming pro-Proposition 13 vote among elderly homeowners to their resentment of the
burden of supporting increasingly expensive yet often ineffective schools for other people's children. The general consensus seems to be that the late 1970's and the early 1980's represent a downward stage in the cycle of the political saliency of children's interests, contrasted (often in the false light of nostalgia) with the child-centered 1950's.

The Climate of Fiscal Austerity

While families may require more or different services as their patterns of daily life continue to change, an increasingly austere fiscal situation clouds the prospects for governmental response to the changes.

The 1980's will follow the trend of the 1970's, and the fiscal austerity that has already so markedly changed the nature of public sector services will continue. To the extent that local government financial resources are constrained, children's services are likely to be affected first and to a greater degree than most other municipal services. This is probable because school and community services for children, beyond a limited number of mandated programs funded by other levels of government or required by law, are supported with discretionary monies. Whether they are offered, how they are administered, and how they are paid for, are choices made by local officials. No base of financial or political supports guarantees their integrity.

Through the 1970's and early 1980's, many state legislatures
acted to limit state and local government revenue collections or expenditures. During the same period, voters' initiatives and referenda in other states significantly reduced state or local government revenues or spending (or constrained future growth in spending). Coupled with continuing reductions in federal- and state-level funding for services generally, local governments will be hard pressed to meet their current commitments, much less respond to the kinds of needs suggested by changing family demographics.

Evidence in California indicates that in the wake of Proposition 13—the property tax reduction initiative—children's services have suffered disproportionate reductions. It appears that the needs of families and children have been significantly compromised as a consequence of the "taxpayers' revolt."

While these various expenditure limitation measures are not in and of themselves responsible for the pressures affecting children's services, the capacity of localities to meet needs and make commitments has been affected. The result is an uncertain future for children's services.

About This Report

This volume explores changes in children's services that have been brought about by efforts to limit local spending and taxation, and by unfavorable economic conditions. The four states selected for analysis represent contrasting economic
circumstances and several different versions of the tax limitation movement. A separate chapter, by Benson and Weinstock, provides an empirical overview of tax limitation efforts and their actual effect on revenues and expenditures, for all states.

The authors of papers on each state were charged with more than accounting for changes in tax burdens and expenditure levels. They were asked to examine changes in the process by which decisions about children's services are made in their state. Also, they were to seek information on the direct and indirect outcomes of budget reductions on families and children. This type of data, while it may differ from that used in strictly economic analyses of the tax revolt, should be helpful for understanding what children's services will look like in the years ahead. Will they be able to maintain their traditional accessibility to low income children and to meet the child care needs of the great numbers of employed mothers? What are the prospects for non-governmental methods of providing these services? What roles will state government play in out-of-school services as its influence over local finances grows?

The individual papers handle these issues in very different ways. Since the basic short-term consequences of Proposition 13 have been well documented, the two papers on California are somewhat more specialized. One focuses on how a set of programs, dubbed "the expendable curriculum," have been affected by budget constraints faced by the eight largest school districts. The other paper is an intensive analysis of the changing
relationships between governmental and non-governmental service provision in one city, against the background of similar changes across the state.

The situation in Massachusetts after the passage of Proposition 2-1/2 invites parallels with California, and the analysis here confirms some of the same trends. As in California, there is a great degree of diversity among the state's towns and cities in their responses to the revenue loss. This diversity is well documented through case studies of children's services in four communities.

In Michigan and New Jersey, spending and tax limitations, while important, have not dominated public finances as in Massachusetts or California. Nonetheless, a combination of economic recession (especially in Michigan) and shifts in federal priorities have created fiscal stress for cities, counties, school districts and state governments. Our analysts in these states have combined local case studies with exploration of the changing relationships between state and local budget-making.

Since most of the children's services analyzed here are locally provided and constitute only a small portion of public spending, they have not often been the subject of major discussions of social policy. The services can be important instruments for effective education, and social support for families, but only if the fiscal problems they face at present are resolved. Hopefully this report of fiscal trends, political strategies and service outcomes will contribute to the eventual resolution of these problems.
Footnotes


10. See Chapter Two.

