From Separate and Unequal to Integrated and Equal?
School Desegregation and School Finance in Louisiana

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Abstract

This paper examines the effects of one of the most important policies aimed at closing racial school quality gaps: school desegregation. Desegregation was imposed on local school districts by federal policy and might have induced unintended behavioral responses of white families as well as state and local governments. This study examines the responses of white families and state and local governments to desegregation and is the first to examine the effects of desegregation on the finances of school districts. Importantly, desegregation did induce white flight from blacker to whiter public school districts and to private schools, but the local property-tax base and local revenue were not adversely affected. White flight likely would have been even more pronounced if not for a significant "payoff" from the state to districts with high black shares of enrollment. The state legislature directed significant new funding to districts where whites were particularly affected by desegregation, allowing quality in desegregated schools to be "leveled up" to that previously experienced only in the white schools. Desegregation appears to have achieved its intended goal of improving resources available in schools attended by blacks.