Facts and Figures About States With Lowest State Funding for Rural Schools

Question: Which six states spend the lowest percentage of state education funds on rural schools?

Answer: It is no surprise that the states that spend the least on rural education have populations that are largely concentrated in urban areas. These states include Massachusetts, which spends 4.1% of its education budget on rural schools, followed by Rhode Island (4.4%), California (5.1%), Nevada (5.1%), Delaware (5.6%), and Utah (6.5%). It should be noted, however, that California actually has a large rural population, but the rural population is a small percentage of the state’s total number of residents. Nevada and Utah have vast areas with very low population densities, but most of their residents are concentrated in a few urban areas.

All Children are Equal Act (H.R. 2485) to be Considered by the House Education and the Workforce Committee

Contact Your Member of Congress Now to Urge Support

The U.S. House of Representatives’ Education and the Workforce Committee will probably soon be considering a bill addressing issues in Title I of the Elementary and Secondary Education Act.

This will be a critical point in our effort to eliminate the unfair and discriminatory effect of “number weighting” in the formula for distributing federal funds for the education of disadvantaged children.

Number weighting deprives small and moderate sized school districts — no matter how high their student poverty rate — of their fair share of the funding, favoring larger districts no matter how low their student poverty rate.

The All Children are Equal Act (HR 2485) reigns in number weighting so that funds are better targeted to high-poverty schools. This bipartisan bill is co-sponsored by ten Republicans and six Democrats. The lead sponsor is Congressman Glenn “GT” Thompson (R-PA). For more about the ACE Act, follow this link.

The ACE Act will be offered as an amendment in committee and the committee leadership has promised it will be put to a vote.

Now is a great time to ask your Member of Congress to co-sponsor the All Children are Equal Act (HR 2485). If your Member of Congress is on the Education and the Workforce Committee, now is also the time to ask him or her to vote in support of ACE when it is offered as an amendment in committee. The full committee list appears below.

It is best if only constituents of a committee member contact him or her. If your Member of Congress is not on the committee, ask him or her to sign on as co-sponsor of HR 2485.

To contact your Member of Congress, follow this link.

You will be directed to a page where you can enter your zip code and be directed to an email form for your representative.

The members of the Education and the Workforce Committee are listed appear below. If your Congressman or Congresswoman is on the list, you can reach them by following the directions in the paragraph above, or by placing your cursor on their name below and hitting control and click. That will take you to their website where you can find and use their email form.
Republicans

John Kline, Minnesota (Chairman)
Thomas E. Petri, Wisconsin
Howard P. "Buck" McKeon, California
Judy Biggert, Illinois
Todd Russell Platts, Pennsylvania
Joe Wilson, South Carolina
Virginia Foxx, North Carolina
Bob Goodlatte, Virginia
Duncan D. Hunter, California
David P. Roe, Tennessee
Glenn Thompson, Pennsylvania
Tim Walberg, Michigan
Scott DesJarlais, Tennessee
Richard Hanna, New York
Todd Rokita, Indiana
Larry Buschon, Indiana
Trey Gowdy, South Carolina
Lou Barletta, Pennsylvania
Kristi Noem, South Dakota
Martha Roby, Alabama
Joe Heck, Nevada
Dennis Ross, Florida
Mike Kelly, Pennsylvania

Democrats

George Miller, California (Ranking Member)
Dale E. Kildee, Michigan
Donald M. Payne, New Jersey
Robert E. Andrews, New Jersey
Robert C. Scott, Virginia
Lynn C. Woolsey, California
Rubén Hinojosa, Texas
Carolyn McCarthy, New York
John F. Tierney, Massachusetts
Dennis J. Kucinich, Ohio
Rush D. Holt, New Jersey
Susan A. Davis, California
Raúl M. Grijalva, Arizona
Timothy H. Bishop, New York
Dave Loebsack, Iowa
Mazie Hirono, Hawaii
Jason Altmire, Pennsylvania

Leonore Annenberg Winner Innovates with Technology

When Owsley County Elementary School in Booneville, Kentucky received a Leonore Annenberg School Fund grant, staff knew they wanted to extend the school's efforts to engage students in non-traditional means of learning and expose students to learning opportunities many would not otherwise have.

"We are trying to bring to the forefront 21st century thinking and skills," says principal Stephen Gabbard.

The school and the entire Owsley County School system are already participating in several innovation pilot programs through the Kentucky Department of Education and the school has been working with the local telephone cooperative, which is extending fiber optic access to all its customers.

But the school system faces significant economic challenges and providing up-to-date technology can be a challenge.

The Leonore Annenberg School Fund grant, which is specifically targeted to schools with high levels of poverty and other challenges, proved to be an important resource for these efforts.

"We were able to use the grant funds to purchase iPads and iPods that we are incorporating into our instructional approaches," says Gabbard. The devices are shared among classrooms and synchronized to enable sharing instructional programs and receiving updates.

For example, many of the applications for the Kindergarten and 1st grade classrooms are geared toward early reading skills and early computational needs. Applications for grades two through four are not only geared toward reading and mathematics, but also serve to enrich and introduce other content areas in the social, physical, and biological sciences. Applications for grades five and six provide enrichment and engagement in all content areas.

In addition, the school has configured the devices with programs specifically targeted to students with special needs to support classroom engagement and learning.

The school is also working to use the technology to support instruction in the arts and humanities across all grade levels and is exploring an iBooks initiative.

The program has enabled Owsley County to be the first district in the Kentucky Valley Education Cooperative region to implement an iPad and iPod instructional initiative. The 15-district region meets monthly to work on common initiatives, and Owsley County has become a point of contact for this type of instructional approach.

Snowbound Pilot Project

The school's technology work is also having a state-wide impact through its participation in the Snowbound Pilot Project, one of the innovation initiatives of the Kentucky Department of Education.

Owsley County is located in eastern Kentucky where mountainous terrain combines with icy conditions that often make winter travel
Owsley County is located in eastern Kentucky where mountainous terrain combines with icy conditions that often make winter travel impossible for school buses. "We sometimes miss as many as 24 or 25 days of school because of snow and ice," says Gabbard.

The school system makes that time up by adding days at the end of the school year (after state testing occurs).

As part of the Snowbound Pilot initiative, Owsley County Elementary used its iPod and iPad-based instructional technologies to make up six days of school during severe winter weather.

"You do something like that and you learn quickly what does and doesn't work," says Gabbard. The school is already developing uses for the devices this year that emphasize innovative uses of technology.

Because of the efforts of the local telephone cooperative, the county has a high rate of internet access, especially for a low-wealth rural area. Even so, not all students have computers or high-speed access in their homes or nearby. Gabbard says the school's efforts are especially focused on those students and on ways to bring technology and access to them.

"We are developing partnerships with churches and libraries and other points of contact throughout the county so that on days when the buses can't run but cars can move around, students can have relatively easy access to internet connections and use the devices in even more ways," Gabbard explains.

Because the county has already developed several mechanisms for students to earn academic credit through non-traditional methods, it was possible for Owsley Elementary to use these technology approaches to continue instruction on some of the snow days.

The school continues to use hybrid approaches, mixing technology and project approaches with more traditional instruction. And, it continues to expand its partnerships to extend student learning throughout the day and the year.

"We are just extremely appreciative of the opportunity to use the Annenberg grant to expand and develop our efforts," Gabbard concludes.

Read more:

Owsley County Elementary School website:

- [http://www.owsley.kyschools.us/oces/site/default.asp](http://www.owsley.kyschools.us/oces/site/default.asp)

### Alabama Judge Finds Rural Discrimination in School Funding But No Legal Basis to Rule for Plaintiffs

A federal district court judge has ruled against plaintiffs from Lawrence and Sumter Counties, Alabama who claimed that black schoolchildren in the state are disproportionately affected by the state's tax code and that it is a vestige of institutionalized discrimination. During the bench trial held earlier this year, attorneys for the plaintiffs presented historical evidence about the racially motivated tax laws found in the 1901 Alabama State Constitution along with testimony related to more recent tax code amendments enacted in the past 40 years.

Plaintiffs in *Lynch v. Alabama* also claimed that there are clear racial patterns in the damaging effects of low revenue for education on children living in the Black Belt region of the state where most property is classified as "unimproved" farm and timber land and taxed at very low rates.

Representative students and taxpayers asked the court to halt use of the challenged parts of the tax code for one year until new laws could be written by the Legislature. (For more background, see coverage of the trial in the May issue of RSFN, [here](http://www.owsley.kyschools.us/oces/site/default.asp) and [here](http://www.owsley.kyschools.us/oces/site/default.asp).)

Plaintiffs were seeking relief in federal court for several reasons. Alabama, like many states, had been sued in state court over its school funding system, but in a notable 2002 judicial event, the Alabama Supreme Court halted the most recent finance lawsuit that was in the remedy phase at that time. The court dismissed the case and prohibited future litigation on school funding. (For a summary of these previous state court cases, see the ACCESS Network website, which maintains summaries of school finance litigation in all states.

The *Lynch* plaintiffs were also seeking enforcement of a holding in another federal court case, *Knight and Sims v. Alabama*, a desegregation case involving the state's higher education system. *Lynch* argued for enforcement of holdings by the Alabama Supreme Court in the 2004 *Knight* decision that stated the tax policies were adopted for segregative purposes and with discriminatory intent. Although the Alabama high court refused to grant the relief requested — striking down those constitutional provisions — the finding that they were racially discriminatory still stands.

Judge C. Lynwood Smith Jr.'s 854-page decision carefully details the state's tax code, history of segregation, previous state litigation over the funding system, desegregation litigation, and school finance litigation generally. However, he held that the more recent tax code amendments, commonly referred to as the "lid bill," were not clearly enacted with racially discriminatory intent and that there was no evidence of racially disparate impact on black Alabama students. Interestingly, the judge pointed out the rural nature of the disparity:

"What the impact measures do show is that Alabama’s rural counties, both those in the Black Belt and those located outside that section of the State, are unable to generate significant local tax revenues to fund public services for their citizens to the same extent as urban counties can (and sometimes do). However, residence in a rural area is not a constitutionally
Because the court did not find the race-based issues in the lid bill or its implementation as the plaintiffs had hoped, the tax code was only subject to what is referred to as a 'rational basis' review, which means that if there is any rational basis for the governmental action, it will be found constitutional. Judge Linwood explained:

"Like it or not, Supreme Court precedent compels a conclusion that the property tax scheme embedded in Alabama’s 1901 Constitution and subsequent amendments does not offend the Fourteenth Amendment’s Equal Protection Clause. The inability of plaintiffs to prove both that the challenged constitutional provisions are the product of a racially discriminatory intent, and that the provisions produce a racially disproportionate effect, mandates the application of a "rational basis" standard of judicial review. That lenient test produces, as it nearly always does, a ruling in favor of defendants."

Although entering a finding for the defendants, Judge Linwood clearly perceives the entrenched inequalities for rural schools as well as for black students in Alabama and across the nation:

"None of this is meant to say, however, that the court is satisfied as to either the quality or equality of public education in this State. Alabama continues to be plagued by an inadequately funded public school system — one that hinders the upward mobility of her citizens, black and white alike, especially in rural counties. That circumstance is the product of two unfortunate realities. The first is mankind’s self-serving nature. Taxpayers are generally unwilling to pay for government services that do not benefit them directly, and they specifically dislike property taxes. Interest groups spend untold amounts in lawyer, lobbying, and advertising fees to promote legislation enhancing the wealth of their members. State powerbrokers perceive little benefit from investing in a quality statewide public school system, because the children of their most influential constituents are generally enrolled in exclusive suburban school systems, with large local tax bases, or in private schools. Many of those private schools sprouted following court-mandated integration. As demonstrated in this opinion, however, "white flight" to the suburbs or private schools has not disproportionately harmed blacks. Instead, it also punishes many white students who remain in the public school systems. The children of the rural poor, whether black or white, are left to struggle as best as they can in underfunded, dilapidated schools. Their resulting lack of an adequate education not only deprives those students of a fair opportunity to prepare themselves to compete in a global economy, but also deprives the State of fully-participating, well-educated adult citizens."

After the ruling, attorneys for the plaintiffs responded in a comment reported in the Huntsville Times: "We have not had an opportunity ro carefully to study the district judge's opinion. But we can say now that the judgment entered today by the federal court in Huntsville is regrettable." They continued, "The judgment is regrettable for the plaintiffs, schoolchildren in the Black Belt and other rural counties, who will continue to receive an inferior education relying on an inadequate tax base. It is regrettable for their brave parents and communities who wanted a better future for their children."

The Lynch decision points up yet again the challenges of affecting systems change in school finance policy and the strong commitment of rural people to the long-term battle. In a challenging policy climate, rural citizens turn to courts for relief. Yet an accompanying advocacy effort in state legislatures, before school boards, and in the community is also necessary.

Read more:

Local coverage:


Read the decision at this website which houses all of the legal pleadings from both the Knight and Lynch cases:


Coverage in Education Week:

- [http://blogs.edweek.org/edweek/school_law/2011/10/a_federal_district_judge_has.html](http://blogs.edweek.org/edweek/school_law/2011/10/a_federal_district_judge_has.html)

**Alabama Immigration Law Draws More Federal Scrutiny**

In a letter to school superintendents in Alabama, Assistant Attorney General Thomas Perez of the U.S. Justice Department (DOJ) has reminded them of the responsibility of schools to ensure that no students experience barriers to accessing public education. The letter also asked for detailed statistics about English Language Learning (ELL) students.

The DOJ is seeking enrollment numbers as well as other information that could reveal how many students have missed school or left school completely in the wake of the implementation of Alabama’s new immigration law, H.B. 56. Perez said in the letter that the Alabama statute could be discouraging students’ participation, a violation of federal law. The Obama administration, also through the DOJ, has filed a legal challenge to the Alabama law as it did against similar laws in Arizona and South Carolina.

For detailed coverage and background on H.B. 56, see [last month’s RPM](http://www.rpm.org). Opponents of H.B. 56 have compared its effects to the discriminatory policies in place through the 1960’s and have compared Alabama Attorney General Luther Strange to former Alabama Governor George Wallace. Strange, after hearing about the information request, responded to Perez that he wanted proof of DOJ’s authority over the school districts and that he would remove any barriers and will
responded to Perez that he wanted proof of DOJ’s authority over the school districts and that he would assume you have none, and will proceed accordingly.” In his response, Perez noted that the Department had received numerous complaints about H.B. 56 and cited federal civil rights law that gives DOJ enforcement authority. So far, this conflict remains at a stalemate, and some observers have speculated that a second lawsuit could follow against Alabama.

Meanwhile, three U.S. Senators have announced that they plan to introduce legislation to prevent the administration from suing states over their immigration laws.

Read more:

National analysis of the law:

Local and national coverage of the DOJ investigation:

Read the DOJ letter here:

**Report on Urban School Closures Touches Rural Consolidation Themes**

A report released last month examining the effects and processes of school closures in six large cities uncovers many experiences in these cities that rural residents will recognize.

The report, "Closing Public Schools in Philadelphia," was released by the Philadelphia Research Initiative of the Pew Charitable Trusts in anticipation of plans announced by the Philadelphia school board to shutter many of the city's schools.

Although the report makes no comparisons to rural schools and draws only on experiences and research in the six cities, many of the findings echo those of rural districts, especially those experiencing declining enrollment, shifts in population, and budget restrictions.

The report reviewed outcomes of school closures in the past decade in Chicago, Detroit, Kansas City, Missouri, Milwaukee, Pittsburgh, and Washington. All six cities had experienced significant decreases in student enrollment resulting from changing demographics, falling overall population, and shifts in neighborhood patterns. All districts had low occupancy in some schools and some facilities in dire need of renovation or replacement. The report found four consistent themes.

**Little savings.** Financial savings have been small, especially in the context of "big-city school-district" budgets. The largest savings occurred, according to the report, when accompanied by large-scale layoffs. Most districts did not try to suggest to the public that savings would occur as a result of the closures, but instead advocated closures for other reasons.

**Selling surplus buildings has been difficult and can lead to neighborhood blight.** None of the districts saw any significant income from the sale of buildings. Many incurred some initial expense associated with mothballing or razing schools. The six districts together had at least 200 vacant buildings resulting from closures. The report notes that vacant school buildings sometimes attract vandalism and other illicit activity and "cast a pall over the neighborhood."

**Effect on student performance appears minimal.** The report acknowledges that there's been little attempt to track student performance after school closure. A study in Chicago, however, found that student performance tended to fall in affected schools for the remainder of the school year following an announcement to close the school; performance tended to rebound, however, the following year.

**School closures produce political fallout.** In all six cities there were parents and community leaders upset about plans to close particular schools. The report notes that citizens are often concerned about the effects on displaced students, the effects on neighborhoods, and about a perceived sense that closures are related to gentrification. In some of the cities this fallout was significant for school and city leaders.

**Advice on Closures**

These finding are similar to research on the consolidation of rural schools: few if any savings, little effect on student academic performance (although rural research tends to include more analysis of the interaction of school size and achievement and persistence in school), negative economic and social consequences for communities that lose schools, and discontent among citizens in affected areas.
Despite these consequences, however, the report focuses primarily on ways that large cities can generate "public acceptance, though not necessarily enthusiasm" for school closures. These approaches include:

- trying to persuade the general public that downsizing is needed long before specific school closures are announced;
- bringing in outside experts who are perceived as fair to guide the process;
- establishing clear criteria for which schools to close;
- being willing to make adjustments but not significant changes to the announced list of closures; and
- including all school closures in one vote of the school board rather than holding separate votes on each school.

The RPM takeaway

The findings of the report suggest that the experiences of urban neighborhoods, and the actions of urban school boards, are similar to those of rural communities, although research and reported experience of rural residents suggests negative academic consequences related to increased school size and longer bus rides for many rural students.

The school boards in the six cities seem to have been motivated to close schools primarily because of excess capacity and facilities in poor condition. These factors are legitimate concerns, especially where facilities have been poorly maintained and pose safety issues for students.

However, school closures appear to have little positive effect on urban student performance or the fiscal condition of the school system. And, it seems that school closures often effectively "offload" a poor facility on to a neighborhood already struggling with economic and social challenges, challenges that do significantly affect student performance.

One wonders why closing a school is so often perceived as the only option and what it would take for civic and education leaders to imagine and implement joint efforts to invest in public infrastructure in ways that maintain schools as community anchors, house a variety of community activities and services, stave off further blight, and strengthen community quality-of-life and, in turn, student academic performance. That question is as relevant in urban as rural places.


Center for Midwestern Initiatives Blog Launched

The Center for Midwestern Initiatives recently launched a blog that features work of rural students, teachers, and community residents in its service area. You can learn more about the blog and sign up to participate — even if you don't live in the Midwest — at http://www.cmi.ruraledu.org/.

Additional Texas Funding Lawsuits Filed

As predicted in last month's RSFN, the state of Texas now faces a second school funding lawsuit, and a third lawsuit was also recently filed. The challenges focus on the school finance plan that was passed in 2006. (See background in RSFN here and here.)

The first lawsuit was filed by the Texas Taxpayer & Student Fairness Coalition, which now represents more than one million students statewide from over 250 districts ranging from large and urban to small and rural. This suit is challenging the system on four grounds: its inequity, both for students and taxpayers; its arbitrary fund distribution scheme; its inadequacy; and its provision for a millage system that effectively operates as a state property tax.

The Texas School Coalition, a coalition of 120 Texas school districts will also challenge the tax rate provisions, asserting that their districts lack meaningful discretion, making the tax a de facto state property tax. They will also assert an adequacy claim, stating that districts lack sufficient funding under the current system.

In addition, a number of very large school districts will be represented by the law firm of Thompson & Horton, and are loosely referred to as the "Thompson & Horton suit." These large school districts are also challenging the system on the statewide property tax point, adequacy, and adding a challenge to the efficiency of the distribution system.

Per student funding across Texas ranges from under $5,000 to over $10,000, and schools have withstood budget cuts of over $5 billion in the last year. Despite shortfalls, lawmakers refused to tap the state's Rainy Day funds.

Read more:

Summary of all lawsuits:

Studies Recommend Funding Changes in New Mexico

Two recent reports in New Mexico come from very different sources and are making very different recommendations about education funding in the Grand Canyon State. But both recognize the economic reality that additional funding for schools is needed and not likely to be allocated under the present system.

Last month, the nonprofit New Mexico Voices released their report, *Funding Public Schools in New Mexico in the Great Recession*. Focusing on the last year of education funding, it highlights the 5.1% drop in the education budget and the loss of 2,300 education sector jobs. *Funding Public Schools* recommends raising additional revenue to prevent a further loss of education quality: “State policy-makers were unable or unwilling to make up this shortfall with new revenues. Lawmakers could have enacted a wide variety of tax measures that would not have harmed the state economy but would have kept the public school budget from falling.”

The report goes on to say that the current formula is not meeting needs, and that, in the absence of greatly increased revenues, the Legislature should raise new revenue next year, rather than continue to cut K–12 funding, and it should make pre-K more widely available. The report also recommends tapping property taxes for public school operating costs and raising income tax on higher earners to raise revenue.

A Different Analysis, Different Solution

Another education funding study was released to legislators earlier this month by the Legislative Finance Committee and the Legislative Education Study Committee. That report argues that the funding distribution system needs to be simplified and brought up to date to better implement good education policy. The 50-page report does not recommend additional funding for schools, but does come with a $48 million price tag for a hold-harmless provision for districts that would lose funding under the formula. Currently, $2.3 billion in education funding is distributed through its public school funding formula to 89 school districts and to 84 charter schools.

One of the main contentions of the *Evaluation of the Public School Funding Formula* report is that the current formula allows school districts to “game” the formula by seeking additional funding by over-identifying special education students. The report also takes aim at adjustments for small school size, saying that districts have created or kept “unnecessary” schools to receive extra funding. In addition, the report also challenges the use of bilingual education and compensating teachers for advanced degrees.

One simplification recommended in the report is a separate at-risk category for students that would direct an additional 15% per-pupil funding to districts based on free and reduced price lunch eligibility. Currently, according to the report, a less than 10% differential goes to those students, and the report points out that other states weight their allocation as much as 50% for poverty. Research has indicated that the actual cost of educating a student living in poverty is as much as twice that of a non-poor child.

The report does endorse many of the formula changes recommended by a 2008 report including a simplified formula with a limited number of weights, but it rejects that report’s recommended 15% increase in education funding to districts, which would have meant the state spent an additional $345 million on public education. That report was conducted by the American Institutes of Research for the Funding Formula Study Task Force. (Read Rural Trust analysis of the study [here](#) and [here](#).) It suggested overhauling New Mexico’s education funding formula but also recommended the state spend an additional $345 million on public education.
Lawmakers have publicly dismissed the legislative report’s $48 million cost as prohibitive, and also characterized some of its conclusions as superficial. It is not yet clear whether they will take legislative action to implement any of the report’s recommendations, but many legislators have expressed commitment to continued discussions of education funding reform.

New Mexico’s formula is 38 years old, and state education spending levels are very low compared to other states. The state has the nation’s highest rates of rural minority students, rural English Language Learners, and rural students in poverty. New Mexico’s rural districts have struggled through underfunding even in financially stable years.

Read more:

Coverage on the New Mexico Voices report:


Read the report here:


Coverage on the Legislative Funding Report:


Older coverage discussing the new implementation of four-day school weeks in other states, a common practice in New Mexico’s rural districts:


### Colorado Voters Reject Tax Increase for Schools

Colorado voters went to the polls this month to vote on a referendum to raise sales and income taxes for the state’s education budget. The proposal was rejected by a nearly 2 to 1 margin. Proposition 103 would have increased individual and corporate tax rates from 4.63% to 5% and Colorado’s sales and use tax rate from 2.9% to 3% for five years. That change would have generated $3 billion for schools over the next five years.

Prop 103 was the nation’s only statewide tax vote. State Sen. Rollie Heath, D-Boulder was the initiative’s biggest champion, but could not garner widespread support among other Democrats or education advocates. Some feared that a temporary fix could jeopardize a more permanent reform to the funding system.

Colorado schools have suffered significant cuts, and many blame those shortfalls on the state’s Taxpayer Bill of Rights law, which forbids lawmakers to raise taxes and requires referenda for tax increases, such as the process for Proposition 103.

Read more:

Local coverage:


National coverage:

- [http://www.huffingtonpost.com/2011/11/01/colorado-rejects-higher-s_0_n_1070688.html](http://www.huffingtonpost.com/2011/11/01/colorado-rejects-higher-s_0_n_1070688.html)

### School Fees Pose Problems in Several States

A number of states have turned to imposing student fees for various educational services as a way to meet budget needs, but those actions are often on shaky legal ground, as indicated by recent events in South Dakota, Indiana, and California.

Some South Dakota districts opened the school year with new fees for preschool and driver education programs. But the practice has largely stopped following a letter from the state’s assistant attorney general, which said that unless schools have specific authority to charge fees, they are required to offer programs without charge.

South Dakota law already authorizes student fees for before- and after-school programs, adult education classes, parking, and busing. Some districts have started asking for donations to cover costs and are looking for other ways to pay for preschool and driver training courses.
In Indiana, a parent in Franklin Township, a suburb near Indianapolis, has sued the district over transportation fees now being charged to parents for school bus service. The district ended bus service after a referendum for additional school funding failed in spring elections. The district had already drawn a legal challenge over bus fees, and last year the state's attorney general told Franklin Township that this charge is a form of tuition, which is prohibited. (See RSFN coverage here.)

The difference this year is that a nonprofit company is now offering the bus service and charging the fee, not the school district. But a second opinion by the attorney general also prohibited the current practice. Plaintiff Lora Hoagland says she can't afford the fees and has problems driving her children to school. Her attorney has filed for class action status.

California is facing a renewed lawsuit over its lack of enforcement of laws prohibiting school fees. Earlier this year, the state settled a class action lawsuit that was brought in 2010 against the state for allowing school districts to violate the state constitution by charging school fees. The suit was brought by a coalition of organizations, including the American Civil Liberties Union, which extensively investigated the practice and found students being charged a number of fees in districts, including fees for textbooks. (See previous coverage here and here.)

Proposed legislation helped stop the lawsuit, but the bill, A.B. 165, was vetoed by Governor Jerry Brown. A.B. 165 would have provided a complaint process for parents and students to use when charged fees. In addition, it authorized audits of school districts to include reporting on whether districts had charged fees.

Read more:

South Dakota coverage:
- [http://www.keloland.com/NewsDetail6162.cfm?Id=0,122945](http://www.keloland.com/NewsDetail6162.cfm?Id=0,122945)

Read the South Dakota Attorney General's opinion here:

Indiana coverage:
- [http://www.indystar.com/article/20111103/LOCAL18/111030325/Mom-sues-Franklin-Township-schools-over-bus-fees](http://www.indystar.com/article/20111103/LOCAL18/111030325/Mom-sues-Franklin-Township-schools-over-bus-fees)
- [http://www.therepublic.com/view/story/d475358930e94317ac600f363dca393/IN--School-Bus-Fees/](http://www.therepublic.com/view/story/d475358930e94317ac600f363dca393/IN--School-Bus-Fees/)

California coverage:

### Kansas Governor Making School Finance Reform Proposals

Administration staffers of Governor Sam Brownback are shopping a school finance reform proposal that will likely be introduced to legislators next session. Part of the proposal involves the state’s collecting a portion of local property taxes to be redistributed among districts to help equalize funding in low-wealth districts. The plan would also shift some funding to a block grant system. Another significant change is the Brownback administration’s proposal to remove the property tax cap, a move that low-wealth districts fear could increase inequity rather than reducing it. Local sales taxes would also be permitted under the plan.

Brownback has said he wants to reform the formula because of two pending funding lawsuits. (See background here.)

School officials and attorneys involved with the suits have pointed out that any new funding formula would likely be challenged in court. They also contend that the state does not need a new formula but needs to fully fund the current formula.

Kansas districts suffered a loss of $232 per student in state aid this year, the third consecutive annual cut to per-pupil funding. The cuts continue to spur consolidation of small districts, which are also pressed into mergers by financial incentives.

Legislators also recently changed accounting laws so that districts can use reserve funding — typically for emergencies — for salaries, utilities, and other everyday expenses.

Local coverage of publicity tour:
- [http://kansasreporter.org/82730.aspx](http://kansasreporter.org/82730.aspx)

Coverage of current school funding cuts:
- [http://www.businessweek.com/ap/financialnews/D9PTOGAO0.htm](http://www.businessweek.com/ap/financialnews/D9PTOGAO0.htm)
Total Number of Rural ELL Students, 2006-07 to 2009-10

The total number of students learning English in rural schools increased by nearly 50% in the three most recent years for which data is available.
