



## Printable Edition

**Note:** This resource includes all articles from the July 2012 Rural Policy Matters newsletter. For the latest content updates, please check the [issue index](#) for this edition.

*Editor's note: Links are free and current at time of posting, but may require registration or expire over time.*

## Facts and Figures About States With High Rural Student Populations

**Question:** More than half a million students attend rural schools in these three states; which states are they?

**Answer:** Texas, where 834,140 students attend rural schools; North Carolina (685,409 rural students); and Georgia (574,965 rural students)

*(Source: Why Rural Matters, 2011–12. Data source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data, Public School Universe, 2008–09.)*

## A Life-Changing Experience: Global Fellows Travelogue, Part 1

June and July have found the Rural Trust Global Teacher Fellows in the midst of international travel. From Tokyo to Buenos Aires, Gujarat to Kenya, and points in between, these rural teachers report that they are experiencing more than they ever imagined.

That's exactly the goal of the Global Fellows program, which awards up to 25 fellowships each year to support the professional and personal development of rural teachers. Participants design summer learning experiences from which they develop interdisciplinary place-based learning curricula aligned with state and local content standards.

In the July issue we'll follow along with about half the travelers. The teachers have shared some great photographs and inspiring reflections. Next month we will hear from the rest of the 2012 Rural Trust Global Teacher Fellows.

**Karyn Neubauer and Dana Brettell** immersed themselves in street art in Buenos Aires, Argentina.

*Click on the photos for a larger image.*



*Karyn Neubauer with Artist Dario Malatesta in Buenos Aires. Neubauer shows some of her original art work.*

Neubauer teaches visual arts and Brettell teaches Spanish at Thetford Academy, the designated public high school for Thetford, Vermont.

Neubauer says that she's learned the difference between graffiti and street murals: graffiti communicates within the community, primarily with text; street murals are concerned with aesthetics and imagery that communicate beyond the community. She says she wants to discover how messages are conveyed and "why these forms appeal to a young audience and how my students can use these urban art forms to talk about their own life experiences in their own rural culture."

Brettell says that she has been struck by the "melting-pot" atmosphere of Buenos Aires with its mix of Italian, Spanish, and indigenous people. "I am enjoying observing the level of acceptance and even respect for these artists' collaborative ways of working together, which reflects the society they live in," she observes.

**Joy-Lyn and David McDonald**, science teachers at Sidney High School in Sidney, Montana, traveled to Japan to study the ancient art of indigo dyeing. The indigo plant produces a blue pigment, and the traditional Japanese process for dyeing with indigo is not only beautiful, but is said to add durability and even insect resistance to fabrics.

Joy-Lyn writes that many of the indigo craftsmen are quite elderly and that some historical crafts seem to be dying out in Japan. She also shares a whimsically captioned photo of turtles at the Imperial Gardens in Kyoto.

**Annie Gibavic** spent three weeks in the rural village of Kamagap, Kenya, where she taught English, made bricks for a new school, and taught local residents how to play baseball. Gibavic appreciates "the overwhelming welcome I received" and notes the similarities between the landscape of Kamagap with its "rolling hills, lush greenery, small farms, big rocks, cows and chickens" and her own village in Northern Vermont. Gibavic teaches Art, Dance, and English as a Second Language at the K-8 Miller's Run School in Sheffield, Vermont.

Art teachers **Jana Barrett** (North Elementary, a K-8) and **Elizabeth Bell** (Grundy County High School) are interested in establishing a farmers' and art market in their home communities in Grundy County, Tennessee. They travelled to the United Kingdom (UK), where they especially enjoyed the Bath Farmers' Market, the oldest in the UK. They note that goods at the market, including baked goods and processed meats, are made with locally sourced products. Bell says they received "tremendous" encouragement and information from the Market's Co-Directors.

Barrett and Bell also enjoyed the excitement of the upcoming Olympic Games, which opened this month in London.

Husband and wife, **Corinne and Jose Galvan**, also explored agricultural practice and policies in the United Kingdom. Corinne teaches agriculture at West Prairie High School in Colchester, Illinois, and Jose teaches 7th



*Street art in Buenos Aires.*



*Joy-Lyn McDonald dyeing Indigo at the Aizenkobo workshop in Kyoto, Japan.*



*It is crowded everywhere - even on a rock in the pond in the Imperial Gardens in Kyoto.*



playgrounds and foster healthy living. One school also will use part of its grant to increase computer access for its students.

"We can get other grants for some things," says Heddie Somerville, principal at Pinkston Street, "but not for playground equipment, which is very expensive. This grant will allow us to renovate our playground and bring it up to code."

According to Gail Levin, director of the Leonore Annenberg Scholarship and School Funds, "these and other grants from the School Fund reflect the late philanthropist Leonore Annenberg's desire to add value to the school experience of each child. "The School Fund," she added, "provides up to 15 awards each year to U.S. elementary schools with the highest concentration of poor children and a specific project designed to enhance the educational program and general well-being of the students."

### **The value of play**

Although a playground is generally taken as a staple of elementary school experience, many economically struggling rural communities find that building and maintaining a safe playground is a serious, even cost prohibitive challenge.

And while neither states nor local school districts allocate funding for playgrounds in many places, research reinforces our general awareness that healthy play promotes a child's intellectual and creative development as well as emotional and physical health.

"We want to foster some of the giggles and happiness you see on the playground back into the classroom," says Somerville, adding, "We also found research that productive play builds character and helps students learn to be responsible and to treat each other with respect, so we try to provide as much free play and safe play as possible."

At L. B. Yancey, the school's play equipment was more than 30 years old and until last year the only indoor play area was a 15' x 20' trailer. "We would have to repair our play set and keep it closed until it was inspected," explains principal Clarence Hicks.

The grant will enable the school to install new playground equipment for its younger students and a fitness center for older students. "Our physical education department had done an assessment and found that many of our students are overweight and out of shape. The idea of the playset is that kids get good exercise while they are playing. And, the fitness center gives kids a lot of exercise to build agility and strength. We want to give our students the opportunity to be fit."

Older students at Yancey will keep a notebook to record their progress as they work throughout the year on the fitness center's fifteen stations. In addition, the school is coordinating with the district's child nutrition program to promote healthy eating along with better fitness.

Yancey will also use part of their grant award to create a second computer lab at the school. The additional computer access will support the school's reading program, enable students to do more online research, and help students practice for the computer-based Common Core assessments.

Both Somerville and Hicks express appreciation to the Leonore Annenberg School Fund.



*Gloria Waggoner and Marta Coleman at a temple in Porbandor, birthplace of Mahatma Gandhi.*



*Students at L. B. Yancey Elementary School, one of the rural recipients of a grant from the Leonore Annenberg School Fund for Children.*

***"We want to give our students the opportunity to be fit."***  
— Clarence Hicks, Principal, L. B. Yancey Elementary School

"We really want to thank the people who gave us this opportunity, the opportunity to think about some things we could do with our students that we wouldn't be able to otherwise," says Hicks.

"I'd like to say how appreciative we are of a grantor being out there for rural schools like us," says Somerville. "When we learned about the grant, we challenged teachers and students to learn more about our benefactor, the late philanthropist Leonore Annenberg, and her legacy School Fund. We want our students to see that their work can lead to good results and that there are people out there willing to help."

### **About the Leonore Annenberg School Fund for Children**

The Leonore Annenberg School Fund for Children is a project of the Annenberg Public Policy Center at the University of Pennsylvania. By request, partner organizations nominate public elementary schools serving children with great need. The Fund provides educational resources of immediate and direct value to the children.

Visit <http://www.leonoreannenberg scholarships.org> for more information.

## **Chelsea Jerome: 2012 Rural Recipient of Scholarship from Leonore Annenberg College Scholarship Fund**

Chelsea Jerome's family got the good news that the Hazen Union High School junior had been awarded a prestigious scholarship from the Leonore Annenberg College Scholarship Fund, but they decided to play a little trick before letting her know.

"I got a call that I needed to get back to school to fax a paper about the scholarship, and I thought, 'oh, no, it's so late, my chances are so bad,'" explains the seventeen year-old from Woodbury, Vermont. "When I got to the school they had balloons and cake and everyone I love was standing there. That's how I found out I'd been selected."

Gail Levin, director of the Leonore Annenberg Scholarship and School Fund, explains that the four-year, all-expense scholarship is awarded to "high school juniors of uncommon intelligence, empathy, and drive who overcome challenging circumstances and demonstrate exceptional character and academic achievement. Beginning in 2008, five Leonore Annenberg Scholars have been selected each year from urban and rural America. Next year, the Fund expects to award a total of ten Leonore Annenberg Scholarships."

The scholarship is unusual in that students do not apply for it, but instead are nominated. Jerome learned she had been nominated in November.

"My school is small, so you really know everybody," Jerome says. "We have great teachers and a great principal and guidance counselor. I owe everything to them."

Jerome's interests are wide and she is open to possibility about her future academic pursuits. This summer she is visiting colleges, including Penn and Brown. She knows she'd like to remain in the region. "There are less than 800 people in Woodbury and we're a really close-knit community," she says. "So I know I'd like to attend college in New England or the mid-Atlantic area."

As an active member of her school and community, Jerome has played on the soccer and track and field teams at Hazen Union High and volunteered at the public library. She is a member of the Varsity Club and National Honor Society, which emphasizes community service as well as academic achievement.

Receiving the scholarship was "totally relieving," says Jerome, who has always planned to go to college but worried about how it might happen. "Getting this scholarship is a dream come true. I wish I could have thanked my generous benefactor, the late philanthropist Leonore Annenberg, in person for this chance for success that she has given to me and so many others."



*Chelsea Jerome is the 2012 rural winner of a scholarship from the Leonore Annenberg College Scholarship Fund.*

### **About the Leonore Annenberg Scholarship Fund**

The Leonore Annenberg Scholarship Fund is a project of the Annenberg Public Policy Center at the University of Pennsylvania. By request, educational partner organizations nominate a very limited number of high school students who, in the face of difficult circumstances, demonstrate exceptional academic achievement and noble character. The

scholarships cover all undergraduate expenses at fully accredited and academically rigorous four-year colleges or universities in the United States.

Visit <http://www.leonoreannenbergsscholarships.org> for more information.

## Ten Highly Rated i3 Pre-Applicants Focus on Rural Education

Ten pre-applicants who selected Rural Education as an Absolute Priority are among 124 who may proceed with a full application for the 2012 i3 Fund in the Development category.

On July 2, the U.S. Department of Education [announced](#) that the pre-application review process for i3 Development grants had been completed and 124 (of 650) pre-applicants highly rated. The complete list is [available here](#).

The i3 Fund offers nearly \$150 million, through a competitive grant process, for innovative practices that “are demonstrated to have an impact on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, increasing high school graduation rates, or increasing college enrollment and completion rates.”

Applicants in the Development category are eligible to compete for grants of up to \$3 million each.

The 2012 Investing in Innovation (i3) competition is the third since the program was initiated in 2010 (see “[About i3](#)” below) and the first to include a pre-application process. The pre-application process was introduced to identify proposals with the greatest chance of being funded and reduce the investment of applicant resources at the early stages of the highly competitive program.

Local Education Agencies (LEAs/school districts) and nonprofit organizations in partnership with one or more LEAs or a consortium of schools are eligible to apply.

The program requires applicants to choose one of five Absolute Priorities. Those priorities and the number of highly rated pre-applicants who chose each are as follows:

- Absolute Priority 1: Improving the Effectiveness and Distribution of Effective Teachers or Principals; **23 pre-applicants**
- Absolute Priority 2: Promoting Science, Technology, Engineering, and Mathematics (STEM) Education; **39 pre-applicants**
- Absolute Priority 3: Improving School Engagement, School Environment, and School Safety and Improving Family and Community Engagement; **32 pre-applicants**
- Absolute Priority 4: Innovations that Turn Around Persistently Low-Performing Schools; **20 pre-applicants**
- Absolute Priority 5: Improving Achievement and High School Graduation Rates (Rural Local Educational Agencies); **10 pre-applicants**

Rural LEAs are defined as those that are eligible for the Rural Education Achievement Program (REAP) through either the Small Rural School Achievement (SRSA) or the Rural and Low-Income School (RLIS) programs. Applicants must identify the rural LEAs where the project will be implemented or explain how rural LEAs will be chosen and explain how the program will address the unique challenges of high-need rural students.

### Rural education Absolute Priority applicants

The ten Absolute Priority 5 pre-applicants are:

- AVID Center, California
- Bard College, New York
- Berea College, Kentucky
- Lower Kuskokwim School District, Alaska
- Riverdale Joint Unified School District, California
- The Curators of the University of Missouri, Missouri
- The Research Foundation of SUNY, New York
- Virginia Advanced Study Strategies, Inc., Virginia
- Wellpinit School District #49, Washington
- New Mexico Highlands University/CESDP, New Mexico

Highly rated pre-applicants are eligible to submit a full proposal and must secure a 15% private sector match. Awards will be announced by the end of the year.

## About i3

The i3 Fund was initiated as part of the 2009 ARRA (American Recovery and Reinvestment Act). Its purpose is to provide competitive grants to applicants with a record of improving student achievement in order to expand innovative practices shown to be effective. Grants are awarded in three categories based on the level of research evidence already acquired to support the innovation and the scale at which the applicant proposes to implement the innovation. Almost \$150 million is available for the 2012 round.

Grants in the Development category, (the category with the largest number of applicants) support high-potential, relatively untested projects; applicants must demonstrate capacity to scale the project to a multi-school or regional level. Grants for as much as \$3 million each will be awarded; applicants must secure a 15% private-sector match.

Grants in the Validation category require moderate evidence of the effectiveness of the proposed project and applicants must be able to scale the project to the regional or state level. Up to five grants for as much as \$15 million will be awarded; applicants must secure a 10% private-sector match.

Grants in the Scale-up category require strong evidence of the effectiveness of the proposed project and applicants must be able to scale the project to the state, regional, or national level. Up to two grants for as much as \$25 million will be awarded; applicants must secure a 5% private-sector match.

Applicants in all categories must conduct an evaluation of the effectiveness of the innovations.

During the first round of i3, the Rural Trust provided technical assistance to hundreds of applicants and matching funds to several funded projects as well as additional funding to several highly rated projects to enable them to develop their work for re-submittal. The Rural Trust continues to provide limited support.

*Read more:*

The U.S. Department of Education announcement of highly rated i3 Development grant pre-applicants:

- <http://www.ed.gov/news/press-releases/124-applicants-invited-compete-2012-i3-development-competition>

The list of highly rated pre-applicants:

- [http://www.ruraledu.org/user\\_uploads/file/rpm/RPM14\\_07-i3-list.pdf](http://www.ruraledu.org/user_uploads/file/rpm/RPM14_07-i3-list.pdf)

[The U.S. Department of Education i3 website:](#)

- <http://www2.ed.gov/programs/innovation/index.html>

## Some Effects of Charter School Funding Plans on Smaller School Districts

**What happens if a charter school draws so much per pupil funding that the regular school district can't operate?** That question has extra weight for small districts. And it is a question that more and more smaller districts are likely to face as many states alter their charter school laws to allow for rapid expansion of the publicly funded, semi-autonomous schools.

The idea behind charters is that they can be innovative and flexible because they are freed from many regulations that govern regular public schools. The exact nature of those freedoms varies among states depending on the provisions of the state charter law. In theory, successful innovations are eventually migrated to regular schools.

In all states, charters are prohibited from discriminating against any student applicant and are required to collect and publish the same academic and financial accountability information as regular schools. They must also serve students needing special education services or English language learners who wish to attend. However, state flexibility laws may allow charters to opt out of providing transportation or meals for students.

Generally, charter school laws allow charters more control over curriculum, scheduling, teacher hiring and placement, and other decisions than regular schools. In many states charters can require parental commitments of time and participation and they can set admissions parameters that have the effect of screening some students. In addition, in many states charters are released from some personnel laws.

Likewise, there is wide variation in how charters are authorized — local districts, authorizing organizations, state school boards are examples used in different states. Some states allow and some states prohibit for-profit companies

from running charters.

Charter outcomes, like those in regular schools, are also highly varied at the school level. Research is mixed on overall academic performance, with some studies suggesting slightly better than average outcomes in charters and other studies suggesting slightly lower outcomes.

About 40 states currently allow for charters in some form. That number is likely to increase in response to pressure from the U.S. Department of Education and a variety of charter advocacy organizations.

### **Disproportionate Impact: Charter funding and small districts**

There is also wide variation in how each state finances charter schools. Some states provide start-up assistance. A variety of federal grants, many of which are administered through states, support initial start-up, organizational costs, facilities, or specific programs for charters.

Despite some variations, charter schools generally get the state, and often the local, per pupil funding allocation for each student. This mechanism means that money follows the student who transfers from a regular school to a charter. As a result, charters can have a big impact on the budgets of smaller districts. For example, a charter with a few hundred, or even several thousand, students might not make a big difference in the ability of a large school district to offer programs for students. But that same charter could trigger the loss of a devastating proportion of a small district's budget.

This situation has recently drawn attention in Pennsylvania where several smaller districts are threatened with insolvency.

The issue is coming up in other states as well.

In South Carolina, the charter law says that a charter school's application can be denied if the charter school would "negatively impact" the other students in a district. This challenge has not been used often, but as the state has encouraged expanded charter growth through legislation, small and rural districts are looking closely at this provision and the potential impact of charters on their ability to operate.

### **Facilities Funding**

South Carolina is one of several states that gives charter schools access to unused or underused public school facilities. It also recently established a charter school facility loan program. As a result of these changes several districts are looking at the possibility of losing one or more of their buildings as well as a major share of their state funding to charter operators.

Although a number of states give charters preferential access to available school district facilities, many states do not directly provide charters with funding for facilities. (Facilities funding is sometimes included, at least in part, in the state per pupil funding allocation; but many states exclude this portion for charter students.)

Charter supporters in several states, including Texas, Arizona, North Carolina, and Florida, have filed lawsuits seeking funding for facilities.

### **Charters, Funding, Segregation**

Some common mechanisms for funding charter schools have the potential to undermine the ability of small school districts to offer programs required by the state. When charter schools are not required to offer the same programs or are given more latitude in how they offer them, perceptions of inequity arise.

In some districts such potential destabilization occurs in the context of long-standing antagonism to public education and public school students.

For example, in parts of the South, private "segregation" academies have been the schools of choice for most white students in the 40 years since court-ordered desegregation. The rapid rise of charters, especially where they are loosely monitored, has opened the way for supporters of these private schools to seek authorization to create a public charter school. In such cases, the perception of many people is that the charter will not likely welcome all students equally and that it is competing against an under-resourced regular school district for public revenues.

A study by the Civil Rights Project at UCLA found that, on the whole, charters are more racially isolated than traditional public schools and that, especially in the West and South, enrollment patterns suggest that charters are serving as "havens for white flight from public schools."

Researchers at the University of Colorado and Western Michigan University also concluded that charter schools were more segregated by race, wealth, disabling condition, and language than the public school district in which the

charter was located.

The charter movement raises many complex issues for American public education. Like so many other policies, most charter laws seem geared toward urban and suburban circumstances and have had unexpected or unintended consequences for rural and small town school districts. Per-pupil funding provisions and, in some cases, facilities access and finance mechanisms are examples of policies that can have very different outcomes in rural and urban districts.

*Read more:*

Colorado study on charter diversity:

- <http://nepc.colorado.edu/publication/schools-without-diversity>
- <http://civilrightsproject.ucla.edu/research/k-12-education/integration-and-diversity/choice-without-equity-2009-report>

News coverage of Pennsylvania charter funding controversy:

- <http://triblive.com/state/2145443-74/charter-schools-tuition-costs-pension-district-districts-state-formula-students>
- [http://articles.philly.com/2012-07-05/news/32537718\\_1\\_charter-schools-state-education-department-spokesman-charter-spokesman](http://articles.philly.com/2012-07-05/news/32537718_1_charter-schools-state-education-department-spokesman-charter-spokesman)

## ***Announcements***

### **USDA Releases Resource Guide for Rural Communities**

The United States Department of Agriculture (USDA) has released a guide to resources available to rural communities through four federal agencies. The report, [Federal Resources for Sustainable Rural Communities](#), is a collaborative effort between the USDA, the Department of Housing and Urban Development, the Department of Transportation, and the Environmental Protection Agency.

*Read more:*

Access the press release and resource guide here:

- <http://content.govdelivery.com/bulletins/qd/USDAO-4a6cc9>

Access the guide here:

- [http://www.rurdev.usda.gov/supportdocuments/RD\\_FedResourcesSustainableCommunities.pdf](http://www.rurdev.usda.gov/supportdocuments/RD_FedResourcesSustainableCommunities.pdf)

## ***School Discipline Policy***

### **New Report Finds Harmful Health Effects of Harsh Discipline**

A new report released by several nonprofits in California concludes that there are both direct and indirect negative health effects on students when schools impose harsh and exclusionary discipline.

The report, "Health Impact Assessment of School Discipline Policies" is published by Human Impact Partners, Community Asset Development Re-Defining Education (CADRE), and Restorative Justice Partners. It concludes that exclusionary discipline can lead to stress, short- and long-term emotional damage, and behavioral disorders among students.

The report contrasts the educational, disciplinary, and health effects of exclusionary discipline (suspension and expulsion) to those of Restorative Justice and/or Positive Behavioral Interventions and Supports (PBIS) in Los Angeles, Oakland, and Salinas, California. It includes information from case studies, focus groups, and interviews with stakeholders, parents, and students.

The direct negative health outcomes of exclusionary discipline include increased violence, drug use, and mental health issues.

In addition, the study highlighted negative health effects related to nonparticipation in schools, including delinquent behavior leading to incarceration. The report notes that incarceration in both juveniles and adults is associated with stress-related illnesses, psychiatric problems, suicide attempts, higher long-range recidivism rates, and increased rates of HIV, Hepatitis C, and tuberculosis.

The researchers found that the rate of short- and long-term negative health outcomes for Black males are disproportionately higher, correlating with disproportionately higher discipline rates for this group of students.

The report also includes an extensive literature review on exclusionary discipline, PBIS, and Restorative Justice and related outcomes for students.

The report is: Health Impact Assessment of School Discipline Policies: A Health Impact Assessment of Status-Quo Discipline, Positive Behavioral Interventions and Supports, and Restorative Justice policies in three California School Districts. Human Impact Partners. May 2012.

*Read more:*

Press Release:

- <http://www.humanimpact.org/component/jdownloads/finish/7/164/0>

Full report:

- <http://www.humanimpact.org/component/jdownloads/finish/7/167/0>

Coverage of the report:

- [http://www.youthtoday.org/view\\_article.cfm?article\\_id=5346](http://www.youthtoday.org/view_article.cfm?article_id=5346)

The California Endowment website:

- <http://www.calendow.org/>

Human Impact Partners:

- <http://www.humanimpact.org/>

California Asset Development Re-Defining Education (CADRE)

- <http://www.cadre-la.org/>

Restorative Justice Partners

- <http://www.restorativejusticepartners.com/rjpartners/>

## **Rural School Funding News**

### **Missouri Plan Prorates Funding Shortfall Among Districts**

Recession-related funding shortfalls are having a major impact on the Missouri's poorest school districts. After the state legislature refused to act to address a shortfall in education funding, the State Department of Education stepped up with a plan that will prorate funding cuts to districts. The plan cuts state funding to most districts and minimizes major shifts in state funding among districts. Under the plan, poorer districts will not receive the funding increases they were due through the state's funding formula. (See the April RSFN story about the Missouri legislative statement here: <http://www.ruraledu.org/articles.php?id=2880>.)

The Missouri school finance formula, adopted in 2005, calls for a "state adequacy target," a base amount of combined state and local funding for each child.

The base has been \$6,131 per pupil and was scheduled to increase to \$6,423 for the 2012–13 school year and rise to

\$6,716 the following year. The state, however is \$250 million short of the \$6131 target and projected to be \$700 million short of the \$6,716 target.

The State Department of Education plan freezes aid at the current \$6,131 target and prorates cuts to make up the \$250 million shortfall.

This means districts with least local ability may not face cuts as severe as they might have if across-the-board proration had been implemented, but they will not receive scheduled increases either.

The state's wealthiest districts will also see cuts in state aid, although their funding levels will remain higher than most other districts. These "hold harmless" districts receive more state funding than needed to meet the state adequacy target, but the 2005 formula capped rather than reduced their state aid.

While the State Department plan is seen as stabilizing in the short run, critics point out that the state's poorest districts are bearing the brunt of the state's funding shortfall and that a long term fix is needed to insure that the formula can be implemented.

*Read more:*

Local coverage of the State Department plan:

- <http://www.kfvs12.com/story/18801197/mo-governor-to-sign-school-budget-at-boys-state>
- [http://www.stltoday.com/news/local/education/missouri-school-funding-fix-is-no-cure-all/article\\_1129b019-9a55-53a5-9981-a78b5eebb8bd.html](http://www.stltoday.com/news/local/education/missouri-school-funding-fix-is-no-cure-all/article_1129b019-9a55-53a5-9981-a78b5eebb8bd.html)
- <http://www.columbiainmissourian.com/stories/2012/06/07/update-missouri-officials-seek-fix-school-funding-formula/>

## **New York Funding Lawsuit Moves Forward**

Cuts in funding related to recessionary budget shortfalls are making matters worse for New York State districts that filed a school finance lawsuit in 2008. Late last month thirteen districts, including rural districts, and 101 parents and students got word that they can proceed with a lawsuit claiming that funding inequities deny students their Constitutional right to a "sound, basic education." In court pleadings, the plaintiffs' lawyers have highlighted lower test scores and graduation rates in these districts than in districts with more resources.

The lawsuit, *Hussein v. State of New York*, was first filed in 2008 by the New York State Association of Small City School Districts. The districts argued that changes to the funding formula, which were made after the state lost a lawsuit brought on behalf of New York City students, were insufficient to meet their needs.

Those changes were to phase in over four years, but the state froze aid after two years and cut aid last year.

The state appealed the lawsuit twice, but in late June the New York Court of Appeals, the state's highest court, affirmed that plaintiffs' claims about school funding are neither "moot nor unripe," confirming the immediate need for courtroom deliberation about whether the shortfalls are unconstitutional.

A ruling is not expected for at least a year.

*Read more:*

News coverage:

- [http://www.syracuse.com/news/index.ssf/2012/06/utica\\_other\\_school\\_districts\\_q.html](http://www.syracuse.com/news/index.ssf/2012/06/utica_other_school_districts_q.html)

Coverage from Education Justice, a program of the Education Law Center:

- <http://www.educationjustice.org/news/june-27-2012-new-york-plaintiffs-win-will-prepare-for-trial.html>

Opportunity to Learn Campaign coverage:

- <http://www.otlcampaign.org/blog/2012/05/10/give-students-their-day-court>

## Six Finance Lawsuits in Texas

Two different organizations, each representing charter schools have filed lawsuits in Texas. Four other finance lawsuits have already been filed and are scheduled to go to trial in October. The charter lawsuits could be rolled into one or more of these cases.

The Texas Charter School Association, along with five parents, is asking the state for facilities funding for charters and to lift the cap on the number of charters, which currently stands at 215. The second charter lawsuit, brought by a coalition of groups calling itself Texans for Real Efficiency and Equity in Education (TREE), also wants the charter cap lifted. In addition, it alleges that the "inefficiency" of the funding system makes it unconstitutional. In its complaint, TREE lists a number of education regulations and programs, including state teacher salary schedules, that it categorizes as "problems" that contribute to the inefficiency of the system.

Three of the remaining four lawsuits charge that the current finance formula is inadequate and/or inequitable. The fourth is brought by wealthy districts that benefitted when the state cut property taxes in 2006 and replaced revenue with state funds; it also charges that state funding is inadequate.

A decision is expected soon on how the lawsuits will be heard.

*Read more:*

News coverage:

- <http://www.texastribune.org/texas-education/public-education/how-navigate-texas-school-finance-lawsuits/>
- <http://www.statesman.com/news/education/charter-advocates-sue-over-funding-cap-on-schools-2404718.html>
- [http://www.statesman.com/blogs/content/shared-gen/blogs/austin/politics/entries/2012/07/11/school\\_finance\\_lawsuit\\_could\\_l.html](http://www.statesman.com/blogs/content/shared-gen/blogs/austin/politics/entries/2012/07/11/school_finance_lawsuit_could_l.html)

This chart explains the basics of each of the six lawsuits:

- <http://www.texastribune.org/library/data/school-finance-lawsuit-cheat-sheet/>

## Pennsylvania Lawsuit Raises New Issues

A Pennsylvania district has brought a rather unusual, but potentially far-reaching, school finance lawsuit in federal court. The 6,600-student Chester-Upland district, which owes some \$30 million dollars, is charging that the state mismanaged the district between 1994 and 2010 when the district was under state control and that the state is failing its constitutional mandate to provide a thorough and efficient system of public education. The district lost \$23 million in state funding in 2011–12. A charter school in the district has also sued asking for payments the district is unable to make.

The fact that Chester-Upland filed in federal court is also noteworthy. In 1973 in the landmark *Rodriguez* case, the federal court found that school finance is a state and local issue. However, the rights of students with disabilities are protected by federal law, and Chester-Upland claims that the underfunding means they cannot provide special education services as required by that law. The shortfall was made worse because Pennsylvania charter law requires districts to provide twice as much funding for each special education student in charter schools as it does for each special education student in regular schools.

Half of students in the Chester-Upland district attend a charter school.

The state is denying the district's claims and saying that the federal court has no right to rule in the case.

The case reached a tentative settlement with hearings scheduled to finalize details. Nevertheless, it has significant ramifications within and beyond Pennsylvania. Within the state, budget cuts — including the elimination of \$130 million in reimbursements to districts for charter school costs — have forced serious financial problems on a number of districts. Notably, many of these districts are also underfunded by the federal Title I formula, meant to mitigate the effects of poverty on students.

Earlier this month, Governor Tom Corbett signed a bill identifying and making provisions for financially troubled districts, including Chester-Upland. That legislation requires districts to work with a state "chief recovery office" and includes options such as closing schools and converting schools to charters.

The lawsuit has drawn attention to issues with the charter funding formula as well. According to reports, the formula not only over funds special education in charters at the expense of regular schools, it requires districts to pay twice what it should for pensions for charter employees, and requires districts to make allocations to charters from all non-federal revenue sources, including grants.

Critics say the charter formula harms traditional schools and can put the financial viability of districts, especially smaller districts in jeopardy. Charter supporters also have issues with the formula, which they say underfunds them in other ways. Charter enrollment in Pennsylvania has risen from 67,000 students statewide in 2007–08 to 105,000 in 2011–12.

Many in the state are calling for the development of a new finance formula.

Beyond Pennsylvania, the Chester-Upland case raises new issues related to the role of federal courts in education funding when special education and when charter schools are involved.

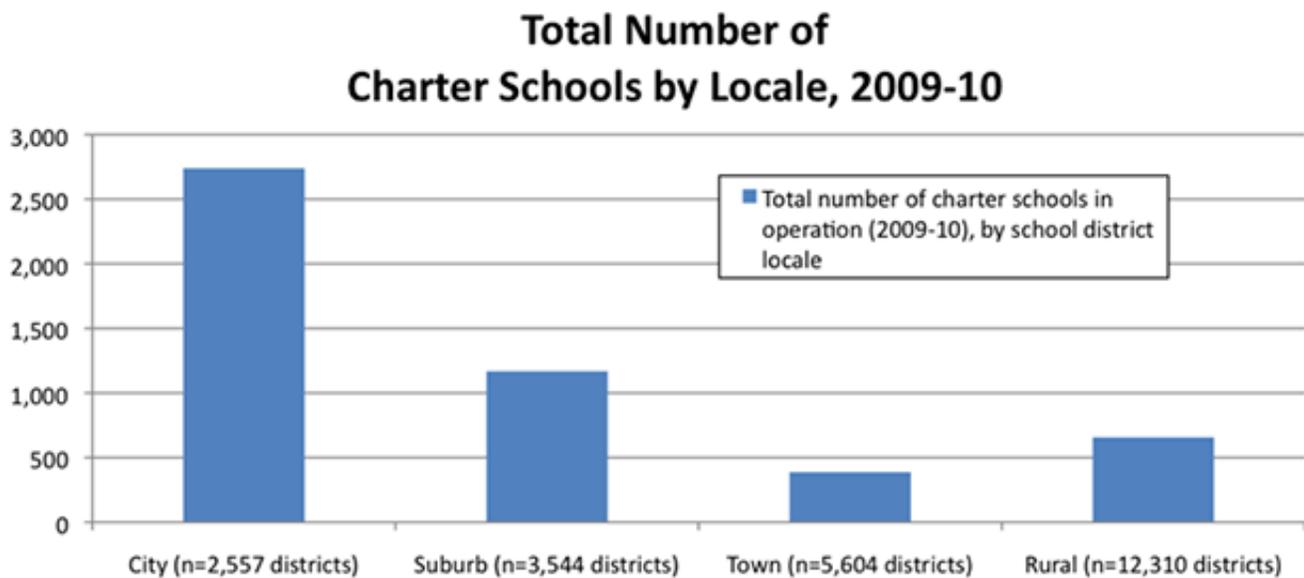
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News coverage:

- [http://articles.philly.com/2012-07-05/news/32537718\\_1\\_charter-schools-state-education-department-spokesman-charter-spokesman](http://articles.philly.com/2012-07-05/news/32537718_1_charter-schools-state-education-department-spokesman-charter-spokesman)
- [http://cumberland.com/news/state-and-regional/school-suit-could-ripple-across-pennsylvania/article\\_1e63685c-9852-11e1-828b-001a4bcf887a.html](http://cumberland.com/news/state-and-regional/school-suit-could-ripple-across-pennsylvania/article_1e63685c-9852-11e1-828b-001a4bcf887a.html)
- <http://triblive.com/state/2145443-74/charter-schools-tuition-costs-pension-district-districts-state-formula-students>

## Graph

### Total Number of Charter Schools by Locale, 2009-10



*Total Number of Charter Schools by Locale, 2009-10.*

Source: Original analysis by the Rural School and Community Trust using NCES Common Core Data (<http://nces.ed.gov/ccd/>).

