



## Printable Edition

**Note:** This resource includes all articles from the September 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: States With Higher Percentages of Minority Rural Students

**Question:** Nationally, more than one-quarter of all rural students are classified as minorities according to the National Center for Education Statistics. Minority students exceed this average in 18 states. Which states are they?

**Answer:** At 82.6%, New Mexico has the highest percentage of rural minority students. New Mexico is followed by Alaska (71.7%), Arizona (55.5%), California (55.3%), Louisiana (45.4%), Texas (43.9%), Florida (42.1%), Mississippi (40.6%), South Carolina (40.5%), North Carolina (40.5%), Oklahoma (37.6%), Georgia (36.9%), Delaware (36.1%), Colorado (30.0), Nevada (29.9%), Washington (29.0), Alabama (28.1%), and Virginia (26.5%).

*(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.)*

## Teachers Interpret International Travel

The 2012 Global Fellows gathered earlier this month to reflect on their experiences and share how they are translating what they learned into their curriculum and teaching.

"Each fellow has ventured on a unique journey so coming together with other fellows who have had different experiences but have also made unique learning journeys is a way to extrapolate a big picture perspective," says Margaret MacLean of the Rural Trust.

The twenty members of the group met each other for the first time in North Carolina, where they presented highlights of their travels, worked together on the development of place-based curriculum in their schools, and began to distill the meaning of their experiences for themselves and their students.

"The Fellows go with the purpose of enriching their content knowledge in a specific area," says MacLean. "They have to describe what they intend to learn as part of their application. And they all learn more about what they set out to study than they ever anticipated. However, beyond content, the real value of the trip is the experience, taking a risk, getting outside your comfort zone and overcoming challenges."

"The transformative learning," says Jereann King Johnson of the Rural Trust, "is what people learn about themselves, what they learn about themselves as learners and what they learn about the world."

For most participants the opportunity to travel to another country is the first time they have spent time in circumstances where they are not part of the dominant culture. "It's that cognitive dissonance when you realize that you don't know what it is you're seeing and that what you thought you knew doesn't really apply," says Johnson. "The opportunity to see the world outside yourself, to be outside western mainstream culture, shifts people's experiences and stirs up new understandings."

"Being in a more vulnerable position, stepping outside their comfort zone, can help fellows think about student learning and how to better understand and replicate student learning experiences that infuse discovery," MacLean

says. "This is first-hand experience in the value of figuring things out, by discovery. It's learning about how people learn. For many fellows this is the first time they have learned this way."

It's also a big confidence boost. "There's a lot of work to this," MacLean adds. "It's a risk to travel in this way; people have to solve a lot of problems and they see they can do it."

That sentiment was echoed by participants in a variety of ways. Teachers described how the trip boosted their self-esteem as teachers, made them realize they could pull off big challenges, and energized their passion for teaching in new ways. "It is so important that someone trusted us as educators to design our own experience and to trust that if we were inspired, we'd spread that when we return," wrote one participant anonymously.

### **Bringing it home**

As part of the Global Fellows program, teachers have to figure out how to translate their experiences to their students through place-based curriculum and teaching strategies that provide students with more hands-on learning opportunities. At the meeting, participants reviewed their curriculum work with each other and shared ideas for building on their experiences.

For example, Jose Galvan, who traveled to Great Britain, reported his astonishment to learn that history is taught thematically and through interaction with historic objects and places rather than the book-dependent, race-through-time chronological approach that is standard in most American schools. He was also surprised how many questions he was asked by British history teachers about African-American and Native American history in the U.S. His students will be doing oral histories in their communities this school year.

Katie Hendrickson, who traveled to France, Italy, and Belgium to study the fashion industry and lace-making, is incorporating pattern, design, weaving, and sales and marketing of fashion and working with the local artist community to get more middle school students interested in math.

Kathleen Overmyer, who traveled to Mexico and the Everglades to study local ecology and human-animal interactions, is getting her high school science students out in the environment and creating community engagement labs around plastic bag awareness.

In other examples, Meridith Reddick has established a snail mail pen pal program between her students and students in Mexico; Ann Marie Blackman is involved with an Egyptian Exchange program in her school; and Annie Gibovic is doing a year-long community study of Kenya.

### **Ripple effects**

It is clear that the benefits of international travel made possible by the Global Fellows program produces wide-ranging and positive outcomes for teachers and their students. Teachers realize that the risk-taking and discovery that gave them new understanding and confidence can be paralleled in their classrooms.

Most importantly, in the estimation of many participants, was what they learned about the rest of the world: how it made them more open-minded and appreciative of other cultures, and what that means for what and how they teach their students.

"We are living in a global society," says Johnson. "Teachers have to grasp that in all its complexity if they are going to align what they do in the classroom with the in-depth learning that students need to be prepared as global citizens. It's good for people to see that when cultures come together, they don't have to clash."

*For more information on the Rural Trust Global Fellows program, visit [www.globalteacherfellowship.ruraledu.org/](http://www.globalteacherfellowship.ruraledu.org/).*

## **STEM STAR Offers Effective Model for Technology Integration in Rural Schools**

A just-released report indicates the RSCT STEM STAR program offers a highly effective model for teacher training and technology integration in rural schools. The model is especially promising because many rural schools struggle to provide their students with rich technology access and learning opportunities.

The program provides professional development to a group of Student STEM Leaders (SSLs) and teachers in each school. It is based on a model developed by the nonprofit [GenerationYes](#) organization. That model shows strong evidence that academic achievement occurs "when well-prepared students collaborate, support, and share their knowledge with their teachers and peers."

The STEM STAR (Students and Teachers Achieving Reform) program was implemented in six rural high schools, five

in North Carolina and one in Louisiana. STEM STAR was initially submitted to the U.S. Department of Education's Investment in Innovation (i3) program, where it was highly rated but not funded. This smaller version of the program was implemented and evaluated with funds provided by the Rural Trust, as a partner in the i3 Foundation Registry.

In the summer of 2011, twelve SSLs and all 9th grade science teachers in each school participated in a four-day workshop provided by Generation YES staff. In the workshop, students and teachers worked together to learn a variety of technology tools and applications and explore high quality online learning resources in math and science. Students also received training in how to mentor other 9th grade students in their schools. Each participant also received an iPad. And, SSLs collaborated with STEM practitioners to improve achievement.

During the following school year, all 9th grade students in all six schools were assigned two substantial STEM STAR science projects aligned to state science standards. Both projects covered major science concepts and made extensive use of technology. Ninth grade students who successfully completed both projects received a national [TechYES](#) technology proficiency certification.

The program incorporated five strategies: 1) focus on rural schools; 2) professional development; 3) project based inquiry; 4) professional learning communities; and, 5) Student Science Leaders (SSLs).

## Outcomes

STEM STAR is built on the idea that students will learn technology skills and work with teachers and other students to integrate technology in both learning and teaching.

The evaluation report found that all six sites infused technology with the support of the SSLs. Students used a wide variety of technology tools in their projects; most of those tools were new to them as well as new to their teachers.

Participants reported feeling especially well prepared to help students complete their projects, to evaluate the finished projects, and to use the iPads.

*You can read the Executive Summary [here](#) and the STEM STAR first year report [here](#).*

*Read more:*

For more information on Tech Yes certification:

- <http://www.techyes.net/>

For more information on Generation Yes:

- <http://genyes.org/>

## Arizona Forced to Adopt Better Practices for Identifying English Language Learners

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

Arizona has signed an agreement that could end a long running dispute with the federal government over how it identifies students who are learning English. The U.S. Departments of Justice and Education had investigated the assessment methods dictated by Arizona Department of Education as part of an ongoing effort to improve achievement of English Language Learners (ELL) in the state. There is also a long running lawsuit in the state over funding for ELL programs. Plaintiff lawyers in that suit agreed to turn claims about the assessment methods over to the federal officials.

In late August, Arizona officials agreed to test students in four areas of proficiency — reading, writing, speaking and listening — and to continue to provide services until students meet standards in all four areas. The state had been ending services when students achieved proficiency based on a composite score of the four tests. In addition, the state will identify all students who were exited from services prior to achieving full proficiency and provide them with services until they reach proficiency.

The state has also come under fire from civil rights officials for using a home language survey to determine which students need ELL services. Attorney Tim Hogan, who represents the plaintiffs in the school funding case, has said all of these practices are designed to limit the number of ELL students and save the state money.

Although the state does not admit any wrongdoing as part of the settlement, Arizona must now offer special reading and writing classes to an estimated 42,000 students to help them catch up. About 70,000 of the state's 1.1 million

students are classified as ELL. The federal government will be monitoring the state for an undetermined period.

*Editor's note: see previous RSFN coverage [here](#).*

*Read more:*

Local coverage here:

- [www.eastvalleytribune.com/local/education/article\\_6d148d8e-f3fe-11e1-b613-001a4bcf887a.html](http://www.eastvalleytribune.com/local/education/article_6d148d8e-f3fe-11e1-b613-001a4bcf887a.html)
- [www.azcentral.com/news/articles/2012/08/31/20120831arizona-english-learner-lawsuit-deal.html?nclick\\_check=1](http://www.azcentral.com/news/articles/2012/08/31/20120831arizona-english-learner-lawsuit-deal.html?nclick_check=1)

## Heated Tennessee Charter Battles Point Up Issues

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

Tennessee's Education Commissioner, Kevin Huffman, is withholding \$3.4 in funding from the Nashville public schools because the local school board refused to open a controversial charter school they said would serve primarily affluent, white students rather than a diverse student body from across the city. Huffman, an avid supporter of charters and a former executive with Teach for America, is distributing that money to other charter school districts in the state.

Critics question whether Huffman has the authority to simply take money out of the state's funding formula and send it to charter districts in other parts of the state, especially because Tennessee law empowers districts to authorize charters — or not.

Across the state, the rural Union County school district has contracted with K12 Inc, the for-profit virtual school, to enroll students from any Tennessee district. The district gets 4% of state funding from each student enrolled in the virtual school, according to reports.

K12 Inc has come under fire for low students test scores and has been investigated in Georgia, Florida, and Virginia.

The situation in Tennessee highlights the growing tensions between charters and regular school districts over the allocation of public education funds. In many states, charter supporters claim they need more funding, while supporters of regular schools claim that charter funding laws often hurt students in regular schools and that charters are being expanded without an understanding of their impact on regular schools and without sufficient research evidence of their effectiveness.

The rapid growth in charters is accompanied by powerful outside pressures on states from political action committees, charter law requirements of some federal grant programs, and lobbying from for-profit schools and school management companies.

*Read more:*

News coverage:

- [www.washingtonpost.com/blogs/answer-sheet/post/tennessee-punishing-nashville-for-refusing-to-open-charter-school/2012/09/18/7b2f5548-01eb-11e2-b257-e1c2b3548a4a\\_blog.html?wprss=rss\\_education&tid=pp\\_widget](http://www.washingtonpost.com/blogs/answer-sheet/post/tennessee-punishing-nashville-for-refusing-to-open-charter-school/2012/09/18/7b2f5548-01eb-11e2-b257-e1c2b3548a4a_blog.html?wprss=rss_education&tid=pp_widget)
- [www.timesfreepress.com/news/2012/aug/31/andy-berke-criticizes-dismal-scores-of-for/?politics](http://www.timesfreepress.com/news/2012/aug/31/andy-berke-criticizes-dismal-scores-of-for/?politics)
- [www.tennessean.com/article/20120910/NEWS04/309100015/TN-virtual-school-draws-criticism?odyssey=tab%7Ctopnews%7Ctext%7CFRONTPAGE&qcheck=1&nclick\\_check=1](http://www.tennessean.com/article/20120910/NEWS04/309100015/TN-virtual-school-draws-criticism?odyssey=tab%7Ctopnews%7Ctext%7CFRONTPAGE&qcheck=1&nclick_check=1)

## **School Discipline Policy**

### Studies Continue to Show Disparate Discipline

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

The evidence continues to mount that when schools use harsh and exclusionary discipline practices, they are much more likely to target those practices to specific student groups. Several recently released major reports examine the data in different ways but draw very similar conclusions. The use of exclusionary discipline is very prevalent, despite

a body of research that it is not an effective education practice and does not improve safety or academic outcomes for students.

### **Schott Foundation "Urgency of Now" Report**

The Schott Foundation has issued its annual report on the educational status of males of color, frequently dubbed the "Black Boys Report." This year's data shows slight improvement, but the report notes that at that current rate, affected groups of students wouldn't catch graduation rates of white males for fifty more years.

Schott researchers used U.S. Department of Education National Center for Education Statistics Common Core of Data statistics. They found that only 52% of Black males and 58% of Latino males in 9th grade will graduate four years later. This statistic is in stark contrast to the on-time graduation rate of 78% for white 9th graders.

The report contains a number of informative graphics to illustrate where the problem is most acute. In "states of emergency," the graduation rates for Black male students are less than 50%. These states are New Mexico, Louisiana, Indiana, Georgia, Illinois, Florida, Delaware, South Carolina, Ohio, Nebraska, Iowa, the District of Columbia, and New York. "States of Emergency" for Latino males are Georgia, Delaware, Mississippi, the District of Columbia, South Carolina, and New York.

"We have a responsibility to provide future generations of Americans with the education and the skills needed to thrive in communities, the job market and the global economy. Yet, too many Black and Latino young boys and men are being pushed out and locked out of the U.S. education system or find themselves unable to compete in a 21st Century economy upon graduating," said John H. Jackson, president and CEO of the Schott Foundation for Public Education. "These graduation rates are not indicative of a character flaw in the young men, but rather evidence of an unconscionable level of willful neglect, unequal resource allocation by federal, state and local entities and the indifference of too many elected and community leaders. It's time for a support-based reform movement."

The report includes a number of policy and practice recommendations. These include addressing the disparate discipline that contribute to academic failure; providing students who are performing below grade level with "Personal Opportunity Plans" to provide more resources; expanded learning time; increased opportunities for a well-rounded education including the arts, music, physical education, robotics, foreign language, and apprenticeships. It says that states and cities should conduct a redlining analysis of school funding, both between and within districts. And it calls for the development of support-based reform plans that provide equitable resource distribution to implement sound community school models.

Schott also supports the Solutions Not Suspensions initiative featured above.

Notable, the report faults the emphasis on standardized testing in schools as a contributor to these trends, calling policies standardizing all classrooms and all teaching "attention deficit policies." The report notes: "Parents want student supports, not just more standards."

### **UCLA Civil Rights Project report**

In August (2012), Daniel Losen and Jonathan Gillespie of the Civil Rights Project of UCLA released their findings on suspension rates in "Opportunities Suspended: The Disparate Impact of Disciplinary Exclusion from School." The report confirms yet again that minority students and students with disabilities are suspended at far higher rates than their non-disabled or non-minority peers.

The study used data from the Department of Education's Civil Rights Data Collection survey and analyzed the risk of out-of-school suspension for every racial and ethnic group in nearly half of the nation's schools.

The authors point out that out-of-school suspension is no longer a last-resort disciplinary measure. In the 2009-2010 school year, more than 3 million students from kindergarten through 12th grade were suspended. That's enough, the authors estimate, to fill every seat at every major league baseball park and professional football stadium in the country.

The numbers are not only huge, but also dramatically disparate. One out of every six (17%) Black students nationally has been suspended, compared to one in 20 (5%) of white students. For students of all racial groups with disabilities, 13% are suspended each year. The students most likely to be suspended are Black students with disabilities. One out of every four is suspended at least once each year. This is 16 percentage points higher than the rate for white students with disabilities.

The rates also vary dramatically between states. For example, North Dakota suspended only 2.2% of all students, while South Carolina suspended 12.7% of its students. The report includes spreadsheets with extensive state and district level information.

Connecticut and Maryland are cited as states that have made legal changes in order to reduce suspension and

expulsion and implement positive behavior techniques in schools. Losen and Gillespie note that a number of districts have very low rates of suspension, raising the question of what practices make a difference.

“Opportunities Suspended” summarizes other studies and theories related to high use of suspension. School-level policies and practices, particularly the attitude of administrators toward the discipline technique, made a difference. Schools with high levels of poverty and racial isolation appear more likely to use harsh discipline policies. And, as widely documented, low-income and minority students have much less access to teachers with the best instruction and classroom management skills, putting them at higher risk for discipline problems and other challenges in school.

Losen and Gillespie also summarize a number of alternative approaches to the frequent use of exclusionary discipline, including Positive Behavior Interventions and Supports (PBIS), Restorative Justice, and specific training for teachers on best practices in classroom management and working with groups of diverse learners.

### **California Statewide Discipline Survey**

California administrators are very concerned about the high and disparate rates of discipline and say the state’s school funding crisis is a significant part of the problem, according to a survey conducted by the non-profit group, [Edsource](#).

Edsource surveyed school administrators to learn more about how discipline policies were actually being implemented in schools and districts. Several bills dealing with discipline policy reform are pending in the state legislature.

Edsource sent the surveys to school administrators in charge of school discipline in districts with enrollment of 1,000 students or more. The responses represented 4.1 million students, about two-thirds of all California students.

Survey responses indicated that principals additional funding to hire more counselors and additional support staff would help address disciplinary problems. They also cited costs as a reason they are not able to utilize in-school or alternative placements. In addition, the administrators said they needed clearer definitions of some of the most vaguely-written offenses, such as “willful defiance” and “disruption of school activities.”

Governor Jerry Brown has signed several discipline related bills that may address some of the concerns reflected in the survey. One new law gives principals and superintendents more discretion to use alternatives to suspension or expulsion; another makes minor changes to zero tolerance laws by giving school administrators more flexibility to decide whether to use alternative punishments in lieu of expulsion in specific situations; a third will prohibit schools from refusing to enroll or readmit students because they were in the juvenile justice system. However, Brown vetoed a bill that would have limited the use of “willful defiance.”

EdSource is a newer name for the nonprofit, initially called the California Coalition for Fair School Finance. When established in 1977, its purpose was to explain the impact of the *Serrano v. Priest* court decision intended to eliminate discrepancies in school funding based on property wealth.

### **Solutions Not Suspensions**

In addition to recent reports, a grassroots initiative of students, educators, parents, and community leaders, joined by a number of partners and allies, have launched a national call for a moratorium on out-of-school suspensions. The initiative advocates for more constructive disciplinary policies that benefit students, classrooms, and communities.

The website, [www.stopsuspensions.org](http://www.stopsuspensions.org), will serve as a clearinghouse for information on effective alternatives to suspension and give supporters an opportunity to add their voice to the call for a moratorium.

Suspensions Not Solutions is supported by the Dignity in Schools Campaign, which released a set of model school discipline policies that provide guidelines to help districts and schools implement the moratorium and phase in positive alternatives. The initiative has also been endorsed by the Schott Foundation’s Opportunity to Learn Campaign and the American Federation of Teachers.

Leaders have noted evidence that exclusionary disciplinary action deepens the achievement gap, contributes to high dropout rates, and increases the likelihood of student arrests and referrals to the juvenile justice system.

Communities and individuals interested in helping establish a local moratorium on suspensions and implementing positive behavior alternatives can access information and key contacts on the website.

*Read more:*

Read the Schott Foundation study here:

- [www.blackboysreport.org/](http://www.blackboysreport.org/)

Read the *Opportunities Suspended* report here:

- <http://civilrightsproject.ucla.edu/resources/projects/center-for-civil-rights-remedies/school-to-prison-folder/federal-reports/upcoming-ccrr-research/losen-gillespie-opportunity-suspended-ccrr-2012.pdf>

Read the California discipline survey study here:

- [www.edsource.org/assets/files/publications/Edsource\\_Student\\_Discipline\\_Survey\\_Sept\\_2012.pdf](http://www.edsource.org/assets/files/publications/Edsource_Student_Discipline_Survey_Sept_2012.pdf)

Solutions Not Suspensions website:

- <http://stopsuspensions.org/>

Read about the California legislation here:

- <http://www.edsource.org/today/2012/three-up-one-down-for-student-discipline-reforms/20428>

## **Rural School Funding News**

### **Report Highlights Underlying Causes of Finance Inequity**

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

A state-by-state analysis by the Center for American Progress examines how states fund schools and how that system stacks up along a range of measures.

An extensive report by the Center for American Progress (CAP) examines the school funding mechanisms of six states with high levels of inequity among school districts. It finds that combined state and local revenues and other school resources are significantly lower in higher-poverty districts than they are in lower-poverty districts. The six states are Illinois, Texas, New York, Pennsylvania, Missouri, and North Carolina.

"The Stealth Inequities of School Funding: How State and Local Finance Systems Perpetuate Inequitable Student Spending," identifies a number of specific components in the funding systems of the six states that work against poor students and poor school districts. The report's authors, Bruce Baker and Sean Corcoran, note that there is little dispute over the existence of significant funding gaps among schools in the U.S.

Baker and Corcoran conclude that there are many drivers of inequity, including, but not limited to, property value variances and related uneven local contributions to schools. While the ability of local districts to raise revenue is generally a function of local taxable property wealth, the goal of state aid systems should be to compensate for local capacity. Yet the formulas of many states fail to equalize dollar inputs for students.

The CAP study attempts to identify the most important root causes of inequity.

#### **State aid inequity drivers**

The first chapter of the report, authored by Bruce Baker, analyzes the state aid mechanisms in the six states. It categorizes the drivers of inequity into three general categories: 1) state aid that is flat for all districts or that underutilizes equalizing formulas; 2) inequitable categorical aid; and, 3) property tax relief.

*Editor's Note: These and other funding factors that have a negative impact on rural schools are discussed in more detail in the RSFN Special Series, "Characteristics of Strong Rural Finance System." The series reviews ten characteristics of state funding systems that support rural schools and their unique circumstances and needs. You can find links to all ten installments in the series [here](#). The CAP report underscores many of the principles delineated in that series.*

**Flat or under-equalized formulas.** Many states, like North Carolina, allocate state funding to districts that don't need high levels of state support to fund schools adequately. North Carolina's entirely unequalized formula essentially provides block grants to districts on a per pupil basis and does not address student need or local capacity. The state does have other small low wealth district cost adjustments that are added on top of the basic formula, but they are not significant enough to make much difference.

State formulas that rely on unequalized per pupil allocation methods generally reflect the political influence of wealthier districts and are very difficult to disrupt. Usually any changes to the formula include a minimum aid provision or hold-harmless clauses so that wealthier districts do not lose state aid. Such provisions guarantee that inequities will persist.

Another disequalizing factor is the use of Average Daily Attendance (ADA), rather than Average Daily Membership (ADM), to determine the student count for the district. ADA, which Missouri uses, punishes high-poverty districts, where low-income students face more challenges to attendance, by under-counting enrollment.

**Inequitable categorical aid.** Many states operate several formulas at once. Usually this means there is a general aid formula plus additional categorical aid. Categorical aid is generally distributed through formulas or weights for certain groups of students or for special programs like a reading or science initiative targeted to schools where achievement is lagging.

Baker finds that categorical aid also contributes to inequity when it is not adjusted for local capacity or the specific circumstances of districts. For example, states may provide additional funding for low-income students. However, if low-income student weight is the same for districts with low and high poverty rates, the weight is inequitable. Or, if the weight is the same for high-wealth districts with strong ability to raise local revenues, it is inequitable to low-wealth districts.

States also punish poor districts through funding mechanisms that set a floor or cap for categorical aid. For example, some states assume the percentage of special education students is the same in every district. Categorical aid can be progressive if targeted to legitimate need. However, if state aid does not account for *both* need and circumstances, it promotes inequity.

**Property tax relief.** Targeted tax relief can also work to benefit districts that have the greatest local fiscal capacity, often by reducing tax on expensive houses and properties. Baker refers to this dynamic as “unequalization aid.”

Ideally, state aid formulas offset funding inequities that arise as a result of differing property values and the resulting differences among school districts in their abilities to generate local revenue through property taxes.

However, the report notes that in many states, including New York and Texas, property tax relief has ultimately enriched wealthy districts. This can occur in several ways. For example, when states cap property tax rates, or yields, and make up the difference with state aid, wealthy districts essentially get what amounts to a state subsidy. Sometimes such subsidies have the effect of re-distributing state aid from lower wealth to higher wealth districts. Some states, including Missouri, have initiated sales-property tax exchanges. These have the same effects as property tax relief if funds from sales tax revenues are not distributed progressively and when sales revenues fall short of projections.

### **Disparity in local revenue**

Sean Corcoran, who authored the report’s second chapter, reviews the role of local revenue in disparities among districts. He concludes that inequities result less from disequalizing factors in state aid than from the failure of state formulas to address disparity in property values.

The report finds that in the six example states, districts rely heavily on property taxes for the local share of education. Moreover, property taxes are negatively related to poverty and disproportionately contribute to inequity. Corcoran notes that it is possible to offset property tax variances with a progressive system of state aid, but these six states do not.

In Illinois, for example, the formula relies heavily on local funding, and almost all districts tax at rates higher than the minimum level required to receive state aid.

In Missouri, high poverty districts receive much less revenue than low poverty districts, even though the state allows districts to collect revenue from several local sources.

North Carolina’s high poverty districts also collect special and supplementary taxes in addition to property taxes. Even so, their revenues fall far short of those in property wealthy districts. This means low wealth districts have far less ability than high-wealth districts to supplement the salaries of teachers and school leaders.

New York has wide disparities in local tax rates and expenditures, and these are not mitigated in the state aid formula. In addition, New York’s tax relief program also benefits high wealth districts. A forthcoming property tax cap will further harm low wealth districts, many of which tax themselves at high rates. The cap will require a supermajority vote to override.

In Pennsylvania, school revenues are closely tied to local wealth. Resulting inequities are intensifying as the state share of education funding is decreasing.

Texas districts tax themselves at very high rates. But high-wealth districts produce higher yields for their efforts, meaning they can tax property at lower rates and still generate significant revenue.

Corcoran’s findings confirm previous findings that heavy reliance on local property taxes for school funding is a

significant source of inequity

### **Policy recommendations**

Baker makes several specific policy recommendations. These include utilizing an equalizing formula for as much state aid as possible; eliminating property tax relief/subsidies that enable higher spending in already-wealthy districts; and reducing “outside the formula” spending such as categoricals that are not adjusted for student or district circumstances. Baker also recommends that policymakers and advocates examine their formulas to identify “stealth” sources of inequity, including politically protected funding streams.

Baker suggests that in severe cases, such as North Carolina, where there is little effort to target funding to need, federal agencies should intervene. Another CAP report released in August also implicates federal action. That report, [“Students of Color Still Receiving Unequal Education,”](#) demonstrates that inequities fall largely along racial lines.

Corcoran makes few specific policy recommendations regarding the overreliance on property taxes, but he cites New Jersey and Ohio as examples of funding systems that mitigate inequity driven by property tax disparities with progressive state aid systems.

Inexplicably, Corcoran closes his chapter with a call for district consolidation in Illinois, Pennsylvania, New York, and Missouri as a method for reducing inequity. However, he cites no evidence to support this strategy. The recommendation is particularly hard to understand given that North Carolina, one of the most highly consolidated states in the country is, as noted in this report, also one of the most inequitable. In addition, the consolidation recommendation fails to account for funding inequities among schools within the same district as documented in the CAP report, [“Funding Education Equitably.”](#)

“The Stealth Inequities of School Funding: How State and Local Finance Systems Perpetuate Inequitable Student Spending” is an important follow-up to other work in which Baker has documented that inequitable and inadequate school funding are at the root of many other educational inequities.

In his blog, School Finance 101: [Inexcusable Inequalities!](#), Baker says, “the bottom line is that equitable and adequate financing of schools is a necessary underlying condition for everything else.” And, in the post [“School Funding Myths”](#) he writes that it is possible to “show that state school finance reforms matter. Shifting the level of funding can improve the quality of teacher workforce and ultimately the level of student outcomes and shifting the distribution of resources can shift the distribution of outcomes.”

See the RSFN Special Series, [“Characteristics of Strong Rural School Finance Systems”](#) for more information on the characteristics of state funding systems that support rural schools.

*Read more:*

Read the report here:

- [www.americanprogress.org/issues/education/report/2012/09/19/38189/the-stealth-inequities-of-school-funding/](http://www.americanprogress.org/issues/education/report/2012/09/19/38189/the-stealth-inequities-of-school-funding/)

Coverage here:

- [www.huffingtonpost.com/2012/09/20/state-and-local-school-funding\\_n\\_1898225.html](http://www.huffingtonpost.com/2012/09/20/state-and-local-school-funding_n_1898225.html)

## **Most States Still Cutting Education According to Center for Budget and Policy Priorities Report**

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

Thirty-seven states have cut funding since the 2008 fiscal year, according to a report from the Center for Budget and Policy Priorities (CBPP). And most states are continuing to slash education budgets.

The report, “New School Year Brings More Cuts in State Funding for Schools,” finds that thirty-seven states are cutting funding again this year. Among those, seventeen have cut school funding by 10% or more over the last four years. Three states — Oklahoma, Alabama, and Arizona — have cut school funding by more than 20%. Only thirteen states have seen any increase in education funding since the 2008 fiscal year.

The impact of cuts on local districts has been widely reported. Analysis shows that the cuts disproportionately impact school districts with high populations of students living in poverty.

Schools and districts have cut 328,000 jobs nationally since July 2008. The loss of education jobs as a result of these

funding cuts has prolonged the recession, according to CBPP report.

A combination of factors contributed to the losses for schools, including depressed state revenue, rising costs of education, a lack of political will to increase revenue, and the expiration of federal emergency aid for schools.

*Read more:*

Link to the full report:

- [www.cbpp.org/cms/index.cfm?fa=view&id=3825](http://www.cbpp.org/cms/index.cfm?fa=view&id=3825)

## **Georgia Districts Nearing Insolvency, But Funding Commission Recommends Only Minor Changes**

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

More than \$4 billion in "austerity" cuts have been made to Georgia's K-12 education budget in the last four years. In response, schools have cut more than 4,000 teaching jobs as well as programs, services, and supplies. So many school districts are catastrophically strapped for cash that the state has issued a blanket waiver on class size and length of school year. Under the waiver, many districts have reduced the number of days they hold school and increased the number of students in each class. Some districts have consolidated in an effort to save money, but those districts have seen dropout rates rise as a result of hours-long bus rides.

Even with these "cost savings" measures, five small rural districts began the school year with negative cash balances. Some districts are operating on loans, which banks seem increasingly unwilling to renew without evidence that districts will be able to repay them. And it's not clear how these schools will continue to operate or how many more districts will soon join their ranks. Experts say this is the worst situation for schools since the Great Depression.

Yet when the State Education Finance Study Commission released its recommendations earlier this month, it suggested only minor increases in funding for computers, teacher training, buses, counselors, and psychologists. The legislature will decide whether to follow the recommendations. The Commission opted not to address teacher salaries, class sizes or other major issues, citing a lack of revenue for such an overhaul.

There's another twist to this story. A November ballot measure asks voters to change the charter school law. If approved, a new charter commission could overrule districts and the state (which can already authorize charters) to establish charter schools. Those charter would receive per pupil state funding as well as local money from the district. Critics say the amendment wording is misleading and fails to indicate the budget impact on local schools. The amendment reads: "Shall the Constitution of Georgia be amended to allow state or local approval of public charter schools upon the request of local communities?"

This past year the legislature nearly doubled its per-pupil funding for charter schools, money which will go to state-approved charters no matter what voters decide this fall. Under this provision, some charter schools would receive two and a half times the per pupil funding of regular schools; and virtual charters would receive about twice as much per pupil, according to an analysis by the Georgia State Superintendents Association.

Georgia has not updated its funding formula since 1986, and the formula has never been fully funded by the Legislature. The Commission was created by the Legislature in 2011 to review the method of funding schools and includes gubernatorial appointments along with legislative and education agency staff.

A similar committee disbanded in 2006 without releasing recommendations.

*Editor's note: see previous RSFN coverage on Georgia charter debate [here](#).*

*Read more:*

Local coverage:

- <http://chronicle.augusta.com/news/government/2012-09-05/georgia-studies-public-school-funding-changes?v=1346875824>
- <http://chronicle.augusta.com/news/education/2012-09-20/few-changes-ga-school-funding-formula?v=1348126190>
- <http://jacksonville.com/news/georgia/2012-09-05/story/panel-georgia-education-funding-no-big-changes-tweaks-here-and-there>
- <http://savannahnow.com/news/2012-09-10/school-funding-commission-avoids-major-factors>

Coverage on latest impacts of underfunding on rural districts:

- <http://jacksonville.com/news/georgia/2012-09-15/story/tight-budgets-begin-busting-some-georgia-school-districts>

Website of the Commission:

- [www.doe.k12.ga.us/Finance-and-Business-Operations/Financial-Review/Pages/State-Education-Finance-Study-Commission.aspx](http://www.doe.k12.ga.us/Finance-and-Business-Operations/Financial-Review/Pages/State-Education-Finance-Study-Commission.aspx)

## South Carolina Rural Districts Hear Familiar Refrain in Court

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

South Carolina plaintiff rural districts in the *Abbeville* school finance case were told they should ask to be consolidated, that they spend too much on administration, that they should be satisfied with an underfunded property-sales tax swap, and that although they may be suffering as a result of chronic fiscal starvation, there may be nothing a court can do about it.

Chief Justice Jean Toal interrupted the opening arguments of the plaintiffs' attorneys by questioning why plaintiff districts already get higher-than-average financial support from the state. She suggested consolidation should be a remedy and questioned why the districts hadn't asked to be consolidated. The plaintiff districts are "too small and spend a lot of resources on duplicative administration," she said. "There's no good reason for it, is there?"

Despite the onslaught of criticism and blame, lawyers for the districts countered that high rates of academic failure, teacher turnover, and absence of other needed supports demonstrates that the state is not providing the districts' students even the constitutionally-required "minimally adequate" education. "The state has systematically segregated our poorest, African-American children into rural ghettos," plaintiff attorney Steve Morrison argued, "and after doing so, has systematically refused to provide funding for them."

The court ordered a rehearing after four years of silence following oral arguments in 2008. (See *previous RSFN coverage* [here](#).) Since then, two new justices have joined the court.

Attorneys for the state argued that South Carolina has a revamped testing system and that many of the facilities presented as evidence in earlier stages of the trial have been replaced or repaired.

Attorneys for the districts argued that state funding has been steadily declining while both poverty and failure rates among students have been rising. And, they noted that the sole remedy ordered by the trial court — increased early childhood education opportunities — was only implemented as a pilot 4-K program that has, since its inception, been underfunded and oversubscribed. Studies of the program suggest that underfunding has resulted in unqualified teachers and lack of effectiveness in raising student achievement.

The justices ultimately acknowledged that the situation in these districts is dire, but also questioned whether the court has the authority to order policy changes that could make a difference, whether the court would have to maintain jurisdiction over the case indefinitely, and whether a court should rule on the case at all.

Justice Kay Hearn, one of the newest members of the court, questioned whether the state could follow the example of Washington, where the court retained jurisdiction to keep up with the legislature's progress. (See "[Remedy Phase in Washington State](#)" for additional coverage of the *Washington* case.)

After several justices acknowledged the challenges facing the plaintiffs, state lawyers told the court they could agree with a finding of a constitutional violation, but that they would want to know the specific grounds for the finding. They also said that any remedy be left to the legislature.

*Editor's note: see previous RSFN coverage* [here](#).

*Read more:*

Local coverage:

- <http://chronicle.augusta.com/news/metro/2012-09-15/sc-supreme-court-hear-rural-school-funding-case>
- [www.heraldonline.com/2012/09/16/4266194/debate-over-minimally-adequate.html](http://www.heraldonline.com/2012/09/16/4266194/debate-over-minimally-adequate.html)
- [www.greenvilleonline.com/viewart/20120919/NEWS/309190055/Education-lawsuit-raises-questions-about-legislative-action?odyssey=tab%7Ctopnews%7Ctext%7CFRONTPAGE](http://www.greenvilleonline.com/viewart/20120919/NEWS/309190055/Education-lawsuit-raises-questions-about-legislative-action?odyssey=tab%7Ctopnews%7Ctext%7CFRONTPAGE)
- [www.thestate.com/2012/09/19/2446761/sc-supreme-court-hears-public.html](http://www.thestate.com/2012/09/19/2446761/sc-supreme-court-hears-public.html)

See a timeline of the case here:

- [www.charlotteobserver.com/2012/09/15/3532298/timeline-of-scs-education-funding.html](http://www.charlotteobserver.com/2012/09/15/3532298/timeline-of-scs-education-funding.html)

Review of 4-K funding issues here:

- <http://thenerve.org/news/2012/09/18/school-spending/>

## Florida Districts Will Have Their Day in Court

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

The Florida Supreme Court has found that a group of parents, students, and education advocacy groups can sue the state for failing to fund schools properly. Plaintiffs in the case were successful at both the trial and appeal court levels at overcoming the state's motions to dismiss the case. But, following the appeals court victory, defendants made another unsuccessful attempt to have the case dismissed by the state's highest court.

The state had argued that the court had no role in issues of school funding and education policy.

But Florida has one of the strongest state constitutional education clauses. It calls education the state's "paramount duty" and requires a "uniform, efficient, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education.

The state adopted that clause following the 1996 dismissal of the last school finance adequacy suit in Florida. The trial judge had cited those efforts in her ruling, saying that the state argument that there can be no legal challenge would "render the citizens' vote to create a new education article as meaningless."

The current case, *Citizens for Strong Schools vs. Florida*, was first filed in 2009. It alleges that the reduced share of school funding forced districts to cut programs and forego hiring qualified teachers. It also cites high rates of fighting, drug abuse, and suspension and expulsions in public schools as violations of the "safe and secure" constitutional language and claims a lack of funding for student supports and staffing are partly to blame.

*Editor's note: see previous RSFN coverage [here](#).*

*Read more:*

Local coverage:

- [www.tampabay.com/blogs/the-buzz-florida-politics/content/supreme-court-says-school-funding-lawsuit-deserves-trial](http://www.tampabay.com/blogs/the-buzz-florida-politics/content/supreme-court-says-school-funding-lawsuit-deserves-trial)

## Remedy Phase in Washington State Finance Case Moves Forward

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

Lawmakers in Washington State submitted the first of a series of reports to the state supreme court this month. The report explains what the state is doing to address the court's ruling to meet its constitutional obligation to provide enough funding for a basic education.

In January 2012, the Washington State Supreme Court found that the school funding system was unconstitutional; the court also said that it would not stand idly by while the legislature did nothing.

A July court order obligated the state to file this month's report and future reports, due sixty days after each biennial or supplemental budget through 2018. The order reiterated that the state must be in full compliance with Article IX and related legislation requiring the state to "amply" fund education by 2018. Each of the State's compliance reports must demonstrate "real," "measurable" and "steady" progress toward meeting that deadline.

Uniquely, the state high court is communicating directly with the Legislature rather than designating a court monitor or other referee. The legislature formed the Joint Select Committee on Article IX Litigation specifically to communicate with the court. The bipartisan group unanimously submitted the first report, largely a recap of the case and overview of the state's funding system.

The Committee's report also highlights the work of the Joint Task Force on Education Funding, which is charged with finding a "permanent and reliable" funding source to implement the mandates of Article IX. One emerging debate among members is whether compliance with the court order will require new revenue sources.

The plaintiff coalition, Network for Excellence in Washington Schools (NEWS), currently includes 193 school districts

and represents over 90 percent of Washington's public school students. The named plaintiffs are Matthew and Stephanie McCleary, parents of students living in rural Chimacum, Washington.

In related news, a lawsuit challenging Washington's supermajority law was heard by the state supreme court this month. The law, almost 20 years old, requires a two-thirds legislative majority to increase taxes or close tax loopholes. A coalition of lawmakers and education advocates filed the suit, challenging the law's constitutionality. Many in the state see the lawsuit as closely related to the outcome of the school funding case because legislators could more easily increase revenue to meet the constitutional requirements. A ruling is expected sometime before the 2013 Legislative Session.

*Editor's note: see previous RSFN coverage [here](#).*

*Read more:*

Local coverage:

- [http://seattletimes.com/html/education/2019087234\\_education07.html](http://seattletimes.com/html/education/2019087234_education07.html)
- [www.theolympian.com/2012/09/12/2248134/school-spending-report-almost.html](http://www.theolympian.com/2012/09/12/2248134/school-spending-report-almost.html)
- [http://seattletimes.com/html/education/2019087234\\_education07.html](http://seattletimes.com/html/education/2019087234_education07.html)
- [www.theolympian.com/2012/09/18/2255334/task-forces-1st-k-12-funding-report.html](http://www.theolympian.com/2012/09/18/2255334/task-forces-1st-k-12-funding-report.html)

Website of the plaintiff coalition, Network for Excellence in Washington Schools (NEWS):

- [www.waschoolexcellence.org/](http://www.waschoolexcellence.org/)

Earlier coverage of this summer's order:

- [http://seattletimes.com/html/localnews/2018719086\\_apwaschoolfundinglawsuit1stldwritethru.html](http://seattletimes.com/html/localnews/2018719086_apwaschoolfundinglawsuit1stldwritethru.html)
- <http://blog.thenewtribune.com/politics/2012/07/18/washington-supreme-court-decides-what-its-ongoing-monitoring-of-state-schools-funding-will-look-like/#storylink=misearch>

Coverage of the supermajority lawsuit:

- [www.theolympian.com/2012/09/23/2261123/lawmaker-wash-state-tax-lawsuit.html](http://www.theolympian.com/2012/09/23/2261123/lawmaker-wash-state-tax-lawsuit.html)

## **Kansas Districts Make Final Arguments**

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

A three-judge panel in Kansas heard closing arguments in the *Gannon* school funding lawsuit in late August. The arguments were presented more than eight weeks after testimony in the trial ended.

Lawyers for the 54 plaintiff school districts argued that costs and requirements have gone up while funding has gone down. But the state's attorney said that the 16% cuts to education in recent years are "insignificant" and that funding the schools at levels authorized by the legislature under a previous court order would have a "disastrous effect on the economy." He also characterized potential court actions on the case as "acting like a super Legislature."

When one of the judges asked how the legislature could enact tax cuts estimated to cost the state \$2.5 billion in revenues by 2018 at a time when school funding was so far below recommended levels, the state's lawyer answered the court should not get involved in budget and tax decisions.

The state had argued that a "suitable" education was demonstrated when schools met accreditation standards. But plaintiff attorneys used the number of students failing reading and math assessments as evidence that the standard was not being met. Notably, Kansas was one of the states that received a waiver from No Child Left Behind this summer.

Dr. Bruce Baker, author of the CAP report also featured in this month's RSFN, served as an expert witness for the plaintiffs in this case and also conducted a study of the current state of Kansas school finance.

During the last legislative session, lawmakers passed a law that dropped the state's top income tax bracket from 6.45% to 4.9%, significantly reducing projected revenues.

A decision is expected in the next several months and will likely be appealed.

*Editor's note: see previous RSFN coverage [here](#).*

*Read more:*

Local coverage:

- [www.kansascity.com/2012/08/29/3784693/arguments-concluding-in-kansas.html](http://www.kansascity.com/2012/08/29/3784693/arguments-concluding-in-kansas.html)
- [http://www2.ljworld.com/news/2012/aug/29/statehouse-live-attorneys-delivering-closing-argum/?kansas\\_legislature](http://www2.ljworld.com/news/2012/aug/29/statehouse-live-attorneys-delivering-closing-argum/?kansas_legislature)
- [www.wibw.com/home/localnews/headlines/Kansas-School-Finance-Case-Goes-To-Judges-167909825.html](http://www.wibw.com/home/localnews/headlines/Kansas-School-Finance-Case-Goes-To-Judges-167909825.html)

Plaintiff attorney website with a number of resources on the case:

- [www.robblaw.com/html/school\\_finance.html](http://www.robblaw.com/html/school_finance.html)

Report from Bruce Baker on Kansas school finance:

- [www.robblaw.com/PDFs/989816GANNONvKS.Baker.November2011.pdf](http://www.robblaw.com/PDFs/989816GANNONvKS.Baker.November2011.pdf)

## Chester-Upland District in "Recovery Status"

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

The small Chester-Union school district in Pennsylvania has reached a final settlement agreement with the state that will cover the district's debts and provide additional funding for the 2012–13 school year.

The district had sued the state in federal court claiming that mismanagement of the district by the district between 1994 and 2010 and cuts in state funding had made it impossible for the district to provide required special education services.

The district has had a long history of financial issues. These issues were made more severe when a charter school opened in the district. In Pennsylvania, local funding follows students to charter schools and districts must make allocations to charters from all non-federal grants and revenue sources. In addition, districts must pay charters twice as much funding for each special education student as the district spends on special education students in regular schools. See previous RSFN Coverage [here](#).

In August, Pennsylvania Secretary of Education Ronald Tomalis placed the district in financial recovery status and appointed Joe Watkins as chief recovery officer. Watkins is a former chairman of Students First, a controversial political action committee headed by former DC schools chief Michelle Rhee. The policy agenda of Students First includes the elimination of teacher tenure, basing teacher pay on the test scores of their students, requiring parent consent before placing students with "ineffective" teachers, changing teacher pension and benefit programs, expanding school choice, and implementing the so-called parent trigger that allows parents to turn a school over to an outside management organization. Watkins also serves as a Republican political analyst for MSNBC.

*Editor's note: See previous RSFN Coverage [here](#).*

Read more:

Local coverage:

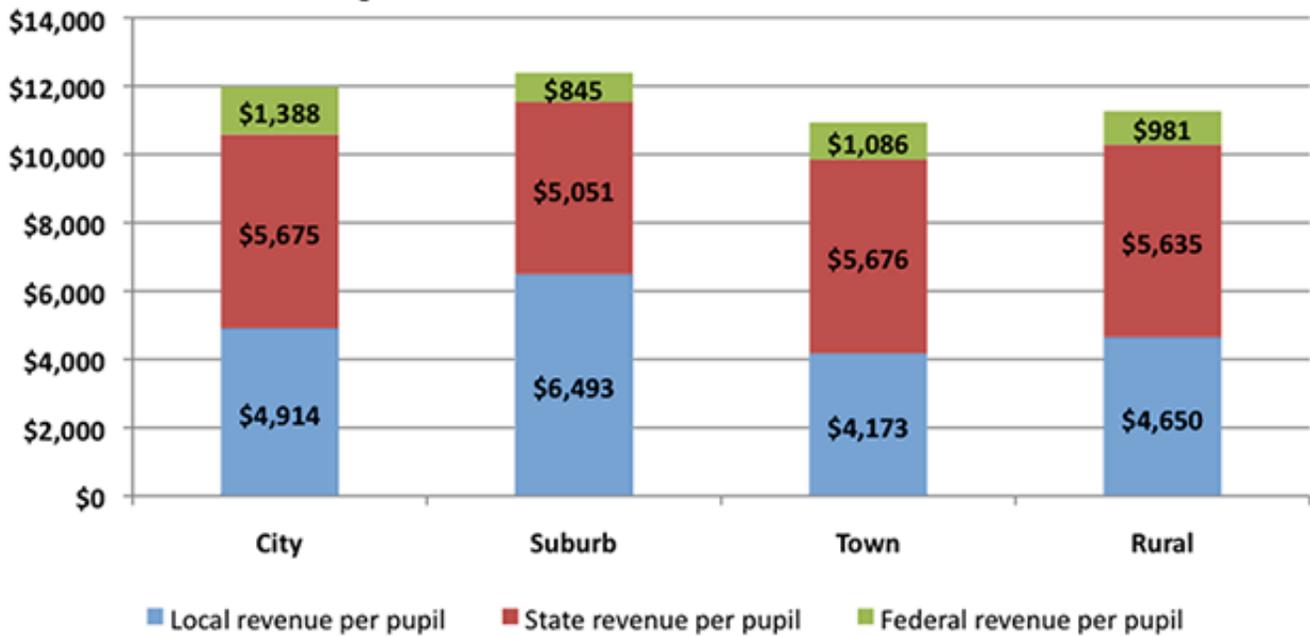
- [www.phillytrib.com/newsarticles/item/4827-tentative-settlements-in-chester-upland-lawsuits.html](http://www.phillytrib.com/newsarticles/item/4827-tentative-settlements-in-chester-upland-lawsuits.html)
- [www.delcotimes.com/articles/2012/08/16/news/doc502db7ccef9c708098325.txt](http://www.delcotimes.com/articles/2012/08/16/news/doc502db7ccef9c708098325.txt)
- [www.delcotimes.com/articles/2012/09/13/news/doc5052a32f099b2333295769.txt](http://www.delcotimes.com/articles/2012/09/13/news/doc5052a32f099b2333295769.txt)



## Local, State, and Federal Revenue per Pupil, by School District Locale: 2008-09

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

## Local, State, and Federal Revenue per Pupil, by School District Locale: 2008-09



Source: National Center for Education Statistics, 2008-09 Common Core Data. Available at <http://nces.ed.gov/ccd/>.