



Printable Edition

Note: This resource includes all articles from the August 2014 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 Percentage of Minority Students in Rural Schools

Question: Minority students make up what percentage of rural students nationwide?

Answer: 26.7%

Source: ***Why Rural Matters 2013–14.***

Vermont Stands Up, Respects Parents and Teachers

This month the state of Vermont was required to announce that all but eight of its schools are “low performing.” Those eight schools escaped the label only because they piloted an alternative state assessment last year and haven’t yet accumulated the two years of data required by the federal No Child Left Behind law to identify a school’s performance level.

Vermont has historically maintained one of the best-supported public education systems in the nation. Its students rank near the top in international comparisons of achievement. It boasts the highest graduation rate in the country. Its funding system is one of the most equitable. The fact that virtually every Vermont school is now considered low performing demonstrates the patent absurdity of the law’s test-based accountability measures.

By way of announcement, Vermont Secretary of Education Rebecca Holcombe sent a [memo](#) to Parents and Caregivers explaining why their child’s school has been declared low performing. It explains NCLB provisions and why and how Vermont is pursuing alternative approaches to ensuring that the needs of all students’ are met. It acknowledges that the state’s biggest challenge is “finding better ways to engage and support the learning of children living in poverty” and stresses that NCLB has not helped schools narrow poverty-related achievement gaps.

The memo presents a compelling, expansive, and humane vision of what a state public education system can be.

In many ways, the most startling aspect of Holcombe’s memo is its frank respect for parents and teachers, a quality in short supply in much education discourse. At three and a half pages, there’s no pandering. The memo respects the ability of adults to attend a substantive document and offers parents a set of practical questions they can consider about the quality of their child’s education. For example:

- Is your child developing the skills and understanding she needs to thrive in school and the community?
- Is your child happy to go to school and engaged in learning?
- Can your child explain what he is learning and why?
- Is your child developing good work habits? Does she understand that practice leads to better

- performance?
- Does your child feel his work in school is related to his college and career goals?

These are life and learning habits not measured on tests but inextricably related to positive lifelong outcomes. The questions honor the ability and inclination of parents to consider the needs of their children and they directly engage parents in their child's learning.

The memo concludes with a tribute to teachers and a call to rely on Vermont's strengths: "As we have done before, we intend to draw on the tremendous professional capability of teachers across the state as we work to continuously improve our schools. Our strength has always been our ingenuity and persistence. In spite of federal policies that poorly fit... Let's continue to work together to build great schools that prepare our children to be productive citizens and contributors to our society."

Well said.

Read more:

Do take a moment to read Rebecca Holcombe's insightful and inspiring memo:

http://education.vermont.gov/documents/EDU-Letter_to_parents_and_caregivers_AOE_8_8_14.pdf

Summer Crop of Finance Studies

This summer has seen the release of several studies on school finance. The studies find correlations between spending on education and outcomes for students, especially low-income students. Although none of the studies discussed here focus on rural schools, their findings are relevant for rural places, students, and schools.

In this *RPM* review, we will look at several studies in terms of their overall findings and their implications for rural schools.

Spending matters, especially for low-income children

One of the more hotly debated issues in school finance is whether the level of spending makes a difference. It can be a tricky question. Opponents of school funding increases often argue that the level of funding makes no real difference to student outcomes. But that argument loses ground when it is applied to efforts to make funding more equitable between high- and low-spending districts, primarily because high-spending districts are generally loathe to reduce spending and risk student outcomes. They often fight equalization efforts that would reduce the amount of funding they receive from the state or their ability to provide as much local funding as they wish.

Several recent reports tie funding levels to outcomes.

The personal finance website [WalletHub](#) ranked state education systems on a number of factors in their report [2014's States with the Best and Worst School Systems](#). The rankings find some correlations between spending and outcomes on achievement, safety, and other factors, with higher spending states generally achieving better outcomes than lower spending states.

The most extensive of the studies is the [National Bureau of Economic Research](#) working paper, [The Effects of School Finance Reforms on the Distribution of Spending, Academic Achievement, and Adult Outcomes](#). This paper examines the impact of education spending shifts on educational attainment and long-term earnings of students affected by funding shifts.

The NBER paper finds that increases in spending on education for low-income children are not just correlated with improved outcomes; increased spending has a *causal* effect on outcomes. This is an important statistical finding.

Our results indicate that for children from poor families, increasing per-pupil spending by 20 percent for a child's entire K-12 schooling career increases high school completion by 22.9 percentage points, increases the overall number of years of education by 0.928, increases adult earnings by about 24.6 percent, increases annual family income by 52.2 percent, and reduces the incidence of adult poverty by 19.7 percentage points. All these effects are statistically significant and are robust to a rich set of controls for confounding policies and trends. The magnitudes of these effects are sufficiently large to eliminate between two-thirds and all of the gaps in these adult outcomes between those raised in poor families and those raised in non-

poor families. (p 44)

The paper does not find a similar effect of increased education spending for non-poor children.

Class and school size count

One of the reasons that spending has been controversial is that it has been difficult to determine exactly where spending makes a difference.

The [Center for American Progress](#) (CAP), which released three school finance papers this summer, examined the issue in two issue briefs. [Parallel Lives, Different Outcomes](#) compared “twin districts,” that is demographically similar districts in the same state, in terms of spending and outcomes measured as achievement on math and reading tests.

The paper found that some districts have much more local funding to invest than others, primarily because of variations in local property wealth. It also found that some districts get “a bigger bang for their education buck than others.” This finding is consistent with those reported in CAP’s [Return on Education Investment: 2014](#).

Parallel Lives notes that it is difficult to sort out with available data which educational investments are most productive. For one thing, the paper acknowledges that its approach to productivity (math and reading scores) is a “very limited view of student outcomes.” For another, it was not possible to explore how districts differ in the programs and services they provide or in the classroom effectiveness of their teachers. Further, several district administrators reported that they have little flexibility in how they spend available funding.

Return on Education Investment: 2014 makes recommendations about how states and multi-state initiatives might begin to track and fund “productive” practices by generating new performance metrics, offering targeted grants and assistance teams, and working to build smarter and fairer school funding approaches.

The NBER paper also notes the difficulty of parsing out the effects of different types of spending on outcomes. It found that increases in spending were roughly proportional to allocation of funds on average, “suggesting that schools simply increased spending in all categories with little effect on the allocation of funds across categories.”

Despite these difficulties the NBER paper notes that “increases for instruction and support services (which includes expenditures to hire more teachers and/or increase teacher salary and also funds to hire more guidance counselors and social workers) are consistent with the large positive effects for those from low-income families.”

In addition, the NBER paper found that “Districts that experience a 20 percent increase in spending due to reforms see reductions in student-to-teacher ratios and school size. Both of these have been found to benefit students in general, with large effects for children from disadvantaged backgrounds.” The paper also notes that these districts reduced administrator and counselor-to-student ratios, mechanisms found in other studies to improve student incomes.

Inequalities in local wealth and implications for finance systems

CAP’s third recent school finance paper, [America’s Most Financially Disadvantaged School Districts and How They Got that Way](#), explores the roots of inequities in funding and outcomes in the nation’s schools. It identifies the primary cause as “disparities in taxable property wealth.” These inequities arise for a variety of reasons beginning with the reality that some communities are quite wealthy and some are quite poor.

Four further conditions are identified as making matters worse. These include school finance formulas that fail to correct and sometimes worsen inequities, local tax and budgeting decisions and policies, housing segregation, and demographic shifts.

While the paper focuses on urban school districts, some of its recommendations for addressing inequities would also benefit rural districts, particularly those recommendations that directly address significant disparities in property wealth.

Many rural districts have few high-value commercial, industrial, or residential properties. As a result, even relatively high levels of taxation cannot yield significant revenues. The CAP paper proposes several remedies that might help both urban and rural low-wealth districts. One of these is to tax most commercial and industrial property primarily at the state rather than local level, helping to equalize revenues across localities. Another proposed remedy would redress tax policies that effectively codify pre-existing inequities.

All the reports, in one way or another, point to the need to bring greater equity to the nation’s education

funding and to ensure that all children, regardless of where they live, have access to the educational resources necessary for adult opportunity.

The NBER paper states it this way: "The results [of this research] ... highlight how improved access to school resources can profoundly shape the life outcomes of economically disadvantaged children, and thereby significantly reduce the intergenerational transmission of poverty."

Read more:

Links to referenced papers:

Wallethub

<http://wallethub.com/edu/states-with-the-best-schools/5335/>

National Bureau for Economic Research

www.nber.org/papers/w20118

Center for American Progress

www.americanprogress.org/issues/education/report/2014/07/09/93127/parallel-lives-different-outcomes/

<http://cdn.americanprogress.org/wp-content/uploads/2014/07/ROI-report.pdf>

www.americanprogress.org/issues/education/report/2014/07/09/93201/americas-most-financially-disadvantaged-school-districts-and-how-they-got-that-way/

North Carolina Vouchers: Unconstitutional

North Carolina's school voucher program cannot move forward, according to Wake County Superior Court Judge Robert Hobgood.

The voucher program, dubbed the Opportunity Scholarship Act, already has a complicated legal history.

Grounds for the ruling

Judge Hobgood found the voucher program unconstitutional on a number of grounds, including that the program appropriates to private schools taxpayer funds that should be used exclusively to establish and maintain a uniform system of free public schools. Hobgood also found that the program allows funding to non-public schools that discriminate on religious grounds.

The voucher program is part of a broad package of education the North Carolina legislature began passing in 2012 after Republicans won the Governor's race and super-majorities in both houses. Legislation also cut funding for public schools, removed tenure protections for teachers, expanded charter schools and reduced their accountability, and took several oversight authorities from the State Board of Education.

In 2013, the state budget allocated \$10 million for Opportunity Scholarships, worth \$4,200 a year per eligible student to attend private schools. Private schools were not required to admit students, to offer services, to meet curriculum or achievement standards, or to set basic standards for teachers and administrators.

Several of these latter aspects of the program are also referenced in the ruling. Hobgood found that the program appropriates taxpayer funds to schools that lack standards, curriculum, and certification requirements for teachers and principals. In addition, he found that the program appropriates educational funds outside the supervision and administration of the state board.

Further, Hobgood found that the program appropriates education funds in a manner that does not accomplish a public purpose, that it creates a non-uniform system of education; and that it siphons money from public schools in favor of private schools.

Hobgood refused to stay the ruling, meaning it will be in effect while the case is appealed.

Sources of funding, contentious history

The initial lawsuit against the Opportunity Scholarship program—brought by the North Carolina Association of

Educators, the North Carolina School Boards Association, and the North Carolina Justice Center—challenged the constitutionality of the program.

In February of this year, Hobgood issued a preliminary injunction halting the program. In March, House Speaker Thom Tillis and Senate President Pro Tem Phil Berger asked North Carolina Attorney General Ray Cooper to appeal the injunction, a request Cooper refused.

But a group of parents, represented by the out-of-state firm Institute for Justice, intervened. They maintained they would be harmed by a delay in the program. In May, the State Supreme Court overturned the temporary injunction.

In an apparent attempt to head off questions about the use of public education dollars for non-public schools, the voucher law was amended over the summer. The \$10 million in funding the program was returned to the education budget and replaced with \$10 million from the state's General Fund. The legislation included language stating that this money was not to be considered funding from the state.

Constitutional rights for low-income children

Hobgood directly addressed the funding question in two important ways. First, he noted that the state's statutes contain no provision for voucher funding to come from any source except taxpayer funds, despite language in the voucher legislation claiming otherwise.

Secondly, Hobgood tied the voucher case directly to *Leandro*, the long-running school finance lawsuit brought by a group of rural school districts. The *Leandro* rulings affirm the state's constitutional requirement to provide a sound basic education to all children attending North Carolina's public schools.

Hobgood said that the voucher program effectively removes *Leandro* protections by providing state funding for schools that are not required to meet standards of quality and accountability. He went so far as to charge that low-income students might be pushed out of public schools: "It appears to this court that the General Assembly is seeking to push at-risk students from low income families into non-public schools in order to avoid the cost of providing them a sound basic education in public school as mandated by the *Leandro* decision."

The ruling will likely be appealed.

Read more:

Local coverage:

www.ncpolicywatch.com/2014/08/21/nc-school-vouchers-ruled-unconstitutional-state-must-retrieve-distributed-funds/

www.newsobserver.com/2014/08/21/4086127/judge-finds-nc-voucher-program.html

www.charlotteobserver.com/2014/08/21/5119730/nc-private-school-vouchers-ruled.html

The video of the ruling:

www.wral.com/news/state/nccapitol/video/13911824/

Background on recent North Carolina education policy:

www.ruraledu.org/articles.php?id=3109

NCLB Requirements Come Due

The federal elementary and secondary education law that has shaped policy for nearly a generation is scheduled to culminate this school year with highly qualified teachers in every classroom and every single child in the nation scoring proficient or higher on state reading and math tests.

Schools where even one child misses the mark are to be labeled as failing and subjected to onerous sanctions intended to prod teachers into doing a better job. Sanctions for districts and states that failed to ensure that all teachers are highly qualified (defined in the law as having passed a rigorous content exam or earned a college major in all subjects they teach) have never been quite so clear. Nor have consequences for states and districts that fail to ensure that low-income and minority children are taught by highly qualified teachers at the same rate as their more affluent peers.

The Obama administration met the statistical impossibility of the testing provisions—no matter how well a school teaches there will be kids somewhere in every state who don't feel well on testing day, who don't speak English, who struggle with severe learning disabilities, whose families are in crisis—with a set of waivers. Basically states could opt out of the 100% proficiency requirements if they agreed to take other measures, including rate teachers on the basis of their students' test scores and focus improvement efforts on the lowest-performing schools.

Most states took the waivers and began a flurry of activities to develop new teacher evaluation tools, effectively raising the stakes for student test scores and pinning scores squarely—and sometimes solely—on the teachers in the classroom, despite overwhelming evidence that teachers have relatively little influence on students' standardized test scores. Other factors, especially those related to poverty and parental educational level, have a much larger effect on scores.

As a result waiver states are spared the embarrassing task this fall of falsely declaring all their schools failures.

A few states, including Vermont, however, refused the waivers. This month Secretary of Education Rebecca Holcombe wrote a memo to parents and caregivers explaining why Vermont refused the waiver, why the state is compelled to declare every Vermont public school a failure—something she eloquently disputes, and suggesting questions parents should ask about the quality of their child's school. It's a moving and informative letter you can read [here](#). You can read *RPM* coverage [here](#).

Teacher quality

While federal policy has shifted its definition of teacher quality from qualifications (college degree and exam) to student test scores, it has largely ignored the NCLB requirement that all students have equal access to highly qualified teachers. That's unfortunate.

In ignoring enforcement of the equity provision, the U.S. Department of Education has made it easy for states to ignore one of the most important components of educational opportunity in high-poverty districts: funding equity.

Funding levels in American school districts vary widely across the nation and within states. See [Summer Crop of Finance Studies](#) in this issue of *RPM*.

School funding levels have a direct effect on teacher recruitment and retention. Districts with low funding levels generally pay teachers less than teachers in districts with higher per pupil funding and have a harder time holding on to teachers once they hire them.

Further, teachers in poorly funded districts have fewer material, equipment, and technology resources; they often have larger classes; work in less comfortable and supportive facilities; experience less support in the form of appropriate professional development and collaboration with a stable faculty of colleagues; and their students bring many more learning and personal challenges to the classroom, often taxing teachers' own personal and financial reserves. All of these factors create disincentives for teachers to seek employment and remain in high-poverty districts.

There is well-documented data that students who attend high-poverty and high-minority schools have less access to a full curriculum and are more likely to be taught by inexperienced and out-of-field teachers. And there are long-established patterns in many high-poverty schools of teachers transferring to more affluent districts where supports are stronger and higher test scores easier to achieve.

The relatively new provisions to raise testing stakes only intensify this pattern. When teacher tenure, pay, opportunity for advancement, and professional credibility are tied to a single student measure, especially one that primarily reflects student background, many teachers are forced to pursue opportunities in districts where most students will score well no matter what the teacher does. The effect is to undermine equity.

This month Secretary of Education Arne Duncan announced the [Excellent Educators for All Initiative](#). The initiative requires states to submit an Educator Equity plan by April. (See the letter to chief state school officers [here](#).) The initiative includes \$4.2 million for a technical assistance network to help states and districts develop and implement plans, and it promises data to states to help them assess where they are.

It's not the first time states have been asked for teacher equity plans. The original NCLB law required states to ensure equitable distribution nearly a decade ago. But many states have yet to submit a plan and there's little evidence of states taking actions to address the major issues affecting where teachers practice or how teachers are supported in the most challenging schools.

It will be interesting to see what states propose and how the Department enforces these important provisions of the federal education law.

RPM hopes that other states will pay attention to Rebecca Holcombe's leadership in Vermont and to recent research proving the importance of equitable school funding in achieving good outcomes for low-income students. More importantly, we hope states will take actions that will actually make a difference, ensure schools have the resources they need, support teachers so they can do their best work no matter where or whom they teach, and give every kid a fighting chance. When that happens we can begin to put meaning into the words *no child left behind*.

More from the Rural Trust

[Why Rural Matters
2013–14](#)

[Consolidation
Fight-Back Toolkit](#)

[Global Teacher
Fellowship](#)



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