



Printable Edition

Note: This resource includes all articles from the February 2011 Rural Policy Matters newsletter.

Facts and Figures About States With Funding Parity in Rural School Districts

Question: In which ten states do funding levels vary the *least* between rural districts? In other words, in which states are rural schools most likely to have about the same amount of funding as other rural schools?

Answer: Delaware, Arizona, Kentucky, Tennessee, West Virginia, Alabama, Wisconsin, Pennsylvania, Georgia, and Maryland.

It is important to note that many of these states have some of the most poorly funded rural schools in the nation. The fact that there's not a lot of variation among districts is often because nearly all rural schools lack adequate resources.

For more information about "equity," which provides fairly similar levels of fiscal support targeted to relative levels of student need, and "adequacy," which provides sufficient funding to offer a high-quality education, read "[Equity and Adequacy in School Funding](#)" in the January edition of *RPM*.

New Report Finds Consolidation More Likely to Yield Harm Than Benefit

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

A report released this month offers the most comprehensive analysis of research on school and district consolidation to date. The highly readable report, "[Consolidation of Schools and Districts: What the Research Says and What It Means](#)" presents information useful to both community residents and policymakers. It also includes a detailed bibliography helpful to anyone seeking research evidence on a variety of issues related to this highly pertinent topic.

The report finds that in many places schools and districts are already too large for fiscal efficiency or educational quality and that "deconsolidation is more likely to achieve substantial efficiencies and yield substantial improved outcomes" (p 11). Any consolidation or deconsolidation should be carefully considered on a case-by-case basis.

The report also finds that claims about the financial and educational benefits of widespread consolidation are not supported by contemporary research and are usually based on "dangerous oversimplifications."

Key Issues

Consolidation, especially district consolidation, is often proposed as a policy initiative during economic downturns. The current context is no exception.

"Consolidation of Schools and Districts" looks at the issue from several key perspectives, beginning with a definition of what consolidation entails. A brief historical analysis of consolidation's early history, goals, and proponents helps frame an interpretation of the research and provides perspective on current consolidation initiatives.

Particularly interesting is the report's description of "econometric" research; that is, research that focuses on the

economic aspects of consolidation. Unlike studies of school quality, economic research looks only at fiscal outcomes and does not factor in issues like student and parent participation or community support, important educational matters that cannot be easily quantified in dollars. Nor does most of the econometric research account for the negative effects of consolidation documented in research on school quality — effects like more dangerous school environments, lower graduation rates, lower achievement for low-income students and wider achievement gaps. Nevertheless, this research finds that “financial claims about widespread benefits of consolidations are unsubstantiated by contemporary research about cost savings” (p 11).

One recent study discussed in “Consolidation of Schools and Districts,” however, does directly link the effects of changes in elementary school size to student achievement. It found that increasing the size of Indiana elementary schools led to significantly lower student achievement and predicted future economic costs that outweighed any potential savings.

Another important section of the report focuses on the “experience” of consolidation by students, families, school leaders/proponents, and communities. Students and families in schools that are closed are more likely to experience harm than are students and families in schools that “receive” students from consolidated schools, report the authors.

The most dramatic effect of school and district consolidation is often on communities. “Put simply, the loss of a school erodes a community’s social and economic base — its sense of community, identity and democracy — and the loss permanently diminishes the community itself, sometimes to the verge of abandonment” (p. 9).

This effect is particularly strong in low-wealth communities. “Specifically, low-wealth and minority populations tend to be inordinately and negatively affected by consolidation initiatives. Consolidation proposals involving low-wealth and minority communities especially need to be carefully reviewed, with community participation strongly cultivated. Similarly, any deconsolidation should be done with an eye toward enhancing community and family well-being in poor and minority communities” (p. 10).

The report concludes with recommendations, including specific suggestions for alternatives to consolidation for improving fiscal efficiency or educational services.

“[Consolidation of Schools and Districts: What the Research Says and What It Means](#)” is a must-read for anyone interested in understanding key aspects of successful schools as well as for anyone interested in consolidation issues.

The report, “Consolidation of Schools and Districts: What the Research Says and What It Means” was authored by Craig Howley, Jerry Johnson, and Jennifer Petrie and released in February by the [National Education Policy Center](#), Boulder, Colorado. It is also available at <http://nepc.colorado.edu/publication/consolidation-schools-districts>.

Rural Students Deserve Fairness

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

“One-third of American children attend school in rural or small towns, but we overlook their needs and fund their schools poorly,” reads the sub-heading of a *Phi Delta Kappan* article by Rural Trust Policy Director Marty Strange. The article, “Finding Fairness for Rural Students,” is featured in the March issue of *Phi Delta Kappan* magazine. The article is one of several devoted to rural education. Strange will also be interviewed in a free *Kappan* webinar on March 24th. Click [here](#) for more information about how to access the webinar.

“Finding Fairness...” notes that although a national statistical profile of all rural students is close to a national average on many variables, “national averages mean very little in a rural context.” For example, if the 10% of rural and small town districts with the highest rates of disadvantaged students were one school district, “it would be the largest, poorest, most racially diverse district in the nation.”

But these high-poverty, low-wealth rural districts are dispersed across the nation and concentrated south of a line running from Washington, D.C., through Cincinnati, Kansas City, Denver, and Sacramento. Therein lies the source of two primary challenges for rural education. “Dispersion and poverty are two of the most virile enemies of political power, and where they coincide, they leave in their wake some of the most meagerly funded schools in America,” writes Strange.

Much of “Finding Fairness” is devoted to exploring the links between geographic dispersion, poverty, and political power and the vulnerabilities that these circumstances create for rural schools and their students, especially vulnerabilities related to school finance and consolidation.

“In far too many states, funding systems have been crafted that systematically deprive rural schools, especially those in low-wealth regions, of the fiscal capacity to provide an education that meets contemporary standards,”

Strange notes. It is not surprising that the majority of school finance lawsuits have been filed by rural plaintiffs.

Poor finance conditions are one of the factors that leave rural schools and school districts vulnerable to forced closure through consolidation, particularly through what Strange calls "fiscal asphyxiation." And, although consolidation has not been shown to offer significant cost savings and has been shown to harm students and communities, many states nevertheless incentivize or mandate it. The impact is not uniform across rural communities: poor communities are especially vulnerable from a fiscal standpoint. And, Strange writes, "mandated consolidation is always forced on the politically most vulnerable schools — those that serve low-wealth communities, especially communities of color."

Finally, "Finding Fairness" illustrates how federal programs, particularly the Title I program, which provides additional funding for very low-income students, also fails to address the needs of rural schools in an equitable way. The program, as currently formulated, provides more funding for low-income students in larger districts, regardless of poverty rate, than it does for smaller districts with very high poverty rates, essentially shifting resources away from many of the poorest districts in the nation and into larger, wealthier districts.

"With one-third of U.S. public school students in rural or small-town schools, some of them in the poorest communities in the nation, the needs of these schools can be ignored only by dropping the pretext that the education of every child matters," Strange writes in conclusion.

"Finding Fairness for Rural Students" appeared in the February issue of Phi Delta Kappan, February 2011 vol. 92 no. 6 8 – 15. Read the full text at the Phi Delta Kappan website at www.kappanmagazine.org/content/92/6/8.full. Sign up to participate in the March 24th Phi Delta Kappan webinar featuring an interview with Marty Strange at www.pdkintl.org/webinars/kappanconv.htm.

Rural Trust Signs Letter On Highly Qualified Teachers

The Rural Trust has joined more than 70 other organizations in a letter to President Obama and key Congressional leaders in both parties. The letter expresses concerns about a statutory change made by Congress to the Highly Qualified Teacher provisions of No Child Left Behind.

At issue is language inserted in H.R. 3082, the Continuing Resolution for government funding passed in December. The language codifies as law a definition that gives teachers who have no teaching experience and are participating in training in alternative route certification programs a "highly qualified teacher" designation. Alternate route programs enable people to become certified to teach without going through a typical college certification/degree program. There are many different alternate route programs operated by a number of organizations with different training regimens. Many people considered Highly Qualified under this definition are just beginning teacher training.

No Child Left Behind (NCLB), the federal Elementary and Secondary Education Act of 2001, required all public school teachers to become "Highly Qualified" by earning a major in all subject areas they teach, passing a standardized test, and being fully certified in their states. Experienced teachers could sidestep some of these rules by completing a separate process. In addition, NCLB required districts to inform parents of any student whose teacher had not completed all these steps that the teacher was not Highly Qualified. (These letters were sent for many certified, experienced, and exceptionally strong teachers.) The HQT provisions are the first nation-wide rules for teachers. States and districts that fail to comply can lose federal funding.

NCLB also includes a provision that requires states to ensure that low-income children and children of color are taught by Highly Qualified teachers at the same rate as other children. This provision is an attempt to address the long-standing and nation-wide reality that the most experienced and qualified teachers are concentrated in higher-income schools and classrooms while low-income students are much more likely to be taught by teachers with little or no experience or training. Unlike the HQT rules, however, this provision has no real enforcement mechanisms.

Response to Lawsuit

The U.S. Department of Education typically issues "Guidance" on significant federal education laws to help schools and districts understand how to implement the law and meet requirements. NCLB Guidance included an entire section on HQT. That guidance allowed states to consider individuals participating in alternate route certification programs Highly Qualified. Most states followed this guidance and began, for the first time, to give fully certified status to alternate route participants who had not yet completed the certification program.

Guidance, however, does not carry the weight of law, and a group of low-income parents in California brought a federal civil rights lawsuit claiming that their children's teachers in alternate certification programs were not Highly Qualified as defined by NCLB. At issue was whether the HQT Guidance actually met the requirements of the federal elementary and secondary education act (NCLB).

The U.S. Court of Appeals for the 9th Circuit agreed with the parents and ruled that teachers in alternate route training programs could not be considered Highly Qualified.

The ruling affected California as well as the eight other states in the 9th Circuit's jurisdiction. But federal court rulings carry influence beyond the borders of their circuits, and it was expected that the ruling would confuse HQT status in other states.

Partially in response to state-level confusion about the implications of the 9th Circuit ruling and partially in response to intense lobbying efforts from alternate route providers, Congress wrote language into the law to designate people enrolled in alternate route certification programs as Highly Qualified, nullifying the 9th Circuit ruling.

Distribution, the Real Issue

Although the vast majority of states were following the Department's Guidance and granting HQT status to alternate route trainees, the change in the law has the potential to make it more difficult to measure the distribution of fully-trained and experienced teachers. The probability that low-income students will be taught by novice teachers is likely increased.

More problematically, the change in the law does nothing to address the challenges that force high-poverty, low-wealth schools to depend on teachers who are not fully trained and are unlikely to remain in the school more than a year or two. Those challenges include lower pay, inadequate teaching resources, and poor working conditions. The change in the law does nothing to support and prepare teachers who are most likely to *want* to work in highly challenging teaching situations and most likely to be effective in them. And, it fails to remedy the punitive effects that other aspects of current federal educational policy have on teachers in high poverty schools.

The new HQT language may make it easier for alternate route programs to stay in business, and it may make it easier for high-poverty schools to find people to work in their classrooms. But it also makes it easier for states and policymakers to ignore the serious challenges facing communities where the most vulnerable children attend school.

You can read the full text of the letter [here](#).

Read more from the February 2011 [Rural Policy Matters](#).

School Discipline Policy

School Discipline: An Occasional Series on Developments in School Disciplinary Policies and Practices

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

The long-running national conversation about school improvement is becoming more focused on wholesale restructuring of "failing" schools and districts, one-size-fits-all technical assistance mechanisms, and prescriptive programmatic solutions.

These largely punitive measures, especially in combination with other get-tough policies like "zero tolerance" for actual or perceived student misbehavior, can create incentives for schools to use disciplinary techniques such as suspensions, expulsions, and arrests in ways that lead students to drop out of school.

In places where a high percentage of students do not complete school — regardless of the causes — communities may need to engage in an internal audit of school practices and policies. Local changes in school practices along with more appropriate policy approaches can make an immediate difference in whether students leave school or remain through graduation.

Related Articles

- [Alabama Schools Facing Lawsuit over Use of Pepper Spray](#)
- [Arizona High Court Refuses to Hold Student Criminally Liable](#)
- [Gang Activity Policies Addressed by Courts](#)

This kind of local work can also begin to demonstrate practices and policy interventions that are more appropriate to rural schools than top-down policies generally are.

Addressing school discipline, especially harsh punishments that push students out of school, has been identified as a major concern of many rural community residents. This occasional series highlights some of the most basic issues in the national conversation about school discipline.

Search and Seizure Law at Issue in a Several Schools

One of the key components of the school dropout crisis and the school-to-prison pipeline (through which many students get channeled into the juvenile or adult justice systems, often for very minor offences) is the increased presence of police officers in schools. In many cases this leads to greater law enforcement involvement in what have traditionally been exclusively school discipline matters, a high arrest rate especially for minor offenses, and a more negative school climate.

Discipline issues can become complicated because the rules that govern student interactions are different for police officers and school personnel. When a disciplinary action is challenged by a student or parent, courts must often sort out the role played by student, law enforcement officer, and school personnel. The following cases illustrate the competing interests around discipline and student rights in these situations.

Georgia — Officer's Presence Does Not Give Student 4th Amendment Rights

In Georgia, a student suspected of being under the influence of drugs was summoned by a school resource officer (a law enforcement officer) to a room where an assistant principal was planning to search the student to "keep all parties safe." During the search the administrator found a weapon. The student's attorneys later sought to have the weapon excluded from evidence against the student based on the officer's presence and the lack of probable cause for the search. The Georgia Court of Appeals held that since the officer did not direct the search or participate in it in any way, the student's 4th Amendment protection against illegal search and seizure was not implicated. There was no drug charge, but the student's conviction of having a weapon at school stood.

California — General Searches of Student Property by Drug Dogs Illegal

In California, an attorney-parent is forcing a school district to rewrite its policies around searches of property. Students in the La Canada school district were made to leave their belongings in a classroom where drug-sniffing dogs were brought in to search for illegal substances. There was no reasonable suspicion that any of the students had contraband even though reasonable suspicion is required as justification for such a search. The parent contends that separating the students from their belongings in this way was a form of kidnapping. The parent, a 22-year veteran federal public defender, has agreed to waive a lawsuit against the district if the district makes changes to bring its policies into compliance with search and seizure law. The school district has agreed.

Mississippi — Cell Phone Could be Searched after Confiscation

In Mississippi, a student who sued DeSoto County School District after he was expelled at age 12 for photos found on his cell phone received a mixed ruling from a federal district court. The student was caught in school reading a text message from his father on his cell phone. The cell phone policy of DeSoto District, like most in the country, prohibits the use of cell phones in school. The DeSoto policy allows the school to confiscate the phone and return it to a parent after a fine is paid.

In this case, however, school officials and police subsequently searched the phone and charged that some of the images on the phone indicated the student was involved in "gang activity."

The student challenged both the search and the expulsion as a violation of his constitutional rights.

The federal court upheld the search of the phone as reasonable and justified because the student was using the phone in clear violation of school policy, which gave rise to reasonable suspicion the student may have been breaking other rules.

However, the court ruled the student's expulsion for gang activity was arbitrary and found that the case should be heard before a jury to determine whether the pictures of the student dancing at home warranted the harsh punishment. *To learn the outcome of this case, see ["North Carolina District Clarifies Gang Policy in Settlement Agreement."](#)*

Read more:

Decision in the Georgia, *Ortiz v. The State* case:

- <http://caselaw.findlaw.com/ga-court-of-appeals/1542767.html>

Local coverage of the California case:

- www.lacanadaonline.com/news/tn-vsl-policy-20101118_0_6686757.story

Local coverage of the Mississippi case:

- www.desototimes.com/articles/2009/09/01/news/doc4a9d95f3494bf584713440.txt

The opinion of the court in the Mississippi case:

- www.onpointnews.com/docs/jwvdesotoco_opin.pdf

Alabama Schools Facing Lawsuit over Use of Pepper Spray

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The Southern Poverty Law Center (SPLC) has brought a civil rights lawsuit against the school board of Birmingham City Schools and the Birmingham police chief on behalf of seven students who say they were brutalized by school resource officers (SROs). All seven students allege that they were "maced" for various relatively low-level rule violations and that SROs are heavily involved in school incidents, including very minor ones. One student has since dropped out of school.

One issue in the case is the health risk associated with exposure to pepper spray by asthmatics. According to a report by the U.S. Department of Health and Human Services cited in the complaint, African-Americans are three times more likely to die from asthma-related causes than White students. Enrollment in Birmingham City Schools is 96% African-American.

SPLC had sent a letter to the school board's attorney last November asking the district to stop the practice, but that request was rebuffed.

For several years, the Birmingham schools have been working under a unique agreement with the Birmingham Family Court to reduce referrals of students to the court, but the judge coordinating that effort said that this lawsuit indicates that "there's still a great deal of progress to be made."

Read more:

Local coverage:

- http://blog.al.com/spotnews/2010/11/civil_rights_group_threatens_t.html
- www.courthousenews.com/2010/12/03/32292.htm
- www2.alabamas13.com/news/2010/dec/01/lawsuit-filed-against-birmingham-city-schools-usin-ar-1156773/

Read the complaint here:

- www.splcenter.org/sites/default/files/downloads/case/Birmingham-schools-mace-complaint.pdf

Arizona High Court Refuses to Hold Student Criminally Liable

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

The Arizona Supreme Court has held that a student who cursed at a teacher did not violate the state's law against "knowingly abusing a teacher or other school employee on school grounds or while that person is performing his or her duties."

The student, who had been placed in in-school suspension, cursed at the teacher in the classroom on two separate occasions. The school alleged that in doing so the student violated state criminal law. A state court commissioner found the student delinquent.

The high court overruled that decision, saying that "pure speech" should only be limited in very narrow circumstances. The high court refused to apply the state teacher abuse law in this case and noted that the behavior could be properly punished by school discipline procedures rather than criminal laws.

Read more:

Local coverage:

- www.eastvalleytribune.com/arizona/article_2cd2f616-1d22-11e0-b82a-001cc4c002e0.html

Gang Activity Policies Addressed by Courts

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

Mississippi School District Clarifies Gang Policy After Court Ruling

The DeSoto County School District in Mississippi has settled a court challenge brought by a seventh-grade honors student who was expelled after school officials confiscated and searched his cell phone and charged him with "gang activity." (See "[Mississippi — Cell Phone Could be Searched after Confiscation.](#)")

The school confiscated the phone when the student was caught reading a text message from his father, a violation of district policy. School officials subsequently searched the phone and alleged that photos of the student dancing at home depicted gang activity and therefore grounds for expulsion.

The student challenged the confiscation and the expulsion in federal court. Earlier the court ruled that the school could take the phone but that the expulsion was arbitrary and the student's challenge should be heard by a jury.

That ruling further stated that schools are on a "slippery slope" when they attempt to police the private lives of students and when they conclude that a student is a "threat to school safety" based on a subjective impression of off-campus behavior.

Rather than go to trial, the school district agreed to modify its gang policy and pay an undisclosed sum in a settlement agreement with the Mississippi American Civil Liberties Union who filed suit on behalf of the student.

The district policy on gangs now identifies gang symbols that are prohibited.

Courtney Bowie, staff attorney with the ACLU Racial Justice Program, says, "Unnecessarily pushing kids out into the streets not only violates their rights but also serves to exacerbate any problems with gangs communities might be experiencing; expulsion makes innocent children vulnerable to gangs."

Read more:

Local coverage:

- www.clarionledger.com/article/20110209/NEWS/110209043/Student-cell-phone-flap-ACLU-school-settle-suit

ACLU Materials:

- Press release: www.aclu-ms.org/news/mississippischooldistrictt.htm
- Modified school policy: www.aclu.org/racial-justice/desoto-county-school-district-s-new-gang-policy
- Additional information about the school-to-prison pipeline: www.aclu.org/stpp

North Carolina District Clarifies Gang Policy in Settlement Agreement

The Durham Public School District has settled a lawsuit over its gang policy, which was challenged as violating students' due process rights because it was unconstitutionally vague but used to justify the suspension and expulsion of accused students.

The suit was brought almost five years ago by a number of students. Since then one of the expelled students accused by the district of gang activity was murdered. The district later admitted there was no real evidence against the student, but the gang reputation followed the student and he was murdered by a person seeking admission to a rival gang.

The plaintiffs made numerous claims, including violations of equal protection and racially disparate discipline practices, on behalf of all students in the district who were subject to exclusion from school as a result of the gang policy.

The constitutional claim about vagueness was on appeal to the North Carolina Supreme Court after surviving a motion by the district to dismiss. Attorneys for both sides finalized a settlement in court last month. As part of the settlement, all claims against the district were dropped in exchange for a change in district policy and payment of

attorney's fees for one of the lawyers on the case.

The prior Durham Public Schools policy allowed any "evidence" of gang activity or involvement to be punished, but it included no guidance on what students could wear or how they could behave to avoid violating the rules. The new policy will clarify these matters, and the parent-student handbook will list websites that provide more information on gang signs and indicators.

Read more:

Coverage of settlement meeting:

www.heraldsun.com/view/full_story/10504521/article-Gang-policy-suit-adversaries-convene?instance=homethirdleft

Coverage of settlement agreement:

www.thedurhamnews.com/2011/01/30/205389/dps-settles-gang-lawsuit.html

www.heraldsun.com/view/full_story/11093754/article-Schools-settle-in-lawsuit?instance=homesecondleft

Rural School Funding News

Rural School Funding News Special Series: Financing Rural Schools: Characteristics of Strong Rural School Finance Systems

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

In this series, Rural School Funding News is reviewing general principles of school finance and sharing information about school funding systems that support rural schools and their unique characteristics and needs. While there are no easy answers to questions about how to fund schools, especially in this economic climate, we hope that these articles will provide you promising practices, ideas for advocacy, and guidelines that are easily transferable in your analysis and work on your own school finance systems.

If you are new to the series, you can review a brief introduction to the subject and discussion of Characteristic 1: A Strong Foundation Formula, [here](#); Characteristic 2: Effective Use of the Judicial System, [here](#); Characteristic 3: Fair Accounting for Cost of Living and Geographic Differences, [here](#); Characteristic 4: Recognition of the Benefits of Small Schools, [here](#); Characteristic 5: A Balance of Revenue Sources for Schools, [here](#); Characteristic 6: Efficiency in the State Revenue System, [here](#); and Characteristic 7: Equity and Adequacy, [here](#).

Characteristic Eight: An Accurate Match of Resources to Needs

An important characteristic of a strong funding system is its sensitivity to the needs of special populations of students. As discussed in the last installment of this series, it is not enough for a funding system to provide the same amount of funding for all students; those with special needs should receive additional educational programs and financial support. Many states group types of student need or specific student characteristics into categories. Additional funding targeted to students with those characteristics is usually referred to as categorical aid.

Some of the most common categorical funding streams are for students needing special education services, students living in poverty, and students learning English for the first time (English Language Learners/ELLs). Some states also provide categorical aid to students based on other characteristics, for example, students enrolled in high school or in vocational programs. In some states, small and/or rural schools receive additional state aid through categorical funding.

Not all states provide categorical aid. But those that do typically use one of three methods for distributing the additional funding.

The first and most common method is per pupil weighting. This method involves counting the number of students in each district who are eligible for each of the state's "categories," and then providing some additional percentage of the state's per-pupil funding amount. For example, if a state provided "weighted" funding for high school students of 1.25, it would provide an additional 25% in per pupil funding for students enrolled in high school. The categories and the amounts vary among states, but some examples might be a 1.20 weight for each ELL student, a 1.25 weight for each student living in poverty, and a weight of 1.05 for students living in sparsely populated

areas.

In the second method states address categorical needs by allocating an additional percentage of school funding (or school spending) based on the percentage of students in each category. In some states, districts are grouped according to a variety of demographic and local wealth factors, and funding is allocated based on the district's group.

In some states additional funding for meeting student need is made through separate grants to districts.

Regardless of the method, these additional amounts of funding for special circumstances are not always a result of careful consideration and research on what is needed. Often they are an arbitrary figure that is derived from political circumstances or a continuation of what has been done in the past.

For example, many states use a categorical weight of 20 – 25% for students in poverty. Socioeconomic factors are the strongest predictors of educational performance and need, so a categorical weight is appropriate. Unfortunately, the significance of poverty factors is not fully recognized in most state aid formulas: a wealth of research has concluded that the actual amount needed to educate a student living in poverty is about twice the amount needed for a student who is not confronted with the educational challenges presented by poverty, so a 25% weight, while helpful, is too meager to be truly effective.

In some cases, categorical funding can be even more problematic for low-wealth districts. This is especially true when schools are mandated to provide a program or service, but categorical aid falls far too short of what is required to actually provide the service. The categorical aid suggests that the district has the resources it needs when in reality the district simply cannot pay for the mandated programs.

Analyzing Your State's Formula

There are several steps involved in analyzing whether categorical aids in your state are helping students who have unique educational needs. First, determine if and how your state addresses the needs of students in special learning circumstances. Then, consider the size of the categorical multiplier — that is, the additional funding. Does it represent a realistic estimate of the added cost of educating a student in that category? How were those costs determined? Is there legislative history describing how the figures were chosen, or are there studies demonstrating how much funding is needed? Don't be surprised if this documentation is missing.

In addition to state categorical funding, there may be other dollars available to help students in need. Rural school advocates should be aware of those funding mechanisms as well.

For example, the federal Individuals with Disabilities Education Act (IDEA) provides additional funding for students receiving special education services, and the federal Title I program provides funding for very poor students. But neither of these programs fully cover the additional costs of educating students who qualify. Further, under the formulas used to distribute Title I funding, smaller high-poverty districts generally receive less funding per eligible student than larger districts, including larger districts with lower poverty levels. (See the [Formula Fairness Campaign](#) for more details on Title I funding.)

Foundation formulas (see [Characteristic #1](#) in this series) in states are meant to enable districts to meet a minimum amount of funding (determined by the state) for education, regardless of local wealth. Foundation formulas, however, rarely account for poverty at the district level. Generally, they use some mechanism to give greater support to districts where property values are lower than to districts where property wealth is higher. This helps make up to some extent for lower revenues for schools in property-poor districts.

But measuring community wealth primarily by property wealth is not the most reliable way to measure student needs. In some districts, property wealth is relatively high, but student income level and/or parent educational attainment level is relatively low.

It is generally accepted that the combination of general state funding, state categorical funding — especially for poverty, and federal Title I funding fail to provide enough money to overcome the educational challenges faced by students living in poverty.

A strong state funding formula that provides schools the resources to serve all students must include funding for students living in poverty, learning English, living in remote rural areas, and those facing other challenges. If you would like more information or assistance, contact the Rural Trust.

Mississippi Communities Pushing Hard to Protect School Funding

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

Public education supporters in Mississippi are celebrating a small positive development in the state legislature this month as the House of Representatives approved a school funding plan that provides "level" funding to the Mississippi Adequate Education Program (MAEP).

MAEP is the state's primary mechanism for providing equalized funding for school districts. Although the House bill does not cut MAEP funding, it does not fully fund it either. The statewide shortfall is estimated at over \$200 million.

Passed in the mid-1990's, MAEP was designed to bring lower performing school districts up to an expenditure level of "adequately" performing school districts. But it has only been fully funded once. Under MAEP, additional state aid is provided to school districts based on the number of students in each district that are designated as at-risk or who receive services through special education, vocational education, and gifted education. MAEP also addresses the transportation circumstances within a school district.

Education advocates across the state strongly support full funding of MAEP as the best method for supporting struggling districts with challenging student populations, especially in rural areas.

Still at issue in MAEP funding, however, is \$65 million provided for Mississippi schools through the Federal Education Jobs funding approved last year. Governor Haley Barbour has called on legislators to cut funding to MAEP by \$65 million and to balance the budget with the federal dollars. Several legislators and school officials claim that the funds go directly to school districts and are not allocated to supplant states' education commitments.

Read more:

- www.clarionledger.com/article/20110127/NEWS010504/101270356/Fully-fund-public-schools-activists-urge
- www.commercialappeal.com/news/2011/feb/20/school-funding-battle-brewn/
- www.jacksonfreepress.com/index.php/site/comments/lawmakers_battle_barbour_over_k-12_budget_021711/

Changes to Arkansas Consolidation Law Proposed

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

A state representative from Marvell, Arkansas, located in the Mississippi Delta in the eastern region of the state, has filed a bill that would give school districts more time to avoid consolidation. Currently, Arkansas law gives the State Board of Education authority to place districts on a "fiscal distress" or "academic distress" watch list. After a district has been on one of those lists for two years, the Board must make a recommendation that the district be consolidated, or it must present detailed findings explaining why it is not making that recommendation.

Representative Clark Hall says those time limits are "more hindrance than help." His bill removes the requirement that the State Board take action on these districts after two years, and leaves the process open-ended. State Education Department Commissioner Tom Kimbrell supports the bill, stating that districts may need longer to resolve financial problems during this time of recession.

Read more:

Local coverage

- www.helena-arkansas.com/newsnow/x10542280/Hall-proposes-changes-in-school-consolidation
- <http://arkansasnews.com/2011/01/31/education-chief-supports-easing-consolidation-requirement/>

Text of the bill

- www.arkleg.state.ar.us/assembly/2011/2011R/Bills/HB1277.pdf

Iowa Debating Funding Solutions

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

Political divisions in the Hawkeye State are bringing school funding issues to the forefront relatively early in the legislative session.

One of the major Republican funding proposals would increase state funding of schools to 100% over seven years and phase out local property tax levies for schools. A House panel began work Wednesday on the so-called "property-tax relief" plan. The bill would shift between \$400 million and \$550 million in costs from local property

taxpayers to the state general fund via the school foundation formula.

Governor Terry Branstad supports the property tax "relief" plan but has said that another Republican plan to cut personal income taxes by 20% is not feasible.

There is also political division over rising school district costs and on how to address a 14-year-long decline in statewide school enrollment. The Republican-led Iowa State House has approved a zero-percent increase in general state aid to school districts for next year. The House, however, also set aside \$47 million for districts with declining enrollment so that these districts would not sustain a state funding cut under the zero-percent budget.

The Democratic-majority state Senate has passed a bill that would allow a 2% increase in state and local funding for schools at a cost of \$65 million. Democrats have noted that there has never been a year since the school foundation formula's inception in the 1970s that lawmakers and the governor agreed to provide no increase in base state aid to schools.

Read more:

Coverage of the property tax proposal:

- http://qctimes.com/news/local/article_1e47b616-2f21-11e0-a3c9-001cc4c002e0.html
- www.radioiowa.com/2011/02/03/republicans-release-plans-for-school-property-tax-relief/

Legislative proposals for funding:

- http://qctimes.com/news/local/government-and-politics/article_5c495412-326c-11e0-be6d-001cc4c002e0.html
- http://qctimes.com/news/local/government-and-politics/article_9775266c-37e2-11e0-b64f-001cc4c03286.html
- www.desmoinesregister.com/article/20110217/NEWS09/102170347/Iowa-Senate-approves-2-increase-for-public-school-funding

Rural districts and shrinking enrollments:

- <http://ottumwacourier.com/local/x1531219230/Rural-schools-funding-shrink>
- <http://clintonherald.com/features/x1397427860/A-chance-to-vote>

School Funding Interpretation Challenged as Arizona Legislators Cut Corporate Taxes

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

A group of school districts and the Arizona Education Association have filed a second lawsuit challenging the legislature's interpretation of the state's school funding law, Proposition 301. Proposition 301 requires the state to adjust funding for public schools upward each year by either 2% or the rate of inflation, whichever is lower. As was the case last year, the current budget proposal does not include an increase to the base student funding amount; instead, it only adjusts transportation costs.

The Proposal 301 phrase in question directs the Arizona Legislature to "increase the base level or other components of the revenue control limit." Language elsewhere is unclear about what is to be increased. Until last year, lawmakers had increased both the base student level and transportation.

Earlier this month Maricopa County Superior Court Judge J. Kenneth Mangum ruled that the provision was not a budget appropriation, citing an Arizona Supreme Court ruling that "a promise to make an appropriation is not an appropriation."

School district attorneys plan to challenge the decision in the Arizona Court of Appeals. Approximately \$60 million in funding for schools is at stake.

In a separate action that will likely affect school funding, the legislature passed, in a special session, a major corporate tax cut package promoted by Governor Jan Brewer as a jobs bill. The measure cuts corporate income tax rates and reduces tax rates on commercial, industrial, and agricultural properties. When fully implemented, the cuts will decrease state revenues by an estimated \$538 million. Proponents claim the revenue reductions will be offset by increases in employment, while opponents charge they will mean cuts to education spending.

It is expected that taxes on homes will increase in order to make up some of the losses to local school revenue resulting from corporate property tax reductions. But lawmakers have said that property tax rebates to

homeowners that are currently provided by the state will also increase.

Currently homeowners automatically get a Homeowners Rebate for up to \$600 a year. Under the new provision, homeowners will have to file an affidavit stating the house is a primary residence in order to receive the rebate.

Voting on the measure was largely along partisan lines, with Democrats questioning the supply-side economics theory that cutting taxes would create jobs and Republicans calling the tax cuts an economic recovery measure.

Arizona currently ranks 49th in per-pupil spending.

Read more:

Coverage on the funding lawsuit:

- www.azcentral.com/news/articles/2011/02/10/20110210arizona-school-funding-issue-in-court.html
- www.eastvalleytribune.com/arizona/article_c83aaebc-3485-11e0-a55b-001cc4c002e0.html
- www.azcentral.com/arizonarepublic/local/articles/2011/02/12/20110212arizona-schools-lose-funding-lawsuit.html
- www.aclpi.org/case/cave-creek-unified-school-district-et-al-v-state-arizona

Coverage on the tax cuts:

- www.eastvalleytribune.com/arizona/article_c48b53d2-394b-11e0-84ff-001cc4c002e0.html
- <http://cvbugle.com/Main.asp?SectionID=1&SubSectionID=1&ArticleID=29541>
- <http://azcapitoltimes.com/news/2011/02/16/arizona-legislature-approves-business-tax-package/>

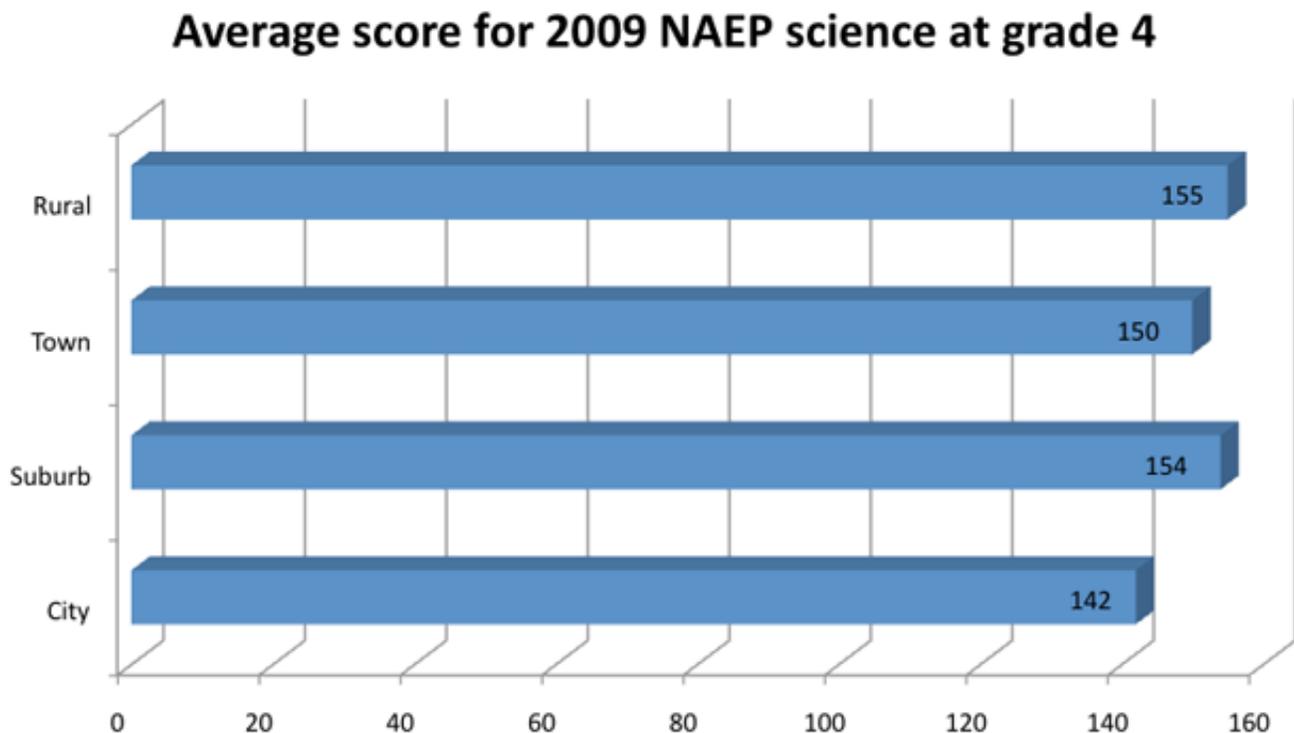
Commentary on the impact of expected tax cuts on rural schools:

- www.willcoxrangeneews.com/articles/2011/01/19/opinion/editorials/edit1.txt

Graph

Average Score for NAEP Science at Grade 4

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Note: The difference between the average scores for rural (155) and suburban (154) is statistically non-significant.

Source: U.S. Department of Education (2011). The nation's report card: Science 2009. Washington, DC: Author.
Retrieved from <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2011451>.

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