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Introduction to the Special Issue

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Introduction to the Special Issue

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This special issue of *Educational Considerations* presents a selection of papers from the inaugural National Education Finance Conference held in 2011. These papers were selected via a call for papers and a peer review process. The resulting articles represent a range of fiscal issues critical to the education of all children in the United States. Some issues, such as litigation to achieve social justice in education funding, are longstanding while others, like the funding of vouchers, charter schools, and class size reduction, are newer—and perhaps more controversial. Newest among the topics covered in this issue is the role and funding of virtual schools or online education in elementary and secondary education. It too is not without controversy. The overarching policy values of equity, efficiency, adequacy, accountability, stability, and choice are threads that run throughout, providing a sense of continuity across historical and emerging issues in education finance.

The special issue opens with, "The Growth of Education Revenues from 1998-2006: An Update on What Accounts for Differences among States and the District of Columbia in the Context of Adequacy." In this article, Alexander reminds us of the importance of national data in providing the "big picture" of education finance trends. Her analysis takes us up to the eve of the most severe economic recession in the history of the United States since the Great Depression of the 1930s. In that sense, her study provides a critical prerecession look at public elementary and secondary education revenues across the 50 states and the District of Columbia.[1] This thorough and thoughtful analysis uses both nominal and real dollars, along with controls for regional price differences. One of the major, and perhaps surprising, conclusions of the study is, as follows: "The period of 1998 through 2006 was particularly difficult for states. After brief recoveries from two national economic recessions in the 1980s, states were then faced with shrinking fiscal resources from economic recessions in the early 1990s and early 2000s." This conclusion leads to even greater concern about the adequacy and stability of education funding in the aftermath of the 2008-2009 recession, particularly given the still fragile economies of many states.[2]

In the second article, "When What You Know Ain't Necessarily So: A Comparative Analysis of the Texas School Foundation Program Revenues for Independent and Charter School Districts," Rolle and Wood take a close look at differences in how Texas school districts vs. charter schools are funded. Across the country, charter schools have remained an important education reform for over 20 years, and there is no sign of a waning in their popularity with policymakers. However, funding for charter schools varies by state; as such, the analysis of Rolle and Wood opens a window into one state's practices that may set the stage for analyses in others. Their analysis is based in equity and efficacy, where the latter was defined as, "...the ability or capacity to produce desired outcomes." Among their major policy recommendations is the need to reconceptualize and restructure state funding in Texas to better address differences in fiscal capacity and community complexity in both charter schools and school districts.

In the quest for school finance equity, researchers and policymakers concern themselves with both horizontal and vertical equity where, in straightforward language, horizontal equity is defined as the "equal treatment of equals," and vertical equity as the "unequal treatment of unequals."[3] For over 50 years, school finance litigation has been in the vanguard of seeking to guarantee historically underserved children equality of educational opportunity. In the third article, "English Language Learners and Judicial Oversight: Progeny of *Castañeda*," Sutton, Cornelius, and McDonald-Gordon address a critical vertical equity issue, that of English language learners (ELLs) and related state funding programs. Their legal analysis includes not only the landmark case of *Castañeda v. Pickard*,[4] but also a number of other key court decisions related to the educational rights of ELLs. One of the major conclusions of Sutton and coauthors is that while the history of litigation evidences progress in addressing vertical equity issues related to the provision and funding of an appropriate education for these children, the pattern of progress is uneven, and there is still much room for improvement.

The fourth article, "Indiana's Formula Revisions and *Bonner v. Daniels*: An Analysis of Equity and Implications for School Funding," authored by Hirth and Eiler, also addresses equity and litigation, here within the context of a single state. Given that funding of public education is constitutionally a state responsibility, it is not surprising that the bulk of school finance litigation takes place in state courts. Hirth and Eiler trace the path of plaintiffs to the eventual Indiana Supreme Court decision in *Bonner ex. Rel. Bonner v. Daniels*, 907 N.E. 2d 516 (Ind. 2009) where plaintiffs were ultimately dealt a blow when the Court ruled education was not a fundamental right in Indiana, and the Court further granted wide latitude to the state legislature in matters of school finance. However, at the same time, Hirth and Eiler's analysis indicates Indiana has made progress toward greater horizontal and vertical equity in state funding. As has been the case in several states, the threat of litigation or the threat of an unfavorable outcome of pending litigation can serve as a powerful incentive for states to voluntarily address inequities.

The next two articles address an emerging educational and fiscal issue, that of virtual or online education. In, "The Funding of Virtual Schools in Public Elementary and Secondary Education," Stedrak, Ortagus, and Wood present a state-by-state overview of virtual education and its funding. The results indicate that almost all states are engaged in the provision and funding of some form of virtual education, of which a number do so through a state virtual school. Of great importance is one of the major findings that almost half of states use a model whereby virtual schools can be funded or authorized by either a state entity or a private organization. Given that elementary and secondary virtual education is estimated to be a "market" of over one-half billion dollars annually, and growing,[5] this is a sector of education research and policy that would benefit from ongoing analysis. Mattox's article, "Utilizing Online Education in Florida to Meet Mandated Class Size Limitations," dovetails with that of Stedrak and coauthors by examining the role of virtual education in a single state. Florida has been one of the nation's leaders in elementary and secondary online education, but its use by some Florida school districts to evade state-mandated class size reduction has proved controversial. At the heart of this story is finance; that is, the state's underfunding of the class size mandate is considered by some to be a driving force with regard to school districts' use of online learning labs as a means to reduce the size of face-to-face classes. Adding to that concern is the dearth of research on the academic effectiveness of virtual education for preK-12 students.

The final article, "A Tale of Two Fiscal Policies: Entrepreneurial and Entropic," reconceptualizes some of the traditional analytic tools of education finance and applies them to Ohio. Sweetland describes what appears to be a fiscal and policy paradox: Facing budget shortfalls, the state reduced funding to public school districts while expanding it for "entrepreneurial" entities like charter schools, virtual schools, homeschooling, and vouchers. According to Sweetland, the political economy of Ohio school finance at present belies the state's progressive history with regard to public education and the far-reaching *DeRolph v. State* decision supporting adequate and equitable funding for public schools.[6] The net result of pitting various sectors of preK-12 education against one another for funding in the legislative budget process is a troubling trend because those who should be allied in providing every student with the best education possible instead find themselves playing a zero sum game for insufficient tax revenues.

Endnotes

[1] It is important to remember that the availability of comprehensive national data related to education finance generally lags three to four years.

[2] Faith E. Crampton and David C. Thompson, "The Road Ahead for School Finance Reform," *Journal of Education Finance* 37 (Fall 2011): 85-104.

[3] David C. Thompson, Faith E. Crampton, and R. Craig Wood, *Money and Schools* (Larchmont, NY: Eye on Education, 2012).

[4] *Castañeda v. Pickard*, 648 F.2d 989 (5th Cir. 1981).

[5] iNACOL (International Association for K-12 Online Learning), "Fast Facts about Online Learning" (Vienna, VA: iNACOL, n.d.), http://www.inacol.org/press/nacol_fast_facts.pdf.

[6] *DeRolph v. State*, 677 N.E.2d 733 (1997).

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