

THIRTEENTH EDITION

FINANCING EDUCATION IN A CLIMATE OF CHANGE

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Dedication

*To Dawn
To Michael and Nathan
To Kathleen*



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PREFACE

Change is a constant. The pace of change is not. Just since the last edition of this text, change has been accelerating at an alarming rate. The Great Recession that encompassed the country finally turned around, but school funding has been uneven. Some states have provided new money to elementary and secondary public schools, while schools in other states remain underfunded and struggling. Teachers have walked out of the classroom for better wages and working conditions in Kentucky, Arizona, West Virginia, Colorado, Oklahoma, and North Carolina. Illinois and Kansas have completely revised their school finance systems. More states are considering student centered funding, and the federal government has replaced the ESEA, Title I, *No Child Left Behind Act* with the *Every Student Succeeds Act*. A new wave of weighted funding systems has spread across the states.

U.S. elections in 2016 and 2018 brought many new directions to the nation at large and have impacted schooling. Stock markets initially soared but then experienced volatility. Unemployment fell to record lows. Passage of a broad income tax overhaul brought new brackets and additional changes, but a rising national debt and greater income inequalities followed. Wars continued in Afghanistan and Syria. Schools experienced major disruptions and losses. Natural disasters punctuated the decade, with hurricanes, flooding, fires, and drought. Mass shootings continued to plague education. The Parkland, Florida students rose up and were joined by others across the nation to demand gun control and additional safety measures for students and schools after a school shooting that resulted in many lives lost. A focus on school choice dominated the federal agenda, and Congress enacted legislation that allowed 529 college savings accounts to be used for private schooling, including religious education. Demographics and costs continued to change, as did goals and standards for the nation's schools. The list goes on. As Bob Dylan penned, "The times they are a changing."

Financing Education in a Climate of Change, 13th edition, reflects these and other changes while retaining its practical tone and superior presentation of finance concepts. It includes the most up-to-date information and material regarding funding education in a post-recession era. It provides readers with firm knowledge of all facets of financing education—along with a number of helpful pedagogical tools such as clear tables and figures, end-of-chapter assignment projects, key concepts, new to this edition, and learning objectives. This new edition adds information on classic and current topics such as the economics of education, recent court decisions, 50-state tables on key funding provisions, state taxes, and the ongoing debate about vouchers, tax credits, church–state issues, and charter schools.

This classic school finance book contains three major sections: the economics of education, education finance policy, and school business management. Cross-cutting themes of equity, adequacy, and efficiency are woven throughout the text.

NEW TO THIS EDITION

Financing Education in a Climate of Change provides future education leaders, policy-makers, concerned citizens, and others the basic concepts of school finance. Indeed, the dynamic nature of school finance brings about many changes in a brief period of time. This new edition reflects those great changes and other significant information, including the following:

- **A focus on adequacy, equity** and efficiency throughout the text emphasizes these continuing public policy priorities and the trade-offs inherent in their resolution.
- **Updated tables, figures, and references** throughout the book reflect new issues and information surrounding education finance as it is influenced by public demand, legislative action, and the courts. These elements highlight concepts and comparisons in a clear and understandable manner for the reader while using up-to-date research and information.
- **Current 50-state comparisons** throughout provide readers with contrast, similarities, and other information among all the states along key dimensions in school finance, including state taxes, the major state finance system, funding for high-cost students (that is, special education, English language learners, low-income students, gifted and talented students), funding for transportation, capital outlay, and small/sparse school districts.
- **Attention to issues concerning students with special needs** and new information on state funding mechanisms for English language learners across all 50 states.
- **The federal role** in education is discussed, and new information is given on federal programs including the *Every Student Succeeds Act* program and the *Carl Perkins Act* for career and technical education.
- **Budget procedures** focus on the interrelationship between the district and the local school in building and managing the budget, emphasizing the great responsibility associated with controlling large amounts of revenue in various program categories. New procedures are outlined, and actual examples of budgetary and purchasing procedures are included in this edition.
- **Expanded material and new information** on the following school finance issues are provided:
 - The economic benefits of education, especially related to a changing economy and the gender gap, with recent census tables providing facts and figures (Chapter 1)
 - The question of whether money matters in student outcomes, with recent research informing the discussion (Chapter 1)
 - Shifting demographics, including the increased number of children in poverty, a new majority-minority in the schools, and changing balances among different groups involved in the education sector (Chapter 2)
 - A focus on equity and adequacy, with an expanded section on horizontal and vertical equity (Chapter 3)

- Weighted student funding, also called student centered funding, which is discussed in greater detail for states, districts, and schools (Chapter 3)
 - A new analysis of funding for English language learners, with a 50-state table depicting allocation methods together with tables for low-income, special education, and gifted and talented funding provisions across the states (Chapter 4)
 - Updated information on the tax structure for state governments, including taxes for education in all 50 states, that highlights the public finance side of education support (Chapter 5)
 - New developments in state finance systems, including the new funding model in Illinois and detail on finance plans in Arizona and Maryland (Chapter 6)
 - The influence of the courts and legislatures on states and local districts, including a comprehensive overview of recent cases restructured into three major “waves” and its aftermath (Chapter 9)
 - The most current information on the volatile church–state issue, with recent court decisions discussed, as well as the continuing evolution of public charter schools, education savings accounts, and vouchers (Chapter 10)
 - A focus on business management of schools, with examples of budgetary, accounting, and purchasing procedures (Chapters 10, 13, 14)
 - The new salary schedules for teachers, as well as the actual cost of school personnel when benefits are added to salaries (Chapter 15)
 - Issues related to the State Standards and future funding for elementary and secondary public schools, including the New Finance (Chapter 16)
- Restructuring of Chapters 6 and 7, with the state role now examined in Chapter 6 following the discussions in Chapters 3, 4, and 5 on state funding and taxes
 - New ancillary material is provided for each chapter, including PowerPoint slide presentations and a test bank. This material is available from Pearson’s instructor resource center at pearsonhighered.com. The assignment projects at the end of the chapters are continued in this edition and can serve as topics for projects, papers, and discussion; key concepts are highlighted in each chapter.

Financing Education in a Climate of Change is a user-friendly education finance text for graduate students in education administration, public finance, and business administration. The text is also of interest to policymakers and citizens who are concerned with funding schools. It discusses foundational concepts and current issues related to the debate over funding schools, including the following: How do states pay for schools? Does money matter in producing student outcomes? Where does the money come from and where does the money go? How are high-cost students and districts supported? What are the strengths and weaknesses of the property tax for funding schools? How are charter schools funded and operated? What are the developments of the church–state issue? How have the courts and the federal government influenced education support?

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We would like to acknowledge the finance scholars, leaders, and experts who provided the epigraphs that open each chapter. We are also grateful to our reviewer, Daniel Wayne Eadens from Northern Arizona State University for excellent suggestions and thought-provoking comments. Importantly, much gratitude is expressed to Misty Soles, attorney and doctoral candidate, Clemson University, who carefully, and with attention to the recent court decisions, revised Chapter 10. We appreciate Blake Haselton, superintendent-in-residence and dean, University of Louisville, for his contributions to Chapter 7. Particular appreciation is expressed to Kevin Davis, and others at Pearson including Aileen Pogran, Faraz Sharique Ali, Jessa May Dales, Rajakumar Venkatesan, and Maria Feliberty. Their expertise and assistance are valued.

Finally, we deeply regret the passing of Rulon Garfield and thank him for his contributions to the 4th through 10th editions of the text. Continued gratitude is extended to Percy Burrup, who made the foundation of this work possible. His influence still remains.

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From the Back Cover. Financing Education in a Climate of Change, 10/e. Vern Brimley, Jr., Brigham Young University. Rulon R. Garfield, Brigham Young University. It appeals to a diverse audience of students, educational leaders, parents, and legislators. School finance is an evolving topic and this text, now in its Tenth Edition, continues to cover all current trends to provide readers with a firm knowledge of educational finance policies and issues that administrators need to understand. It serves as an excellent reference for both practitioners and academics. New to this Edition Start by marking "Financing Education in a Climate of Change" as Want to Read: Want to Read savingâ€¦| Want to Read. For educational administration and leadership students taking school finance courses. " " A popular, user-friendly school finance text that is both current and comprehensive. " The newly revised eleventh edition of this classic school finance text retains its practical tone and superior presentation while adding the most up-to-date information and material regarding educat For educational administration and leadership students taking school finance courses. " " A popular, user-friendly school finance text that is both current and comprehensive. Inequalities in Financing Education. Equity: An Objective of School Finance Reform. Equity at the School Level. Measures of School District Wealth. Historical Influences on Equity. The Equalization Principle. Improving State Equalization Practices. Foundation Program Variations. Endnotes. Chapter 9: The Influence and Climate of the Courts. Diversity in State Court Rulings. Court Decision Guidelines. Power of the Courts before 1971. Serrano v. Priest (1971). Consequences of Serrano. San Antonio Independent School District v. Rodriguez (1973).