

# The Condition of School Funding in Arizona: 2005

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## *Background*

The Rodel Foundation of Arizona released *Lead with Five: Five Investments to Improve Public Education* in February of 2005. The report is a distillation of a more extensive study of the adequacy of school funding in Arizona that was funded by the foundation. The Rodel report recommends five essential elements for improving public education and increasing student performance in Arizona. *Lead with Five* also provides cost estimates (totaling an additional \$1,883 per student) for adopting these reforms as well as references to the education research that provided a background framework for the recommendations presented. The five recommended education reform investments are:

- Provide full-day kindergarten for all students.
- Prepare and recognize teachers for high performance.
- Create smaller schools.
- Reduce class size.
- Provide one-on-one tutoring and other extra help for struggling students.<sup>1</sup>

Inherent in these recommendations are two questions. First, is the funding provided by the Arizona State Legislature adequate to meet the needs presented by Arizona's existent and burgeoning student population? Second, and more fundamental

than the first question, does the level of funding make a difference in student learning? In order to explore these questions, a basic understanding of equity and adequacy as school funding concepts should be reviewed.

Equity, as a consideration in funding of public schools, is a well-established and well-litigated concept. Around the country, numerous judges, responding to lawsuits alleging a lack of equity in school funding, have ordered state legislatures to change the mechanisms of how schools are funded.<sup>2</sup> The concept of equity is a fairness issue that asks whether all students are being provided with *relatively the same* per pupil financial support.<sup>3</sup> The efforts to bring about equity in resources were related to the disparate local resources for school districts based on differing real property distribution and the reluctance of legislatures to balance school funding between property rich and property poor school districts.

The Arizona State Legislature responded to the pressure for equity in 1980 by reforming the way schools were funded with a new “equalizing” formula that greatly restricted local school boards’ access to the local property tax and increased the state’s role and control of funding education.<sup>4</sup> All things considered, Arizona has achieved a relative degree of equity in school funding over the past two decades as is evidenced by the narrowing of the gap in funding between rich and poor districts.

Adequacy, while imbedded in the concept of equity, has emerged as a more predominant force in school funding litigation and finance reform during the 1990s. The overall concept of “adequacy” is a sufficiency question: *Is the school funding allocated sufficient to provide the needed educational service for all students to achieve to a high minimum standard?*<sup>5</sup>

While equity is a model for input, i.e., resources are relatively equal, adequacy is more focused on outputs, i.e., resources supporting student achievement to a predetermined set of standards. Therefore, the expectations of an adequacy model are more aligned with the education accountability movement that has been put in place by state legislatures (including Arizona) for the past decade and more recently emphasized by the federal government’s No Child Left Behind Act.<sup>6</sup> In Arizona, the accountability

movement is represented by the Arizona learning standards (Arizona LEARNS) and the Arizona Instrument to Measure Standards (AIMS).

In order to establish adequacy in school funding, multiple questions are involved. First, what are the standards of achievement to which students are to be held? Second, is the programming provided to support the expected achievement for all students? Third, is the funding provided sufficient for the necessary educational services for all students to reach this level of achievement? Fourth, how can adequacy in funding be determined? Before any of these questions are addressed, consideration must be given to the more fundamental question raised above: Does the level of funding make a difference in student learning?

### **Does the Level of Funding Matter in Student Achievement?**

One strain of policy thinking holds that money does not matter in education. Although such assertions are both widespread and confidently made, this position is not supported by education research. Biddle and Berliner observe:

In addition, reluctance to provide equal funds for American public schools has been fueled by claims from prominent researchers, reviewers, and others who have asserted that level of funding for schools does not affect student achievement. Such claims do not seem to have the evidence on their side, and often reflect ideologies hostile to public education.<sup>7</sup>

A state court judge in North Carolina put it more bluntly when he stated that “only a fool would find that money does not matter in education.”<sup>8</sup>

Those who discount a relationship between school funding and student achievement consistently cite one or all of three arguments. First, the “Coleman Report” (Equality of Educational Opportunity) does not support it. Second, research reports by economists find no relation between spending and achievement. Third, education spending has doubled in the last 40 years and student performance on the SAT is lower. A summary of these issues is found in Table 1. As an example, in an opinion piece countering the *Lead with Five* recommendations, Robert Ladner of the Goldwater

Institute utilized the Coleman Report and doubled funding over time arguments in suggesting that the Rodel report was a recycling of old ideas.<sup>9</sup>

Table 1: Selected Research on Funding and Student Achievement

Study/Author and Conclusions	Status/Remarks
<p>“The Coleman Report” after James S. Coleman or Title: “Equality of Educational Opportunity.”</p> <p>Findings: school quality (and level of funding) had little to no impact once home and peer factors are taken into consideration.</p>	<ol style="list-style-type: none"> <li>1. Authors failed to use scaling techniques to validate their procedures and made mistakes in measuring crucial variables.</li> <li>2. Study included no measures for teacher qualifications, classroom procedures, academic rigor, or sense of community, i.e., the study concentrated efforts on school processes that do not have an effect on student performance.</li> <li>3. Study used nonstandard procedures for statistical analysis that generated falsely deflated estimates for school effects.</li> </ol>
<p>Econometric studies: Eric Hanushek, economist involved in numerous education studies, advances statement: level of funding is not related to achievement in the real world of education.</p>	<p>Data used by Hanushek have been subjected to meta-analysis by researchers such as Hedges <i>et al.</i> with the following findings: the data do show positive net effects for funding and pooled estimates show sizable effects of funding.</p>
<p>Funding over time: Funding for education has doubled since 1960 with no improvement in test scores.</p>	<p>Does not take into account cost impact of additional state and federally mandated programs:</p> <ul style="list-style-type: none"> <li>• Approximately 33 percent of new dollars has gone to special education.</li> <li>• Eight percent went to dropout prevention programs.</li> <li>• Eight percent went to expanded school lunch programs.</li> <li>• Twenty-eight percent went to teachers salaries for longevity (i.e., longer years of service).</li> </ul>

Source: Biddle, B.J. & Berliner, D.C. (2003). What research says about unequal funding for schools in America. San Francisco, CA: WestEd.

For the past decade research has been designed to pinpoint how the level of funding can assist in improving the level of student achievement. “Overwhelmingly, the academic literature and court holdings have...strongly concluded that money spent on qualified teachers, smaller class sizes, preschool initiatives, and academic intervention programs does make a substantial difference in student achievement – especially for poor and minority students”<sup>10</sup>

Examination of the *Lead with Five* recommendations demonstrates an alignment with the findings of “academic literature and court holdings.” For those interested in the supporting literature, the Rodel Foundation report provides education research literature that gives background and support for the specific recommendation in a “Digging Deeper” section.

### **Is the Issue of Adequacy Unique to Arizona?**

The level of interest in studying state funding issues is demonstrated by the number of states that have performed cost studies, either by court order, state initiative, or by other interested parties within the state (in some instances by two or all three of these categories). Table 2 provides an overview of the 32 states involved in 41 different cost studies since 1991. It should be noted that not all of these studies were for adequacy, but they were all initiated by some demonstrable problems in the manner of funding schools.<sup>11</sup>

Table 2: States Involved in Education Cost Studies\*

Court Ordered	State Initiated	Initiated by Others
Arizona (ELL only 2001, 2005) Arkansas (2003) New York (2004) Ohio (1995) Wyoming (1997-2002)	Alabama (not released) Alaska (1998) California (TBA) Colorado (not released) Hawaii (2004) Illinois (2001) Kansas (2002) Kentucky (2003) Maine (1999) Maryland (2001) Minnesota (2004) Mississippi (1993) New Hampshire (1998) New Jersey (1996) New York (2004) North Dakota (2003) Ohio (1997, 2004) Oregon (2000) Tennessee (1992) Texas (2004) Vermont (2004)	Arizona (2005) Connecticut (2005) Kentucky (2003) Maryland (2001) Massachusetts (1991) Missouri (2003) Montana (2002) Nebraska (2003) New York (2004) Ohio (1993) South Carolina (1998) Tennessee (2004) Texas (2004) Washington (2003) Wisconsin (2002)

Source: ACCESS, <http://www.school.info>

\* Capital studies not included.

To provide a comparison between the adequacy study for Arizona and that of other states, four additional states where recent cost studies have occurred were selected. The additional four were selected because they represent a variety of reasons why the studies occurred. Together, all five of the studies represent a wide variation in current expenditures per pupil. To explain, Arkansas, New York, and Wyoming were all court-ordered studies, Maryland’s study was state initiated, and the Arizona study was initiated by a non-governmental organization. These studies were coordinated by a variety of nationally known consulting firms, and all used methodology associated with determining adequate school funding. They also demonstrate that what is described as adequate funding, while usually resulting in a recommended increase in funding, is not due to a low starting point in the state per-pupil support. Rather it is based on costing

out, in a particular state’s environment, what are necessary educational services for children from a diverse population to achieve academically at the level established by that state’s standards.

## Adequacy Is Not About How Much

Adequacy studies are not about how much a state spends. As demonstrated in Table 3, the states chosen to compare to Arizona’s adequacy study are financially disparate in terms of per-pupil expenditures. The state of New York ranks second among the 50 states in expenditures per pupil at \$11,216; Wyoming ranks 12th at \$8,645 and Arkansas ranks 41st at \$6,276, yet all of these states recently had their school funding systems overturned by their state judiciary on the basis of lacking adequacy.<sup>12</sup> Arizona, which ranks 49th<sup>13</sup> at \$5,964, was the result of subject-to-subject litigation; the case (*Crane v. Arizona*) was dismissed recently. Maryland, ranking 10<sup>th</sup> (\$8,692), is an example of a state reacting to a concern of potential litigation.

**Table 3: Comparison of Per Pupil Expenditures in Selected States with Adequacy School Funding Studies**

State	Instruction*	% of Total	Support Services**	% of Total	Non-instruction***	% of Total	Total	Rank of 50 States
Arizona	\$3,387	57%	\$2,201	37%	\$376	6%	\$5,964	49
Arkansas	\$3,867	61%	\$2,088	33%	\$321	5%	\$6,276	41
Maryland	\$5,408	62%	\$2,872	33%	\$412	5%	\$8,692	10
New York	\$7,660	68%	\$3,256	29%	\$300	3%	\$11,216	2
Wyoming	\$5,263	61%	\$3,096	36%	\$286	3%	\$8,645	12
<b>U.S. Avg.</b>	<b>\$4,775</b>	<b>62%</b>	<b>\$2,657</b>	<b>34%</b>	<b>\$302</b>	<b>4%</b>	<b>\$7,734</b>	<b>n/a</b>

Source: National Center for Education Statistics: Common Core of Data, 2001-2002 (percentages and ranks by author).

\* Instruction includes: teacher’s salaries and benefits; supplies (e.g., textbooks); and purchased services.

\*\* Support services includes: operation and maintenance of buildings; school administration; transportation; student counseling; libraries; and health services.

\*\*\* Non-instruction includes: school meals; and enterprise activities such as bookstores and interscholastic activities.

If adequacy is not about how much money is spent on education, then what does it concern? “Schools are being adequately funded when the amount of funding provided is sufficient to allow students, schools, and school systems to meet prescribed state standards.”<sup>14</sup> It would appear straightforward: the state adopts the standards and the means of measuring student accomplishment, and the state provides the means for all students to learn sufficiently to pass the adopted test at the expected minimum competency level.

The adequacy of a state’s funding system can be determined using a variety of methodologies, summarized below.<sup>15</sup>

Successful Schools Method is also known as the empirical approach. It is used to identify *existing* schools that achieve specified levels of student performance and calculates the average level of expenditures that would be required to achieve the same results in other schools. This method also takes into consideration cost-of-living factors and the needs of extraordinary students. The Ohio study responding to a court order in *DeRolph v. Ohio* used this approach.

Professional Judgment Method relies on outside professional expertise. The primary idea is that an adequate cost estimate involves a large number of judgments and establishes a process that will comprehensively review the spectrum of factors involved. Typically, a panel of experts is assembled to identify the instructional components necessary to meet state standards and have economists price the identified components. This method is the most extensively utilized approach; examples include studies completed in Arizona, Wyoming, New York, Maryland, and Oregon, among others. A summary of comparisons of different state model education programs can be found in the Arizona adequacy study.<sup>16</sup>

Effective Strategies Method is also known as the expert judgment approach. This methodology incorporates the latest educational research to identify a set of specific educational programs and strategies that are included as necessary program elements for a school to be effective. These elements are standardized, and experts calculate the cost of each component. Sufficient funding is then provided for a school to select from among a number of effective programs. An example of use would be in Kentucky, where

high quality preschool and full-day kindergarten were identified as essential programs for students in poverty.

Statistical Modeling Method determines, through an analysis of performance measures and cost indices, what a school would need to spend in comparison to an average school to obtain performance of students at the targeted level established by the state standards. While not utilized exclusively as an independent methodology, this approach is often incorporated into the processes of the other three methodologies. Examples of this approach for New York State and Texas are found in *Developments in School Finance: 2001-2002*.<sup>17</sup>

While each of these methods of determining the programming, and cost of programming, for an adequate education are discussed separately, an actual study may incorporate several of the methods above. For example, Chambers, in his adequacy study for New York State, writes: “Four conventionally recognized analytic strategies exist for addressing this problem. ... This study utilized a combination of the best features of all four strategies, with Professional Judgment Model playing a central role.”<sup>18</sup>

The study of adequacy in Arizona also depended primarily on the Professional Judgment Model. Table 4 shows a compilation of the process, coordination, recommendations, and estimated costs of implementation for the Arizona study and the four comparison states’ studies.

Table 4: Comparison of Methodology, Recommendations, and Costs of Five States' Adequacy Studies

	Arizona	Arkansas	Maryland	New York	Wyoming
<b>Method</b>	Professional Judgment	Professional Judgment	Successful Schools	Professional Judgment	Professional Judgment
<b>Coordinator</b>	Picus and Associates	Picus and Associates	Augenblick and Meyers	AIR/MAP**	MAP***
<b>Major Findings</b>	1, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13	1, 2, 3, 4, 6, 7, 8, 10, 11, 12, 13	1, 3, 4, 7, 10, 11, 12, 13	1, 2, 3, 4, 7, 9, 10, 11, 12, 13	1, 2, 3, 4, 6, 7, 8, 9,
<b>Total Estimated Cost (in thousands)</b>	\$1,325,000*	\$680,600	\$1,300,000	\$6,210,000	N/A
<b>Estimated Cost Per Pupil</b>	\$1428*	\$1513	\$1510	\$2162	N/A

**Major Findings Index**

1. Reduce class size in kindergarten and primary grades.
2. Reduce class size in intermediate and upper grades.
3. Expanded support for students in poverty, limited English, and Special Ed.
4. Increase, improve teachers' salaries.
5. Develop salary related accountability for teachers.
6. Maintain and/or develop small schools.
7. Additional support for disadvantaged learners.
8. Expand support for instructional professional development.
9. Geographic cost of education adjustments in funding.
10. Provide quality preschool experience.
11. Provide full-day kindergarten.
12. Enhance technology base and support for learning.
13. Increased focus on gifted and talented students.

\* Figures are from Adequacy study not Rodell Foundation report (\$1,883/pupil).

\*\*AIR is American Institutes for Research

\*\*\*MAP is Management Analysis and Planning, Inc.

Sources: Odden, A., Picus, L.O., Fermanich, M., & Goetz, M. (2004, June). *An evidence-based approach to school finance adequacy in Arizona*. North Hollywood, CA: Lawrence O. Picus & Associates.

Odden, A., Picus, L.O., Fermanich, M., & Goetz, M. (2003, September). *An evidence-based approach to school finance adequacy in Arkansas*. North Hollywood, CA: Lawrence O. Picus & Associates.

Chambers, J.G., et al. (2004). *The New York adequacy study: "Adequate" education cost in New York State*. New York, NY: American Institutes for Research/Management Analysis and Planning, Inc.

Smith, J.R. (2002, January 31). *Wyoming education finance: Proposed revisions to the cost-based block grant*. Davis, CA: Management, Analysis & Planning.

Aublick & Myers, Inc. (2001, September). *Calculation of the cost of an adequate education in Maryland in 1999-2000 using two different analytic approaches*. Denver, CO: Author.

What is remarkable, in reviewing Table 4, is that studies in five different states, conducted by different consultants, using somewhat differing methodologies, and involving different panels of experts, draw very similar recommendations on what is necessary to provide an adequate education. All five reports find that adequacy in educational opportunity involves:

- Reducing class size in kindergarten and primary grades (Item 1).
- Expanding support for students in poverty, limited English, and Special Education (Item 3).
- Increasing and improving teachers' salaries (Item 4).
- Providing additional support for disadvantaged learners (Item 7).

Additionally, four of the five added the following:

- Expanding support for instructional professional development (Item 8).
- Providing quality preschool experience for disadvantaged (Item 10).
- Providing full-day kindergarten (Item 11).
- Enhancing technology base and support for learning (Item 12).
- Offering increased focus on gifted and talented students (Item 13).

It would appear that the *Lead with Five* recommendations are consistent with the thinking of professionals throughout the states represented in these comparison studies. It is consistent in the means of providing an adequate education in which *all* students have the opportunity to learn and achieve at the level of Arizona's adopted standards.

## ***Recent Policy Developments***

Education funding policy in Arizona seems to be driven by the courts. In the past decade there have been three prominent lawsuits related to how Arizona funds schools. The first of these lawsuits regarded providing adequate facilities throughout the state; the other two were directly related to the issue of providing funding for an adequate education.

In *Roosevelt v. Bishop*, the Arizona Supreme Court held in 1994 that the manner in which school facilities were funded did not meet the “general and uniform” criteria established by the Arizona Constitution, and two years later ordered the legislature to develop an acceptable solution within two years. The Students FIRST (Fair and Immediate Resources for Students Today) legislation was signed into law in July of 1998.<sup>19</sup> In the interim between the *Roosevelt* decision and the enactment of Students FIRST legislation, a companion suit (*Hull v. Albrecht*) resulted in a court order that the state establish standards for buildings and equipment that are aligned with the state’s academic standards.<sup>20</sup>

In *Crane Elementary School District v. Arizona*, filed in 2002, the plaintiffs asserted that the state is not providing sufficient funding for the education of at-risk students. The core argument in *Crane* was that students from low socio-economic backgrounds consistently perform poorly on the Arizona Instrument to Measure Standards (AIMS). The complaint further argues that this poor performance is a consequence of insufficient funding to provide supplemental programming for these children that would enable them to achieve at the level established by standards.<sup>21</sup> Although it was dismissed by a State court in the spring of 2004 before going to trial, *Crane* should not be considered an anomaly. As evidence continues to accumulate on the performance of at-risk students on the AIMS test, the potential for a similar suit looms on the horizon.

*Flores v. State of Arizona*, filed in U.S. District Court in 1992, is similar to the *Crane* suit but applies only to limited English students. This litigation, filed under the Equal Educational Opportunities Act and Title VI of the Civil Rights Acts on behalf of English Language Learners, alleges a disproportionately high failure rate on the AIMS test reflects discrimination against these students. The core argument is that sufficient programming is not provided for limited English students to learn at the level required by the Arizona learning standards (Arizona LEARNS). The court has ruled in favor of the plaintiffs, ordering a cost study in 2000 and a second cost study in 2003. The second study, released in November of 2004, has implications for funding increases in excess of a hundred million dollars and the plaintiff’s threat to request the withholding of federal funding (primarily highway funding) should the legislature not act in the 2005 session.<sup>22</sup>

## *Findings*

The conception of adequacy in school funding and the litigation regarding Arizona's funding model suggest an incompatibility between the funding policy promoted by the state and the programming requirements for Arizona's diverse student population demanded by the state's legislated learning standards. The policies promoted by the legislature appear to be twofold: (a) restricting funding for core instructional purposes to the greatest degree possible and (b) financially promoting a competitive system that is an alternative to traditional public schools.

*The Condition of School Funding: 2004* provided a review of how the state's per-pupil funding has declined over the past two decades. Excluding capital expenditures, the per-pupil expenditure compared to other states declined to 49<sup>th</sup> out of the 50 states.<sup>23</sup> It should be noted that capital funding, while important, is a byproduct of a growing population, but does not address the needs of funding the core instructional process necessary for all students to progress academically as required by the Arizona Learning Standards. Regardless of whether the Arizona State Legislature funds the state's capital obligations from general revenues or through bonding, conflating capital funding with funding for core instruction tends to confuse the latter for the general public.

Arizona's charter school legislation has promoted the formation of more charter schools in the state than any other state in the union. Open enrollment policies allow students to travel to any public school within a 20-mile radius. Arizona's tuition tax credit legislation is considered pioneering. Meanwhile proposals to introduce private school vouchers are advanced in the Arizona State Legislature annually. The pursuit of a competitive market model in public education ignores indicators that, regardless of the educational setting, at-risk students and students of limited English skills do more poorly on the Arizona Instrument to Measure Standards test when compared to other students who take the test.<sup>24</sup> This gap is a subject of deep concern to the public. In the 36<sup>th</sup> annual Gallup poll of public attitudes toward public schools, 88 percent of respondents felt it was important to close the performance gap on standardized tests between African American and Hispanic students and their White counterparts.<sup>25</sup>

## ***Policy Implications***

Policy makers in Arizona remain focused on school funding equity, which is an input model. Adequacy of funding is an output model, emphasizing student performance against an established set of standards. With the adoption of learning standards, policy makers have not taken into consideration the two-edged nature of accountability. Developing a system of standards and measurements to hold schools (and students) accountable has also created a system by which the legislature may be held accountable. When student achievement data are examined to the degree that it is clear entire categories of students fall short in their achievement, it becomes obligatory for the state to provide a means of supporting teaching and learning for those lower-achieving groups. The current emphasis on equity seems likely to perpetuate such gaps. Differentiated funding that takes into account the varying needs and inherent advantages or disadvantages of diverse student population groups appears more likely to ensure that all are educated to the level expected. Failure to consider that possibility continues to invite judicial intervention into Arizona's school funding policy.

## ***Recommendations***

In light of the previously cited lapse in school funding policy, which includes a dwindling of per-pupil funding for core instructional purposes; promotion of a competitive system to the detriment of funding the existing public school system; lost lawsuits and poor performance by minority students and students who live in poverty on the Arizona Instrument to Measure Standards, it is recommended that:

1. Policy makers develop a model for comprehensive school funding reform for public schools, incorporating into the model needed educational services that will enable all students to perform at the level required by Arizona's standards.

2. Policy makers incorporate into a school funding reform model the concepts of adequacy in funding in lieu of the current policy of promoting equity among school districts.
3. Arizona adopt a system of reporting and comparing school funding that focuses on core instructional support in order to minimize public confusion regarding the level of support for teaching and learning.

## Notes and References

<sup>1</sup> For the entire report, see

The Rodel Charitable Foundation of Arizona. (2005, February). *Lead with five: Five Investments to Improve Arizona Public Education*. Scottsdale, AZ: Author. Available online at: [http://www.rodelfoundationaz.org/initiatives/lead\\_five.shtml](http://www.rodelfoundationaz.org/initiatives/lead_five.shtml)

Odden, A., Picus, L.O., Fermanich, M., & Goetz, M. (2004, June). *An evidence-based approach to school finance adequacy in Arizona*. North Hollywood, CA: Lawrence O. Picus & Associates. Retrieved May 26, 2005, from <http://www.rodelfoundationaz.org/initiatives/AFSFinalAOLong.pdf>

<sup>2</sup> Greene, T.D. (2002). *Overview of education finance litigation* (p. 1). Little Rock, AK: Arkansas Policy Forum on Education Finance.

<sup>3</sup> *Ibid.*, p. 2.

<sup>4</sup> Wiggall, R.L. (2004, May). The condition of school funding: 2004. In A. Molnar (Ed.), *The condition of Pre-K-12 education in Arizona: 2004* (Doc. # EPSL-0405-102-AEPI). Tempe, AZ: Arizona Education Policy Initiative, Education Policy Studies Laboratory, Arizona State University. Retrieved April 27, 2005, from: <http://www.asu.edu/educ/epsl/AEPI/EPSL-0405-114-AEPI.pdf>

<sup>5</sup> Odden, A. & Picus, L.O. (2004). *School finance: A policy perspective* (3<sup>rd</sup> edition) (p. 121). New York: McGraw Hill.

<sup>6</sup> Hoff, D.J. (2003, October 1). Federal law bolsters case for aid suits. *Education Week*, 23(5), 1-20. Retrieved August 14, 2004, from: [http://www.schoolfunding.info/news/Clippings/EdWeek\\_FedLaw10-1-03.pdf](http://www.schoolfunding.info/news/Clippings/EdWeek_FedLaw10-1-03.pdf)

In a quote from David L. Shreve, Education Committee Director for the National Conference of State Legislatures: "We're very afraid, we're convinced that the long-term implications of No Child Left Behind are to call into question the adequacy of funding in every state in the union."

<sup>7</sup> Biddle, B.J. & Berliner, D.C. (2003). *What the research says about unequal funding for schools in America* (Order # PP-03-01). San Francisco, CA: WestEd. Retrieved May 8, 2004, from: <http://www.wested.org/cs/pol/view/rs/694>

<sup>8</sup> Hoke County Board of Education v. State of North Carolina I, 95 CVS 1158 (N.C. Gen. Ct of Justice, Sup. Ct. Div., 2000), p. 74. Retrieved August 11, 2004, from: <http://www.schoolfunding.info/states/nc/HOKEI.PDF>

<sup>9</sup> Ladner, R. (2005, February 8). Rodel reforms are old wine. *The Arizona Republic*, p. B7.

<sup>10</sup> Rebell, M.A. & Wardenski, J.J. (2004). *Of course money matters: Why the arguments to the contrary never add up*. New York: The Campaign for Fiscal Equity, Inc. Retrieved February 3, 2004, from: [http://www.schoolfunding.info/resource\\_center/research/MoneyMattersFeb2004.pdf](http://www.schoolfunding.info/resource_center/research/MoneyMattersFeb2004.pdf)

<sup>11</sup> Hunter, M.A. (2005). Status of costing-out in 50 states. ACCESS. Retrieved February 8, 2005, from: <http://www.schoolfunding.info/policy/CostingOut/Costing-Out%20Chart%202012-17-04.pdf>

<sup>12</sup> Cohen, C. & Johnson, F. (2004). *Revenues and expenditures for elementary and secondary schools: School year 2001-02*(NCES 2004-341). Washington DC: U.S. Department of Education, National Center for Education Statistics.

- <sup>13</sup> There is debate regarding whether Arizona ranks forty-ninth or higher. Studies which show Arizona ranking either 36<sup>th</sup> or 37<sup>th</sup> include capital (facilities) expenditures by the state which traditionally are not included in per pupil expenditure comparisons due to the variety of ways states provide local districts assistance for facilities and the fluctuation that can occur from year to year due to student growth, condition of existing facilities, etc. In “The Condition of Education: 2003 (NCES 2003-067)” the writers for NCES offer the following explanation: “Revenues from state sources include those that can be used without restriction; those for categorical purposes; and revenues in lieu of taxation.” While not on a national level, an “in state” example of problems created by including capital expenditures in per pupil comparisons can be found in the controversy over the Goldwater Institute’s recently released “A Guide to Understanding State Funding of Arizona Public School Students.” This report has been criticized by representatives of the Arizona Association of School Business Officials and a writer for the *Arizona Daily Star* (January 30, 2005), who characterize the report as misrepresentative because it includes, in per-pupil expenditures, one-time building expenditures and revenues from bonding. See
- Kiser, J. (2005, January 30). New school finance report leaves a haze of confusion. *Arizona Daily Star*. Retrieved May 26, 2005, from advanced search of archives, searching for articles dated January 30, 2005 with search string: school funding. Available at: <http://www.azstarnet.com>
- <sup>14</sup> Maryland Commission on Education Finance, Equity, and Excellence. (2002). Commission on Education Finance, Equity, and Excellence: Final report [Executive summary] (p. ix). Annapolis, MD: Author. Retrieved April 28, 2004, from [http://mlis.state.md.us/other/education/final/Executive\\_Summary.pdf](http://mlis.state.md.us/other/education/final/Executive_Summary.pdf)
- <sup>15</sup> ACCESS. (2003). *Ensuring all children the opportunity for an adequate education: A costing out primer*. Retrieved November 8, 2004, from: [http://www.schoolfunding.info/resource\\_center/costingoutprimer.php3](http://www.schoolfunding.info/resource_center/costingoutprimer.php3)
- <sup>16</sup> Odden, A., Picus, L.O., Fermanich, M., & Goetz, M. (2004, June). *An evidence-based approach to school finance adequacy in Arizona* (pp. 112-117). North Hollywood, CA: Lawrence O. Picus & Associates. Retrieved May 26, 2005, from <http://www.rodelfoundationaz.org/initiatives/AFSFinalAOLong.pdf>
- <sup>17</sup> Duncombe, W., Lukemeyer, A., & Yinger, J. (2003). *Financing an adequate education: A case study of New York* (NCES 2003-403). Washington DC: U.S. Department of Education, National Center for Education Statistics.
- Taylor, L.L. & Keller, H. (2003). *Competing perspectives on the cost of education* (NCES 2003-403). Washington DC: U.S. Department of Education, National Center for Education Statistics.
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