

CRS Report for Congress

Received through the CRS Web

Rural Education: Legislative Initiatives

James B. Stedman and Richard N. Apling
Specialists in Social Legislation
Domestic Social Policy Division

Summary

The House and Senate have passed similar programs to aid rural school districts. The House and Senate versions of H.R. 1 (passed May 23, 2001, and June 14, 2001, respectively) provide certain rural school districts with increased flexibility in the use of funds under several federal education programs, and also authorize new funding for these and other rural districts. The Rural Education Achievement Program, enacted last year in the Consolidated Appropriations Act for FY2001, provides eligible districts with flexibility under several federal education programs. A 1-year authority for grants for these districts was not funded. This report describes the current program and the programs in the House and Senate bills. It will be updated as major action occurs.

Introduction

The Congress is considering legislation to increase federal assistance to rural local educational agencies (LEAs). Advocates contend that rural LEAs receive too little from individual education formula grant programs for effective use, and they are unable to secure federal competitive grants. During the 106th Congress, the Consolidated Appropriations Act of FY2001 added a Rural Education Achievement Program to the Elementary and Secondary Education Act (ESEA). This program provides eligible LEAs (rural districts with small enrollment) with flexibility in the use of funds they receive under specific ESEA authorities.¹ The program also includes a 1-year authority for separate grants to these LEAs, an authority that was not funded. Despite the absence of funding, eligible districts can exercise the flexibility authority in the legislation.

¹ In current law and these bills, a district's rural location is determined by the "School Locale Codes" for all of its schools. These codes are based on the Census Bureau's classification of the places. Currently, there are 8 such codes. The definitions of a rural location in the legislation under consideration use different combinations of Locale Codes 6, 7, or 8. Locale Code 6 is applied to a school in a place with a population of less than 25,000 and more than 2,500, located outside a metropolitan statistical area. Locale code 7 is applied to a school in a place identified as rural and outside a metropolitan statistical area. Locale code 8 is applied to a school in a place identified as rural and inside a metropolitan statistical area.

In its efforts to reauthorize the ESEA, the 107th Congress is seeking to expand programs to provide flexibility and funding to rural school districts. These programs are included in H.R. 1 (No Child Left Behind Act of 2001) as passed by the House on May 23, 2001; and in H.R. 1 as passed by the Senate on June 14, 2001, with amended text of S. 1 (Better Education for Students and Teachers Act) inserted in lieu thereof. Each bill would authorize two rural education programs that do not vary markedly from one bill to the other. The first program in both bills is very similar to the program enacted in the 106th Congress. The second program, with no parallel in current law, identifies another set of districts (defined by low-income student population and rural location) and allocates funds to states based on the enrollment in those districts. **Table 1** below compares the provisions in current law and the House and Senate bills. Other provisions in these bills supporting rural school districts outside of these programs are not considered here. **Table 2** shows the estimated number of eligible districts by state for each program.

Table 1. Comparison of Rural Education Provisions

Feature	Current law	House-passed H.R. 1	Senate-passed H.R. 1
Overall Title	Rural Education Achievement Program	Rural Education Initiative Act	Rural Education Achievement Program
Location in amended ESEA	Part J Subpart 2 of ESEA Title X	Part G of ESEA Title I	Part B Subpart 2 of ESEA Title V
Authorization of appropriations	\$62.5 million for FY2001 (FY2001 appropriations legislation provided no funding)	\$300 million for FY2002 and such sums as may be necessary for the next 4 fiscal years; appropriation divided equally between the two programs.	For each of the 2 programs — \$150 million for FY2002 and such sums as may be necessary for the next 6 fiscal years.
Limitation on participation in both programs	Not applicable — current law authorizes only a single program.	District eligible for the Rural Education Flexibility program not eligible for Rural Education Assistance program.	District cannot concurrently participate in both programs.
Flexibility program	Yes	Yes	Yes
Title	Rural Education Achievement Program	Rural Education Flexibility	Small, Rural School Achievement Program
Overview	Eligible districts have increased flexibility in the uses of “applicable funding;” formula grant authorized.	Similar to current law.	Similar to current law.
Eligible Districts	Fewer than 600 students in average daily attendance (ADA), and all of its schools with a School Locale Code of 7 or 8.	Same as current law. Locale criterion can be waived by the Secretary.	(1) Fewer than 600 students in ADA or all schools in the district located in counties with a population density of fewer than 10 persons per square mile, and (2) all schools have a Locale Code of 7 or 8. Locale Code can be waived by the Secretary.

Feature	Current law	House-passed H.R. 1	Senate-passed H.R. 1
<i>Applicable Funding</i>	Applicable funding: Title II (Eisenhower professional development program); Title IV (Safe and Drug-Free Schools and Communities Act of 1994); and Title VI (innovative education program strategies, includes funding for class size reduction).	Applicable funding: ESEA Title II A (teacher quality); Section 3106 (education of limited English proficient and immigrant children); Title IV Part A (innovative programs); Title V Part A, Subpart 1 (safe schools); and Section 5212(a)(2)(A) (enhancing education through technology).	Applicable funding parallels current law, coming from: Title II (teacher quality); Title IV (Safe and Drug-Free Schools and Communities Act of 1994); and Title V Part B, Subpart 4 (innovative education program strategies).
<i>Flexible uses of applicable funding</i>	District may use applicable funding for the local activities authorized in: Title I Part A (compensatory education for educationally disadvantaged students); Section 2210(b) (teacher professional development activities); Section 3134 (technology acquisition and applications under the technology innovation challenge fund); or Section 4116 (school safety and drug abuse prevention activities).	District may use applicable funding for the local activities authorized in: Title I Part A; Title II Part A (teacher quality), Title III Part A (education of limited English proficient and immigrant children); Title IV Part A (innovative programs); Title V Part A (safe schools and 21 st century schools); or Title V Part B (enhancing education through technology).	District may use applicable funding for the activities authorized in: Section 1114 (schoolwide programs); Section 1115 (targeted assistance schools); Section 1116 (assessments and school improvement); Section 2123 (teacher quality — local uses of state grant funds); Section 4116 (safe and drug-free schools — local drug and violence prevention); or Section 5331(b) (local activities under innovative education program strategies).
<i>Grants to districts eligible for flexibility</i>	Grants authorized for eligible LEAs for the same activities supported under the flexibility authority. The size of the grant to an individual LEA is equal to (1) \$20,000 plus \$100 times the number of students in ADA in excess of 50 students, but not to exceed \$60,000, minus (2) the applicable funding the district receives.	Grants authorized for eligible districts to be used to improve the academic achievement of students and quality of instruction they receive. The size of the grant to individual districts is determined as would be under current law.	Grants authorized for eligible districts for same activities supported under the flexibility authority (see above), with the addition of: Section 2213 (mathematics and science partnerships), or Section 2306 (state and local programs for technology). The size of the grants to individual districts is determined as would be under current law.
<i>Accountability</i>	LEA must assess its student achievement using statewide assessment consistent with the assessment under ESEA Title I, Section 1111(b), or, absent such assessment, a test of its own selection. State permits an LEA to continue for additional three year period only if its students perform “better” on the assessment after the third year than they did in the first year. An LEA that does not meet this criterion is ineligible to participate for a 3-year period.	LEA must administer assessments consistent with the provisions of ESEA Title I, Section 1111. SEA permits only a district meeting “adequate yearly progress” as defined under Section 1111 to continue to participate after second year of participation.	Same as current law.

Feature	Current law	House-passed H.R. 1	Senate-passed H.R. 1
<i>Formula Grant Program</i>	No	Yes	Yes
<i>Title</i>		Rural Education Assistance	Low-Income and Rural School Program
<i>Overview</i>		Formula grant to states based on enrollment in eligible school districts.	Same as House bill.
<i>Eligible districts</i>		For a district to be eligible, 20% or more of its school-aged (5-17) population must be in poverty and all of its schools must have Locale Codes of 6, 7, or 8. “Specially qualified” agency is an eligible LEA that applies directly to the Secretary because it is in a non-participating state.	Same as House bill.
<i>Allocation formula</i>		Funding allocated among SEAs based on states’ shares of students in ADA in all eligible districts. Prior to SEA allocation, 0.5% of the program’s funding reserved for Bureau of Indian Affairs schools. Up to 5% of state allocation reserved for administrative expenses.	Same as House bill, but does not include 0.5% reservation for Bureau of Indian Affairs schools.
<i>Allocation to LEAs</i>		SEA decides whether to award funds to eligible LEAs competitively or by formula based on ADA.	Same as House bill.
<i>Uses of funds</i>		Funds used for teacher recruitment and retention, professional development for teachers, acquisition of educational technology, parental involvement activities, or programs to improve student achievement.	Funds used for the activities described in ESEA Section 5331(b) (local activities authorized under Title V Part B, Subpart 4 — innovative programs). These uses include those identified in House bill and other uses, such as acquisition of instructional materials, assessments, and curricular materials; and student and parental literacy efforts.

Feature	Current law	House-passed H.R. 1	Senate-passed H.R. 1
<i>Accountability</i>		SEA or specially qualified LEA must include in application to the Secretary specific measurable goals and objectives relating to increased student achievement, decreased dropout rates, or other factors selected by the agency. Annual report must be submitted to the Secretary describing award and use of funds, and progress toward goals and objectives. Secretary of Education reports similar information to the education committees of the U.S. Congress. Three years after an SEA or a specially qualified LEA first receives funds, Secretary reviews progress toward its goals and objectives. Additional funding denied if Secretary determines agency's use of its funds is "inadequate to justify continuation." It is unclear whether these provisions also apply to eligible LEAs.	Reporting requirement same as House bill, except report to congressional committees not required. Participating LEA must administer the same assessment that is administered statewide and consistent with Title I testing requirements; absent such test, LEA administers one of its own choosing. SEA determines whether LEA can participate for an additional 3 years based on whether its test scores after the third year are "better" than its test scores after the first year. LEA failing to meet this requirement cannot participate for a 3-year period.

Table 2 provides estimated number of districts in each state meeting the eligibility criteria in current law and in the provisions of the House and Senate bills. The primary data source is the **revised** 1998-1999 Common Core of Data (CCD) compiled by the U.S. Department of Education (ED). **Due to ED's recent revisions to the School Locale Codes, estimates in Table 2 show a modest increase in the number of eligible districts compared to prior CRS estimates.** Given an absence of available data, total membership as of October 1, 1998, is used instead of ADA as specified in the legislation. U.S. Bureau of the Census poverty data for 5-17 year olds by school district are for 1997. The population density used in the Senate flexibility program is from the 1990 census. Excluded are supervisory union administrative centers and regional education services agencies, as well as any LEA reporting no enrollment. Total number eligible for each Senate program shown below, although eligible districts cannot concurrently participate in both programs. As a result, the numbers for the Senate formula grant program appear to be larger than those for the House formula grant program.

Table 2. Estimated Number of Eligible Districts

State	Total districts	Current law	House Flexibility Program	House Formula Grant Program	Senate Flexibility Program	Senate Formula Grant Program
Alabama	128	0	0	67	0	67
Alaska	53	28	28	8	34	20
Arizona	353	78	78	38	96	77

CRS-6

State	Total districts	Current law	House Flexibility Program	House Formula Grant Program	Senate Flexibility Program	Senate Formula Grant Program
Arkansas	310	120	120	111	121	204
California	988	297	297	89	301	265
Colorado	176	81	81	20	94	56
Connecticut	166	23	23	1	23	1
Delaware	19	0	0	4	0	4
District of Columbia	1	0	0	0	0	0
Florida	67	0	0	29	2	29
Georgia	180	7	7	110	8	117
Hawaii	1	0	0	0	0	0
Idaho	112	40	40	14	49	30
Illinois	936	237	237	58	237	124
Indiana	292	9	9	12	9	14
Iowa	375	151	151	7	151	18
Kansas	304	148	148	20	152	57
Kentucky	176	9	9	95	9	102
Louisiana	70	1	1	39	2	39
Maine	224	109	109	10	109	38
Maryland	24	0	0	3	0	3
Massachusetts	244	34	34	3	34	7
Michigan	687	100	100	80	101	111
Minnesota	387	112	112	14	118	40
Mississippi	152	5	5	96	5	98
Missouri	523	227	227	89	230	201
Montana	456	355	355	32	357	196
Nebraska	596	462	462	13	464	104
Nevada	17	2	2	1	5	2
New Hampshire	165	65	65	2	65	8
New Jersey	581	66	66	5	66	7
New Mexico	89	32	32	39	42	66
New York	705	81	81	117	81	167
North Carolina	120	0	0	41	2	41
North Dakota	229	193	193	5	199	76
Ohio	625	20	20	43	20	44
Oklahoma	546	290	290	125	290	321
Oregon	197	74	74	16	77	34
Pennsylvania	500	8	8	33	8	39
Rhode Island	36	2	2	0	2	0
South Carolina	90	1	1	45	1	46
South Dakota	173	123	123	9	131	62
Tennessee	137	3	3	46	3	47
Texas	1,042	352	352	256	364	478
Utah	40	5	5	3	11	4
Vermont	248	158	158	2	158	19
Virginia	129	1	1	42	2	43
Washington	296	102	102	27	109	71
West Virginia	55	0	0	37	1	37
Wisconsin	426	100	100	12	104	30
Wyoming	48	13	13	1	22	4
Total	14,494	4,324	4,324	1,969	4,469	3,668