# FRACTURED: THE ACCELERATING BREAKDOWN OF AMERICA'S SCHOOL DISTRICTS



**2019 UPDATE** 

School district borders are among the most critical lines in our society. They determine the racial composition of our classrooms; the resources teachers have to guide our children; and how well prepared our young adults are for a life after graduation. There are over 13,000 school districts in America, of all shapes and sizes, often drawn in an arbitrary manner that does not align with any other boundary.

One reason for this is the way we fund our public schools. Nearly half of all education funding comes from local sources, primarily property taxes drawn from within school district borders. Communities with higher-value properties and wealthier residents have more local resources available for their schools than their less-fortunate neighbors. A change in any given border, therefore, affects the pools of money available to schools on either side of the line, exacerbating the disparities in wealth and opportunity that are only growing in America. In some states, the boundaries outlining a school district are rigidly defined by the constitution. In others, a neighborhood referendum is all that's required to redraw the lines. Since most states still rely heavily on local taxes to run schools, one might assume that state laws would make it difficult for a wealthy community to wall itself off and withhold resources. But that often isn't the case.

# The majority of the districts left behind have a higher number of nonwhite students and students living in poverty than their secession districts.

In 2017, EdBuild released *Fractured: The Breakdown of America's School Districts* to shine a light on the issue of school district secessions and the state laws that allow (or even encourage) them. There have been at least 128 secession attempts in the United States since 2000; 73 have been successful. And thirty states have a process established in law to allow for these secessions.

Now we can confirm that this wave of secessions is accelerating. While sixty-three communities were successful in creating their own school districts in the seventeen-year span between 2000 and 2016, ten have done so in just the two years since (see Appendix 1). The majority of the districts left behind have a higher number of nonwhite students and students living in poverty than their secession districts. They also have lower property values and lower household incomes than their breakaway neighbors.

In addition, there are proposals for another seventeen breakaway districts making their way through legal requirements that are growing more permissive each year. These proposed secessions are scattered across the country – from Louisiana to Indiana, New Jersey to California. The secessions-in-progress follow the same demographic trends as those that have already seceded: compared to the districts they would leave behind, they have higher property values, higher incomes, and a lower numbers of nonwhite students and those living below the poverty line.

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In addition, since 2017, at least two states have taken steps to ease the process of local self-segregation: Indiana, through reinterpretation of existing law, and North Carolina, through the passage of new, controversial legislation.



#### Indiana

Until recently, Indiana state law technically allowed for school-district secessions, but in practice, the procedure was so cumbersome and vague as to be next to impossible. To begin the process, a county committee had to be established to explore the issue of district reorganization and ultimately make a recommendation on how to proceed. That committee was to be formed by a judge, through a mechanism undefined in statute. After the committee finalized its work and was dissolved, the local governing body or state superintendent could submit a plan to the state board for consideration.

In response to a district secession request, the Indiana State Board of Education released a memo in December 2018 clarifying that—per the state's interpretation—it was not necessary to create a county committee before submitting a request to the State Board. A school board or town may now begin the effort by going directly to the state, removing a major hurdle in the process. The State Board must still support the request, and following its approval, a petition drive or special election must be conducted to get consent from the local community. The procedure is still by no means quick, but by reinterpreting the existing statute to streamline the process, the State Board has greatly increased the likelihood of new community divisions.

#### **North Carolina**

In 2017, when EdBuild first released the Fractured report, North Carolina had formed a commission to explore the possibility of allowing county school districts to break apart. The commission was largely at the instigation of a group of wealthy, white communities outside of Charlotte, which all sit within the countywide district of Charlotte-Mecklenburg Schools. The idea was ultimately rejected; however, legislators manipulated laws related to public charter schools to appease the Charlotte-area communities of Matthews, Mint Hill, Huntersville, and Cornelius. Now, these four towns can create new neighborhood schools that, unlike normal public charter schools, may deny enrollment to students outside the town lines, even if they live in the same school district.

In the same session, the legislature quietly slipped a provision into the state budget allowing municipalities to allocate certain property tax revenues explicitly to the schools in their individual neighborhoods. Instead of being allocated to the district to be distributed fairly across all schools in the county, these additional dollars can be steered to specific local campuses.

Taken together, these two provisions provide all the benefits of a secession (town-only schools, funded with town-only dollars), without an otherwise required constitutional amendment, while avoiding the risks of allowing other municipalities to break from their county districts. Only those four communities—where the average median household income is over \$80,000 (compared to a state median of \$53,000) and more than three-quarters of residents are white—were cherry-picked for this privilege, when a commission had just decided against recommending that all municipalities be allowed to secede.



There are a number of legitimate reasons for school district reorganization, related to factors like shifting enrollments and geography, for example. But when these laws aren't crafted carefully, they will almost inevitably be taken advantage of—usually in ways that benefit the privileged and powerful. In a state like Alabama, where there have been ten secessions since 2000, it has seemingly become a standard solution to disagreements, and only serves to intensify the socioeconomic and racial divides plaguing the state's communities.

A few years ago, after a flurry of legislative efforts and legal challenges, the Tennessee legislature overturned a ban on new school districts, allowing six wealthy suburbs to break away from Memphis. While the change was intended specifically for these communities, it also opened the door to secessions by other towns across the state. Since 2017, three more towns have formally proposed breaking off from their cities, and others are beginning conversations.

What we've learned from Tennessee's example is that the creation of permissive laws intended for only one set of communities can open a Pandora's box of secession attempts. That's why new, permissive state laws are so problematic, even if they're intended to placate a handful of neighborhoods. These policies have a tendency to become slippery slopes: It's difficult to defend against a new, segregating school district border when even a single town has been allowed to set a precedent.

# What we've learned from Tennessee's example is that the creation of permissive laws intended for only one set of communities can open a Pandora's box of secession attempts.

There are a number of steps that states can take to prevent communities from using secession to segregate students or to undermine equity and efficiency. They can disallow secessions entirely, as Georgia and Florida have. Failing that, they can set a high bar for the creation of any new school district. Processes should include provisions like Wisconsin's, where those approving new districts must consider the impact on finances and socioeconomic and racial diversity, and Texas's, where new districts must be separately approved by voters in both the proposed district and the area to be left behind. But beyond any policy measures specific to secession, states must reimagine their education funding systems in a manner that diminshes the incentive to secede in the first place, and gives all students a chance at success.

The notion of allowing small enclaves to withdraw a portion of their taxes to serve only themselves is unique to education. Imagine allowing citizens to withhold taxes for libraries that they don't use or sidewalks they don't walk on. Envision providing exemptions from federal taxes for people who don't have family members receiving Medicare. Surely, there is a legitimate argument to be made for each, but that argument never outweighs the case for the public good.

# Incentivizing communities to opt out of the public good . . . will only further the economic divide in our country and segregate America's next generation.

Our school funding structure means that, whatever the express motivation for a proposed school district split, "local control" through secession will always be tied to money. Incentivizing communities to opt out of the public good, create inefficiencies, and keep their money for themselves will only further the economic divide in our country and segregate America's next generation.

We have a unique opportunity during our children's earliest years to teach them what our country could and should be. It's in our grade school years that we learn what it means to be a thoughtful member of society. There is little doubt that subjecting students to a splintered school system of haves and havenots today only lays the groundwork for a fractured society of tomorrow.



# **APPENDIX 1**

### **Successful and Ongoing Secessions Since 2017**

State	<b>Secession Status</b>	Left Behind District	Seceding Area		
Alabama	Seceded (2019)	Baldwin County School District	Gulf Shores		
Maine	Seceded (2019)	RSU 39	Limestone		
Maine	Seceded (2018)	MSAD 27	Eagle Lake		
Maine	Seceded (2018)	RSU 50	10ro Plantation		
Maine	Seceded (2018)	RSU 50	RSU 89		
Maine	Seceded (2018)	SAD 61	Sebago		
Maine	Seceded (2017)	RSU 10	RSU 56		
Maine	Seceded (2017)	RSU 31	Burlington		
Maine	Seceded (2017)	RSU10	Byron		
New Jersey	Seceded (2017)	Ocean Township School District	Loch Arbour		
Alabama	Ongoing	Escambia County	Atmore		
California	Ongoing	Mt. Diablo Unified School District	Northgate		
California	Ongoing	Santa Monica-Malibu Unified School District	Malibu Unified School District		
Indiana	Ongoing	West Clark	Silver Creek		
lowa	Ongoing	Davenport School District	West Scott		
Louisiana	Ongoing	East Baton Rouge Parish School District	St. George		
Maine	Ongoing	RSU 14	Raymond		
Montana	Ongoing	Billings School District	Lockwood		
Montana	Ongoing	Helena School District	East Helena		
New Jersey	Ongoing	Pascack Valley Regional High School District	Woodcliff Lake		
North Carolina	Ongoing	Charlotte-Mecklenburg	Cornelius		
North Carolina	Ongoing	Charlotte-Mecklenburg	Huntersville		
North Carolina	Ongoing	Charlotte-Mecklenburg	Mint Hill		
North Carolina	Ongoing	Charlotte-Mecklenburg	Matthews		
Texas	Ongoing	Austin Independent School District	East Austin		
Wisconsin	Ongoing	Delavan-Darien	Darien		
Wisconsin	Ongoing	Racine Unified School District	Caledonia		

<sup>\*\*\*</sup>Please note, since the release of this update on April 16, 2019, we have changed the status of one secession from seceded to ongoing. As a result, we have updated our numbers throughout the report.

ORIGINAL EDBUILD FRACTURED REPORT FROM 2017	



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### **EXECUTIVE SUMMARY**

"In the short run, it may seem to be the easier course to allow our great metropolitan areas to be divided up each into two cities—one white, the other black—but it is a course, I predict, our people will ultimately regret." - Justice Thurgood Marshall

The United States District Court for the Northern District of Alabama recently issued a ruling—currently under stay until repeals are resolved—that would allow a primarily white, middle-class section of Jefferson County to secede from its larger school district. The action would further fracture the Birmingham area, where seven other towns have withdrawn to form their own districts since the 1950s,¹ leaving Jefferson County School District both poorer and less racially diverse. The secessions have created some of the most socioeconomically segregating school district borders in the country,² and five of these have occurred despite a federal desegregation order that has been in place since 1971.³

The ruling would give provisional approval to the town of Gardendale to create a new school system for its 2,134 students, of whom 7% are poor and 22% are nonwhite<sup>4</sup> (to put this into perspective, the new school district of Gardendale will have a lower poverty rate than Beverly Hills School District in California<sup>5</sup>). If the ruling stands, the secession will leave behind a district that already has a majority of nonwhite students (55%) and a poverty rate nearly three times that of Gardendale (20%).<sup>6</sup>

The mayor of Gardendale told the press that the proposal to locally govern schools in the area was about "keeping our tax dollars here with our kids, rather than sharing them with kids all over Jefferson County." This tightfisted attitude toward the wider Jefferson County community is just the latest example in a long tradition of divisive thinking. The county's desegregation order is now 46 years old, and factions of Jefferson County have been trying to separate themselves from their neighbors for even longer, making these splits a tragic local tradition.

Alabama makes it particularly easy for small towns to secede from larger school districts, but it is certainly not the only state to allow this kind of change. Thirty states have processes in place that allow for secession, some more permissive than others. At least 71 communities have attempted to secede from their school districts since 2000—a number that continues to grow. Of these, 47 communities have been successful at splitting from their districts, and another nine secessions are still pending.

In some cases, there may be legitimate logistical grounds for school districts to separate. For instance, California's San Fernando Valley is geographically distinct from the city of Los Angeles, but the two areas are currently part of the same unified school district. A reasonable, geographically based detachment petition from this community was ultimately denied in the state's rigorous review process.<sup>8</sup> In other cases, however, secessions create substantial funding inequities, perpetuate inefficiency, and fracture districts along racial or socioeconomic lines—and in many states, they can go forward without examination or challenge.

Today, school district secessions are explicitly allowed in most states. The method for splitting school districts is usually codified in state law, though procedures vary; they range from only a majority vote in a small, breakaway neighborhood in some states to a multistep process involving state agency or legislative approval in others.

Of the 30 states with explicit secession policies on the books, only nine require a study of the funding impact of a proposed split. Just six states require consideration of the effects on racial and socioeconomic diversity and equality of opportunity for groups of students. As a consequence, in 21 states, the law makes no effort to prevent communities from pulling away from their districts for the express purpose of cordoning off local wealth. Similarly, in 24 states, the path is completely clear for communities to separate for racial or class-based reasons. And when it comes to the question of whose voice counts, just four states consistently require a majority vote of approval

specifically from the members of the community being left behind.

The immediate effect of this kind of segregation on today's classrooms is clear. Beyond that short-run impact, though, states must recognize that when children don't get to know their neighbors during their formative years, they will be less likely to associate with or care for them when they're adults. We have a unique opportunity during children's earliest years to teach them what our country could and should be. There is no doubt that a splintered school system of haves and have-nots today lays the groundwork for a fractured society in the future. We are deluding ourselves if we believe that we can maintain a fair and inclusive culture without putting in the collective effort to support the education of our most vulnerable students—and if we don't unify around that goal, we will surely fail to realize a society in which all children may reach their full potential.

In addition to cementing segregation along socioeconomic and racial lines, breakaway school districts often exacerbate the resource inequities in our public education system. For instance, in 2015 (the most recent year for which data are available), the median property value in Ohio secession district Monroe Local was \$159,200, over 70% higher than that of Middletown City School District, from which Monroe withdrew in 2000.9 Because school districts are still highly reliant on local property taxes, when communities with higher property values leave behind less wealthy neighborhoods, they take a disproportionate amount of funding with them. As a result, Monroe is able to raise over \$1,700 more per student from local sources. With more property tax money per pupil, these new districts can vie for the best teachers, provide better facilities, and offer additional enrichment to their students. In this way, these better-off neighborhoods transform public education from the public good it's meant to be—providing the same opportunities to all of America's children—to something far less accessible.

"... when permissive school district secession policies are combined with funding systems rooted in local property taxes, states create a structure in which communities are incentivized to close themselves off..."

This kind of secession isn't only harmful to school finances on equity grounds, though; it's also bad financial management. Creating new, duplicative bureaucracies to educate a small number of students in a secession district is inefficient, and it's wasteful of the state tax dollars paid by all citizens. Looking at the pair of districts involved in each of the 47 successful secessions, the average new district formed serves almost 2,600 students, compared to an average enrollment of over 30,000 in the districts they left behind. <sup>11</sup> From all sources, our country spends over \$3,200 more on students enrolled in small school districts (fewer than 3,000 students) than those on the scale of those left behind (25,000–49,999). And with higher overhead costs, small districts tend to spend about 60% more per-pupil on administrative costs. <sup>12</sup>

Though there have been dozens of secessions since 2000, it wasn't always so easy for communities to cordon themselves off—especially when doing so would divide districts along socioeconomic or racial lines. In the late 1960s and early 1970s, lower federal courts held communities responsible for delivering on the promise of *Brown v. Board of Education*. In 1971, the U.S. Court of Appeals for the Fifth Circuit ruled in *Lee v. Macon City Board of Education* that "[a] city cannot secede from the county where the effect—to say nothing of the purpose—of secession has a substantial adverse effect on desegregation of the county school district." Similarly, in *Stout v. Jefferson County* in 1972, the Court ruled, "[W]here the formulation of splinter school districts, albeit validly created under state law, have the effect of thwarting the implementation of a unitary school system, the district court may not . . . recognize their creation." In other words, in most places, secession would have been considered a segregating—and, therefore, impermissible—act.

But a landmark 1974 ruling by the United States Supreme Court in Milliken v. Bradley significantly weakened the power of the lower courts to maintain desegregation efforts. The ruling specifically barred states from imposing

desegregation plans across school district boundaries, thereby limiting mandatory integration efforts to one district at a time. The opinion gave school district boundaries near-sacred status, declaring:

[T]he notion that school district lines may be casually ignored or treated as a mere administrative convenience is contrary to the history of public education in our country. No single tradition in public education is more deeply rooted than local control over the operation of schools.

Taking the other side, Justice Thurgood Marshall, who had argued for the plaintiffs in *Brown* before joining the Court, argued in his dissent, "In the short run, it may seem to be the easier course to allow our great metropolitan areas to be divided up each into two cities—one white, the other black—but it is a course, I predict, our people will ultimately regret."

Public education is guaranteed in the constitutions of all 50 states. Ultimately, the responsibility for public schooling rests with state governments. But when permissive school district secession policies are combined with funding systems rooted in local property taxes, states create a structure in which communities are incentivized to close themselves off—one in which the better off are rewarded for lesser participation, often without consideration of the effect of their actions on the children left behind. As a result, this is not just a story of neighbors divided in a self-interested society; rather, it could be better characterized as a story of a broken system of laws that fracture and of policies that have failed to protect the most vulnerable.

In a world in which states abdicate their responsibility for ensuring equal opportunity and fail to exercise proper oversight over school systems, parents and communities will inevitably take it upon themselves to provide for their own children. However, secession is a counterproductive means of obtaining more local authority. It often deprives the school districts left behind of critical resources needed to educate vulnerable children. It is inefficient, requiring duplication of administrative costs, which also pulls money from the classroom. And it splits students along racial and class lines, cementing social divisions in a way that can only beget further segregation attempts in the future. For these reasons, it's time to reevaluate our laws and the financial incentives in our school systems to ensure that all students can get ahead and that no districts—and no children—are left behind.



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#### INTRODUCTION

In 2011, most students in the small town of Creola, Alabama, would travel three miles each morning to attend Robert E. Lee Elementary School in Satsuma. However, in 2012, Satsuma residents voted to form their own school district—unilaterally, with no input from those in the area left behind. They took with them two school buildings and the tax base that fell within the newly drawn borders, which formed an island within the larger Mobile County School District (MCSD).

The island school district of Satsuma has a median household income that is nearly \$16,000 a year higher than MCSD, and their schools receive about \$1,000 more in state and local revenue per student. The poverty rate of the 1,294 students enrolled in Satsuma's two schools is 16%, compared to a poverty rate of 25% among the students left behind.

Satsuma wasn't the first district to choose to leave MCSD. In 2007, the city of Saraland created its own island, defecting from MCSD with three schools that served only 2,862 students in 2015.  $^{17}$  In 2011, Chickasaw City also formed its own school district, which in 2015 served a mere 950 students in two schools.  $^{18}$ 

Today, students in the town of Creola have a choice: they can ride a bus for between nine and 25 miles to attend the closest school in what remains of Mobile County's balkanized school district or they can pay \$850 per year in interdistrict tuition to attend what used to be their school of right.<sup>19</sup>

#### THE CONCEPT OF "SECESSION"

North of Creola, another secession has recently garnered significant attention. The City of Gardendale's proposal to leave Alabama's Jefferson County School District, which is currently under an active desegregation order, drew widespread public notoriety. After reviewing the plan, a federal circuit court provisionally approved the secession (currently under stay until appeals are resolved), despite finding that the move was racially motivated.<sup>20</sup> If Gardendale moves forward with its split from Jefferson County, it will create a new school system open to its 2,134 school-age children, of whom 7% are poor—a lower proportion than that of Beverly Hills School District in California<sup>21</sup>—and 22% are nonwhite.<sup>22</sup> The district will leave behind, Jefferson County, which currently serves a community where 20% of school-age children live in poverty<sup>23</sup> and a majority of enrolled students (55%) are nonwhite<sup>24</sup>—levels that will only increase with Gardendale's withdrawal.

Although the path to secession is especially easy in Alabama, this isn't just a southern phenomenon. According to available data, EdBuild has found at least 71 communities across the country that have attempted to withdraw from their school district since 2000, and that number continues to grow. Of these, 47 communities have succeeded in separating from their districts, six communities proposed potential secessions without moving into formal proceedings, and nine secessions are ongoing—being actively discussed and/or moving through the necessary secession processes. Only nine were prevented from finalizing the split.

It wasn't always so easy for communities to cordon their schools off from their neighbors. In the years immediately following the United States Supreme Court's decision in *Brown v. Board of Education*, states, including Alabama, were particularly stringent about political geographies that would further splinter communities along race and class lines. But a series of subsequent court rulings and the lifting of desegregation orders have enabled more permissive state laws that, together, are leading to a new, twenty-first-century approach to segregation.

#### LEGAL AND POLITICAL BACKDROP

Following the *Brown* decision, federal courts held local communities responsible for delivering on the promise of the ruling. Throughout the 1960s and early 1970s, lower federal courts ruled consistently against secession in instances where race or resources would become concentrated in one of the districts.

In 1971, the Fifth Circuit ruled in Lee v. Macon City Board of Education that:

The city cannot secede from the county where the effect—to say nothing of the purpose—of secession has a substantial adverse effect on desegregation of the county school district. If this were legally permissible, there could be incorporated towns for every white neighborhood in every city.

In many cases, a school system's socioeconomic and racial zoning is a product of where people choose to live; where school systems are as small as towns and neighborhoods, residential segregation begets school district segregation. However, the court's ruling in *Lee* denied neighborhoods the ability to use smaller municipal borders within a broader school district as an excuse to create a smaller, homogenous subsystem including only hyperlocal schools. In other words, communities could not establish new school districts at the expense of racial and socioeconomic diversity. As the court noted in its decision, if localities were allowed to incorporate as municipalities and then become their own school systems, secession would become a ubiquitous tool for segregation throughout the state and even the country.

Similarly, in 1972, in a case related to the creation of "Pleasant Grove," a proposed school district just outside of Birmingham and very near to Gardendale, the court ruled, "[W]here the formulation of splinter school districts, albeit validly created under state law, have the effect of thwarting the implementation of a unitary [integrated] school system, the district court may not ... recognize their creation." The case reaffirmed the 1971 desegregation order for the Jefferson County area (the very same order that would be cited decades later by the NAACP Legal Defense Fund in its filing opposing the creation of the Gardendale School District).

But a landmark 1974 ruling by the United States Supreme Court reversed this trend. In *Milliken v. Bradley*, the Court significantly weakened the power vested in the lower courts to maintain desegregation efforts. The ruling specifically barred states from imposing desegregation plans across school district boundaries, thereby limiting mandatory integration efforts to one district at a time. The opinion gave school district boundaries near-sacred status, declaring:

[T]he notion that school district lines may be casually ignored or treated as a mere administrative convenience is contrary to the history of public education in our country. No single tradition in public education is more deeply rooted than local control over the operation of schools.

Taking the other side, Justice Thurgood Marshall, who had argued for the plaintiffs in *Brown* before joining the court, argued in his dissent, "In the short run, it may seem to be the easier course to allow our great metropolitan areas to be divided up each into two cities—one white, the other black—but it is a course, I predict, our people will ultimately regret."

Today, most states do, indeed, allow school systems to be divided up. Thirty states have explicit procedures specified in statute for school district secession. These laws range in permissiveness from requiring only a majority vote in a small, breakaway neighborhood in some states to a multistep process involving approval from a state agency or the legislature in others. However, the path to secession rarely considers the kind of impact that worried Justice Marshall: of the 30 states with explicit procedures, only six require consideration of how the split will affect racial and socioeconomic diversity or equality of opportunity for groups of students (see the appendix for a summary of each state's laws regarding school district secession).

#### **INCENTIVES IN THE SYSTEM**

Allowing children the opportunity to learn in racially diverse classrooms has proven to be academically and socially beneficial to all students involved.<sup>25</sup> Research clearly shows that African American students in segregated schools suffer academically,<sup>26</sup> while school integration raises minority achievement levels and narrows the racial achievement gap,<sup>27</sup> and nonminority students benefit in the form of improved problem-solving and critical-thinking skills.<sup>28</sup> Meanwhile, longer-term analyses have traced the positive impacts of diverse schools on students' eventual educational and professional attainment, civic engagement, and ability to live and work in integrated environments.<sup>29</sup>

It is only natural that when students experience integration as children, they will be prepared to better engage with and contribute to a diverse civil society.<sup>30</sup> In the academic sphere, though, the promise of racial integration isn't that minority students will benefit from mere proximity to white students. Rather, because we live in a socioeconomically fractured society, racial segregation overlaps heavily with economic segregation.<sup>31</sup> Students from high-income families benefit from the support of more educated parents, enrichment opportunities, and other outside-school resources.<sup>32</sup> And within the school system, because school funding in the United States is rooted in local property tax collections, which vary with local wealth, racial and economic segregation can serve to separate students from adequate education funding. As a result, the benefits of integration do not result entirely from racial diversity in and of itself. Instead, they arise from bringing students from historically oppressed communities to schools that have significantly more resources—assets ranging from more-qualified teachers and better-developed curricula to educated and involved local parents.<sup>33</sup>

If racially integrated school systems lead underserved children to greater resources in new schools, though, then the converse is also true: when communities splinter along racial and socioeconomic lines, resources are pulled from the classrooms that most need the additional help. And if better-off communities would rather not share the wealth, the best way to avoid having to do so is to secede, breaking away from larger school districts and taking their local dollars with them. As the mayor of Gardendale recently admitted to the press, the town's proposal to separate from the county district was really about "keeping our tax dollars here with our kids rather than sharing them with kids all over Jefferson County." Another case in point is a current proposed split between Malibu and Santa Monica, California. This secession wouldn't split a school district along racial lines, the way those in Jefferson County, Alabama, have. Rather, Malibu parents are on record saying that they don't want to share certain locally raised supplemental funds with their slightly worse-off neighbors, as required by state law.

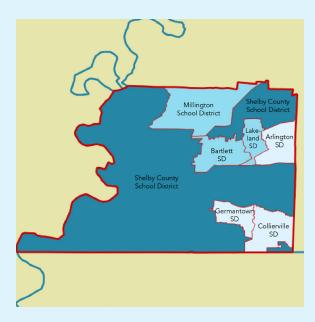
Parents and communities are understandably anxious to provide effectively for their own children. Our current school funding system brings the worst out of that impulse: when school resources are driven in part by housing values, neighborhoods will always have the incentive to wall themselves off in order to keep hold of their wealth, providing for their own and leaving others behind. And as long as housing patterns are driven by race and class, those separations will make communities, and the schools within them, more insular and segregated, with disastrous consequences for children and for society.

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When permissive school district secession policies are combined with funding systems rooted in local property taxes, states create a structure in which communities are incentivized to close themselves off—one in which the better-off are rewarded for lesser participation. In the wake of *Milliken*, no federal oversight exists to halt this kind of segregation. As a result, this is not just a story of neighbors divided in a self-interested society; rather, it could be better characterized as a story of a broken system of laws that fracture and of policies that have failed to protect the most vulnerable.

In a world in which states abdicate their responsibility for ensuring equal opportunity and fail to exercise proper oversight over school systems, parents and communities will inevitably take it upon themselves to provide for their own children. But as John Dewey wrote over one hundred years ago, "What the best and wisest parent wants for his own child, that must the community want for all of its children." We need laws that bolster public education as a public good, supporting all students in common and discouraging rather than promoting social and economic division. When states allow and even incentivize school district secession, students are split along racial and class lines, and the school districts left behind are deprived of critical resources needed to educate vulnerable children.

## **CASE STUDY: MEMPHIS, TENNESSEE**



The case of Memphis and Shelby County is an extreme example of how imbalanced political power, our local school-funding model, and the allowance of secession can be disastrous for children. In 2014, six largely white and wealthy Tennessee suburbs broke off from the impoverished Shelby County school district after nearly a decade's struggle. The county's suburbs had long sought to keep their tax dollars from benefitting the more needy student population in Memphis, the Shelby County seat. After a flurry of legislative efforts and legal challenges, the Tennessee state legislature, led by legislators from Shelby County suburbs, reversed a ban on new school districts—allowing these districts to break away and opening the door to future secession efforts.

After busing for desegregation began in 1973, Memphis' white and wealthier families fled to the surrounding suburbs of Shelby County, leaving the city disproportionately poor and nonwhite. Leventually, Memphis City Schools served a student population that was almost 93% nonwhite. It was surrounded by Shelby County Schools, a separate district where the student population was just over half white Lis and where the median family income was more than double that of Memphis.

Though the county and city school systems were separate, the suburbs sought another kind of self-segregation: financial.<sup>117</sup> The residents of both the Shelby County and Memphis City districts paid a countywide property tax, and the districts shared the proceeds.<sup>118</sup> By 2008, the Shelby County School Board had found a way to avoid sharing funds with Memphis. If the district could gain special school district status, it would have the authority to raise funds that would stay in just the suburban schools and potentially do away with the shared countywide property tax entirely.<sup>119</sup> Because the suburbs enjoy higher property values, they could, as a special school district, levy a tax rate lower than what they paid in country property taxes and still cover their expenses.<sup>120</sup> Meanwhile, the move could have forced Memphis City Schools to levy a tax rate more than double that of Shelby County to make up for the lost revenue.<sup>121</sup>

There was just one problem: Tennessee had long since banned new special school districts and municipal school districts. The suburbs would need the state legislature to both authorize the creation of new special school districts in general and to pass a law specifically creating the Shelby County Special School District. 123

When Republicans solidified control of the state legislature in the 2010 elections, its seemed inevitable that lawmakers would move to allow a Shelby County Special School District. Faced with impending financial peril, Memphis City Schools acted fast: that December, before the newly elected legislators could be sworn in, the school board voted to dissolve the district entirely, placing the city's schools in the control—and taxing jurisdiction—of Shelby County. 124

Before the dissolution was finalized, though, the suburbs began pursuing another change in school district boundaries, this time to separate themselves from the county district, now composed largely of Memphis. <sup>125</sup> Even with the support of the state legislature, the suburbs faced an uphill battle. After their first legislative attempt to carve out an exception to the state's ban on new districts was stymied by the Attorney General, <sup>126</sup> a federal judge struck it down, calling it "a wink and a nod" to Shelby County suburbs. <sup>127</sup>

The legislature changed tack. Instead of adding an exception, it did away with the ban altogether, putting in place a relatively easy path to school district secession. Now, in order to create a new city school district, a municipality need only have a student population of 1,500 and the support of a majority of municipal voters. This process is especially lax; unlike the majority of the states that allow secession, newly created school districts in Tennessee do not require approval from any county or state authority.

The way cleared, each of the six wealthier communities began the 2014–15 school year with their own, separate districts. These new districts have an average student poverty rate of 11%, lower than that of Beverly Hills. By comparison, one-third of students in the shrunken Shelby County district live below the poverty line—a rate higher even than that of Compton, California. California.

### **CASE STUDY: MEMPHIS, TENNESSEE**

The financial impacts of the secessions were immediate. In just one year, Shelby County's budget was slashed by 20%. Declining enrollment has forced drastic measures: Seven Memphis-area schools have closed since the 2014–15 school year alone, and the district laid off about 500 teachers in both 2015 and 2016.

The repeal of the ban on new districts cleared the way for almost any Tennessee community seeking to segregate itself from its poorer neighbors. Hamilton County School District, which includes Chattanooga, is facing its own breakdown. Last year, Signal Mountain (a suburb where the United States Census estimates from 2015 suggest no school-age children live in poverty<sup>136</sup>), began studying the feasibility of seceding from Hamilton County,<sup>137</sup> which has a 21% student poverty rate.<sup>138</sup> A local committee estimated that the new district would have an additional \$1.8 million should it secede and take its tax base with it.<sup>139</sup> Three other communities in Hamilton County are now also considering secession from the district.<sup>140</sup>



#### THE CURRENT LANDSCAPE

Though countless court rulings have established that the responsibility for ensuring an equitable and inclusive system of public schools lies with state governments,<sup>37</sup> states largely delegate decision-making to individual school districts. As a result, our entire system—from funding to governance—is rooted in local control.

School districts are local governments in themselves, with political and financial significance. Districts decide which children will learn together, at what level their schools will be funded, and who gets to vote on specific school governance and financial issues. Of the more than 14,000 school districts recognized by the United States Census,<sup>38</sup> 12,880 are independent governmental units.<sup>39</sup> The boundaries that define these jurisdictions are therefore critically important.

Moreover, school district lines are often not aligned with other electoral or municipal borders—almost 80% of school district borders are noncoterminous with other government boundaries, such as towns, cities, and counties.<sup>40</sup> Today, there are four times as many unique school districts as there are counties.<sup>41</sup> As a result, these decisions are made by and for a polity that exists only for oversight of education. That leaves school districts especially vulnerable to hyperlocal political considerations and distorting financial incentives.

The already-fractured nature of our school district map should prompt careful consideration of the benefits of district consolidation and alignment with other government boundaries. Yet in many states, communities are moving in the opposite direction, splitting from their school districts in pursuit of taxing autonomy, racial and socioeconomic segregation, or financial gain.

#### **POLICIES**

A surprising number of states make it possible to create new local education agencies, often at the whim of a small number of people. In fact, there are 30 states that have explicit policies allowing the splintering of school systems and the creation of smaller districts that serve as "spin-offs" from their parent districts. And because state governments delegate to local school systems substantial decision-making power over education policy, once these new districts are created, they enjoy a great deal of authority, weight, and deference.

Of those states with prescribed secession policies, only one, Ohio, has a law that gives any power over the process to the legislature. In all others, secessions can happen through some combination of administrative approval and at the will of the local community through citizen action.

In many states, proposed secessions begin with citizens, with a petition (16 states) and/or a referendum (19 states), but the voter pool and requirements vary widely among these states. In six states, only a simple majority of the voters residing within the borders of the proposed splinter district need approve the proposal. Not surprisingly, these states—Alabama, Maine, and Tennessee among them—tend to have some of the highest numbers of proposed and successful secessions.

In twenty states, approval is needed from a state agency (usually the state school board or state superintendent). In these cases, it is assumed that the state body will review the secession proposal with an eye toward its effects on both the students who will leave and those who will be left behind. However, only six states require a specific review of the potential effects of these separations on racial or socioeconomic factors. And only nine states require a review of the potential funding inequities that may result.

Where there is no explicit policy on the books, we infer that the newly proposed district would require action from the state legislature, creating the district through legislation or putting in place a process for secession that would apply to the proposed district. This has happened in several states. For example, when the tiny town of Canyonville, Oregon (which contains less than a square mile of territory<sup>42</sup> but is home to a large and lucrative casino<sup>43</sup>), was considering seceding from the South Umpqua School District, the legislature passed a bill that would have specifically enabled the split.<sup>44</sup>

In three states, a constitutional amendment is required for residents attempting to create their own school districts. Although this is certainly a significant hurdle to overcome, it didn't stop the Louisiana legislature from allowing three wealthy districts to secede from East Baton Rouge and two others from their larger districts by specifically naming each individually in the Constitution.<sup>45</sup>

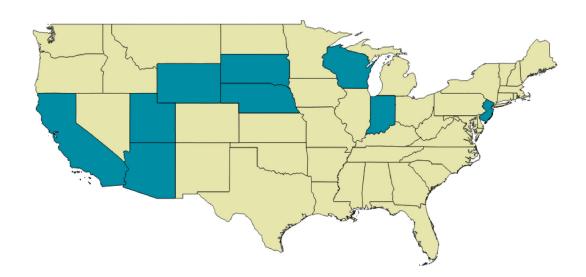
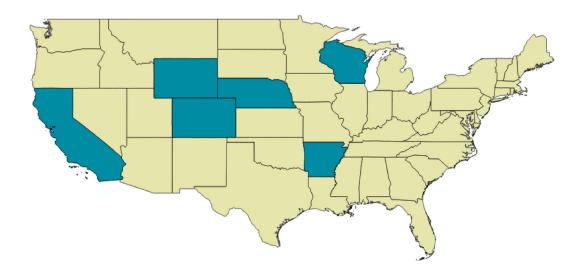


Figure 1: States that require consideration of the fiscal impact of school district secession

Figure 2: States that require consideration of the racial and socioeconomic impact of school district secession



#### **SECESSION LAWS IN EACH STATE**

State	Some provision in state code	Requires action by voters	Requires action by voters in district left behind	Requires approval by state authority	Requires action from state legislature	Requires constitutional amendment	Considers racial/ socioeconomic factors	Considers effect on funding	Considers efficiency
Alabama									
Alaska									
Arizona									
Arkansas									
California									
Colorado									
Connecticut									
Delaware									
Florida									
Georgia									
Hawaii									
Idaho									
Illinois									
Indiana									
lowa									
Kansas									
Kentucky									
Louisiana									
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New Hampshire									
New Jersey									
New Mexico									
New York									
North Carolina									
North Dakota									
Ohio									
Oklahoma									
Oregon									
Pennsylvania									
Rhode Island									
South Carolina									
South Dakota									
Tennessee									
Texas									
Utah									
Vermont									
Virginia									
Washington									
West Virginia									
Wisconsin									
Wyoming									

### CASE STUDY: EAST BATON ROUGE PARISH, LOUISIANA



East Baton Rouge Parish, Louisiana, is not an especially well-to-do area. The median home in the parish costs about \$170,000 and its median household income is just over \$47,000, 12% below that of the US as a whole.<sup>72</sup> In the southeast corner of the parish, though, sits St. George, a newly named, unincorporated neighborhood that is much better off: many single-family homes in St. George sell for over \$1 million.<sup>73</sup>

St. George is already set apart from East Baton Rouge economically, but since 2013, the community has been trying to separate in a more formal way. Residents have been pursuing extreme measures—trying to incorporate the neighborhood as a new municipality, win recognition from the state legislature, and secure a bespoke amendment to the state constitution—all to form their own school district.

Communities seeking to secede from their school districts have a much steeper path in Louisiana than in most states. Louisiana is one of 20 states where state law does not outline a process for a new school district to be formed from part of an existing school system, necessitating special action by the legislature to create any new district.<sup>74</sup> What's more, because of a

provision in the state constitution reserving state funding for recognized "parish and city schools," a would-be district like St. George must garner a special constitutional exception in order to receive funding.<sup>75</sup> That makes Louisiana one of only three states where a constitutional amendment is required for a community to secede.

That difficult process hasn't been the only barrier to the creation of new districts in East Baton Rouge. For decades, the school district, Louisiana's largest, was governed by a desegregation order, limiting how the area could be split up. <sup>76</sup> But desegregation efforts in the parish were met with resistance, and white families fled East Baton Rouge steadily during the decades the district was under the desegregation order, stymying efforts to achieve racial balance within the district. <sup>77</sup> In 2001, the district court judge overseeing the order quit the case, citing the school board's unwillingness to cooperate. <sup>78</sup> Shortly after the case was reassigned, the school board reached a settlement in 2003 and the district was released from oversight. <sup>79</sup>

Since the settlement, three communities have successfully seceded from East Baton Rouge, clearing the hurdles to the creation of new school districts and securing named exceptions in the state constitution.<sup>80</sup> The secessions have taken a toll. In 2015, 90% of students remaining in parish schools were nonwhite,<sup>81</sup> while the breakaway districts had populations that were 42% white on average.<sup>82</sup>

St. George hopes to become the next community to secede, but it has failed twice to gather the two-thirds vote in the state legislature necessary to put a constitutional amendment on the ballot.<sup>83</sup> State legislators indicated that St. George would have a better chance of securing the amendment if it were a city, so residents redirected their energies toward building the local support necessary to incorporate as a city<sup>84</sup> (in Louisiana, a community can become a municipality if it gathers the signatures of 25% of its residents and gains the approval of a majority of those within proposed municipal boundaries<sup>85</sup>). Should they succeed, the new city of St. George would immediately become one of the state's wealthiest.<sup>86</sup>

On the other hand, the loss of St. George would drain the East Baton Rouge tax base, leaving a local funding hole that state aid could not fully fill. East Baton Rouge schools would lose \$765 per pupil, an 8% cut for every student left behind..<sup>87</sup> Moreover, on top of the projected revenue loss, East Baton Rouge would most likely be required to pay legacy costs, such as retiree health care, for the new district, just as it now does for the three previous breakaway districts.<sup>88</sup> Ultimately, St. George schools would receive nearly \$3,000 more per student than East Baton Rouge. <sup>89</sup>

For the moment, the effort to turn St. George into its own district is paused: in June 2015, after a contentious legal battle over the validity of many of the signatures collected during the petition drive, a state judge ruled that St. George had fallen short of the required number by less than 100 signatures. Under state law, St George must wait two years to restart the petition process, but both sides are preparing for a renewed incorporation effort. He leaders of the secession movement have vowed to continue. Meanwhile, East Baton Rouge's new mayor, who won last December against the state senator who sponsored legislation to allow St. George to secede, named preventing the incorporation one of her major initiatives for 2017.

#### THE EFFECTS

EdBuild has been able to identify at least 71 attempts by local communities to withdraw from their school districts since 2000. These attempts occurred in 20 different states.

Of 71 attempts, only 13%, or nine, have been formally defeated. Another nine are still moving through their relevant processes, six were proposed and were never approved or denied through formal proceedings, and 47 have been successful.

There are three clear effects that can be discerned from a review of the successful secessions: in some cases, they widen the resource gap between neighboring districts; in other cases, they create costly inefficiencies; and in many instances, they create socioeconomic and racial disparities so deep they are hard to justify in a post-*Brown* world.

School funding is still highly dependent on locally raised, locally governed taxes and revenues. This funding source makes up approximately 44.7% of education revenues nationally.<sup>46</sup> In 2014 (the most recent year for which national data are available), local education funding amounted to \$276.2 billion.<sup>47</sup> Chief among local funding sources for schools were local property taxes, and revenue from these taxes alone made up 29% of all education revenue—\$180 billion, or slightly more than \$3,700 per pupil nationally.<sup>48</sup>

It is fairly rare for state law to redirect local tax dollars from communities with higher wealth to those with smaller tax bases. Thus, because states allow school districts to raise, collect, and keep their own local taxes, residents are incentivized to become as insular as possible in order to concentrate the impact of their tax dollars in local schools. This is a primary motivating factor in community secessions from larger school districts.

Take, for instance, Monroe Local School District, which seceded from Middletown City District in Ohio in 2000. In 2015, the median owner-occupied home price in Monroe was \$159,200, or 73% higher than that of the district they left behind.<sup>49</sup> Now serving just 2,500 students, schools in the new district raise over \$1,700 more per student from local taxes.<sup>50</sup> Unsurprisingly, the median household income in Monroe is almost \$35,000—or a substantial 95%—higher than in Middletown, making tax payments easier as well.<sup>51</sup>

Monroe is an extreme example, but it is certainly not alone. The now Tea Area School District in South Dakota was formed by secession from the Lennox School District in 2003. In 2015, the community in Tea Area had median household incomes that were over \$13,500 more per household, and median home property values that were more than \$45,000 higher, than those in the district that was left behind.<sup>52</sup>

Secessions not only create funding gulfs between the haves and have-nots; they also create small municipalities that are inefficient. Communities that have left their school districts in recent years are reconstituted as districts with an average of 2,600 students, compared to over 30,000 students in the average district that was left behind.<sup>53</sup> Smaller districts face a higher administrative-cost burden. Districts that serve fewer than 3,000 students spend 60% more per pupil on administrative costs.<sup>54</sup>

In some cases, this additional spending is simply a product of higher wealth and, therefore, increased resource availability. In other cases, these districts receive additional funds from the state simply because of their size.

As is the case with many other sources of public funding, education aid from the state, such as that provided to small districts, can sometimes incentivize unintended consequences at the local level. Take the school districts in Yuma County, Colorado. Several years ago, two school districts split into four smaller districts in order for some to become eligible for a specific state-aid allocation, called the "size factor," aimed at supporting districts with lower enrollment.<sup>55</sup> Liberty, one of the new districts, educates only 80 students<sup>56</sup> and now receives one of the state's highest size-factor increases: a 133% boost to the state's usual per-pupil aid amount.<sup>57</sup> As a result, the district now receives more state revenue per pupil than 90% of Colorado districts.<sup>58</sup>

Thirteen states provide additional funding to small school districts even if there is no geographic or logistical reason for their small size.<sup>59</sup> In the cases of districts in these states, as in the case of the Yuma County districts, state policy may

create a financial incentive for secession.

Because of the implications of secession for district funding, at both the state and local levels, there are often disincentives for communities to stay bound to one another, especially for wealthy neighborhoods to remain joined with those that are poorer or more socioeconomically diverse. Although decades of research studies prove that diverse schools lead to greater benefits for all children, our education funding systems work against the goal of integration.

It is therefore no surprise that secession leads to racial and socioeconomic segregation. Consider the Tennessee legislature's recent act to amend state law to allow for the secession of several primarily white, upper-class suburbs from their county school district after it was decided that the district would merge with the predominantly black students of Memphis. While the splinter districts have an average nonwhite proportion of 33%<sup>60</sup> and a poverty rate of 11%,<sup>61</sup> their withdrawal has now concentrated minority students in the remaining district to the point that it is 92% nonwhite.<sup>62</sup> Moreover, 34% of the students in the abandoned district now live below the poverty line—a rate even higher than that of Compton, California.<sup>63</sup>

Tennessee has some of the most permissive secession laws on the books, due entirely to the legislature's solicitude toward the interests of these wealthy suburban areas. The courts originally struck down the planned secessions, <sup>64</sup> but lawmakers in the Volunteer State acted the next year to make the law even more permissive. <sup>65</sup> Now that there are few legal hurdles in the way, several other communities are considering secession in other areas of the state, including Chattanooga. <sup>66</sup>

Calls for "local control" carry a troubling historical resonance, especially in areas like Birmingham, Memphis, and East Baton Rouge. It may no longer be legal to segregate school systems by law, but school district secession allows states to exploit the legal loophole created by *Milliken* to resegregate their schools, and state funding laws provide explicit and numerous incentives to do so.



#### **SOLUTIONS**

Among the range of state policies currently in place regarding school district secession, there are models that would prevent communities from using secession to segregate students or to undermine equity and efficiency.

The most straightforward means of preventing these harmful fractures is to disallow secessions entirely. Georgia (which has a constitutional ban on the creation of new school districts<sup>67</sup>) and Florida (which specifies in its Constitution that counties, and only counties, are to be their own school districts<sup>68</sup>) are useful examples of this approach (even in this fairly absolute framework, though, exceptions could be made in cases where a subdivision is indicated for compelling geographic or logistical reasons, such as when the existing district is made up of two nonadjoining areas; in states that choose to allow the possibility of secession in such instances, approval should be required both from a majority of voters in both proposed districts and from a higher administrative body, such as the State Board of Education).

If states are unwilling to enact blanket rules prohibiting secession, then the processes for creating new school districts must be carefully crafted to ensure that any subdivisions are in the best interests of students. One model for such a procedure is Wisconsin's, where the bodies responsible for approving new districts must consider the fiscal effect of the reorganization, the socioeconomic and racial composition of the new and old district, and the geographic characteristics of the affected district. <sup>69</sup> After these factors are considered by a higher administrative body, such as a state, county, or regional board of education, the secession plan should be referred for consideration by the voters.

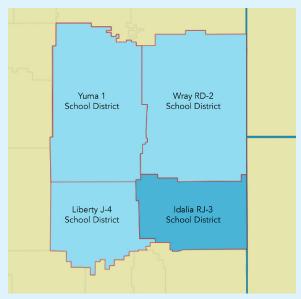
Another important factor is who has a say in the creation of the new district. It is critical that any subdivision serves the interests of all affected communities. Secession proposals should therefore be subject to approval by the voters of both the proposed district and the portion of the existing that would remain, as currently is the case in a handful of states, including Texas<sup>70</sup> and New York.<sup>71</sup>

However, any improvement in a state's school district secession process should be regarded as no more than a stopgap measure. The only way to truly ensure that school district borders are not used as a tool of segregation and inequity is to revisit the Supreme Court case that created this problem: *Milliken v. Bradley.* In granting school district boundaries such exalted status that state governments cannot enforce desegregation plans across them, the Court valued those borders above the fairness and equity of states' education systems. As a result, every new boundary that is drawn—whether for legitimate or discriminatory reasons and whether in the interests of students or not—immediately takes on this near inviolability. This, combined with state funding formulas that allow for inherently inequitable local property taxes ensures that boundaries can be drawn to specifically disadvantage our most vulnerable children.

"If states are unwilling to enact blanket rules prohibiting secession, then the processes for creating new school districts must be carefully crafted to ensure that any subdivisions are in the best interests of students."

Because local communities are incentivized by our school funding system to cordon off their wealth and are frequently permitted to do so by state law, there will always be reason for the haves to split away from the havenots. As long as the precedent of *Milliken* remains in force, those divisions will be given the full force of law: the segregation, both racial and socioeconomic, that they bring about will be all but irreversible, and the financial inequities they create will be ever harder to overcome. Ultimately, reconsidering this excessive deference to school district borders and eliminating the financial incentive to secede by reducing the reliance on locally raised and locally governed property taxes, are the only true solutions to the problem of harmful secessions.

## **CASE STUDY: YUMA COUNTY, COLORADO**



In 2000, Yuma County, a sparse, rural area on Colorado's eastern border, had just two school districts: East Yuma, home to 949 students, and West Yuma, with 1,160 school-age children. The districts dated back to the 1950s, when the county's 26 districts were combined into two as part of a statewide effort to shutter unused schools and to pool resources. But in 2001, the two districts split into four to take advantage of a state policy that rewards small school districts.

For years, small communities within these districts had felt that their interests were given short shrift compared to those of the relatively more populous areas in their districts. In the 1990s, Idalia, an East Yuma neighborhood of fewer than 500 people, struggled to gain the funds to build a new school, and its residents took action. With leadership from the state representative from Yuma County, Colorado passed a law offering extra funding for small and remote schools. Idalia and Liberty, a small community within West Yuma School District, were together able to receive about \$30,000 in aid for individual schools under this provision.

Still, local leaders sought ways to garner additional dollars. Idalia and Liberty hoped that by forming their own school systems, they would be able to secure extra funding through a state policy that benefits small districts: <sup>100</sup> Colorado provides special state aid on a sliding scale to districts smaller than 5,000 students, with funding rising as enrollment drops. <sup>101</sup> Ordinarily, the law specifies that the allocation will not increase if districts redraw boundaries to shrink their student populations. <sup>102</sup> In 1999, though, the same Yuma County state representative pushed through a special exception, allowing districts that approved a split in the 2000 election to receive the funds. <sup>103</sup> Voters in Yuma County approved the plan that year, and in 2001, East Yuma dissolved to form Idalia and Wray school districts, while West Yuma became Liberty and Yuma. <sup>104</sup> Budgetary concerns were the explicit reason for the separation. A member of the East Yuma Board of Education said in the midst the secession effort, "It would have been nice if [the state] could have provided funding without splitting us, but there was no other way." <sup>105</sup>

Today, the students in Idalia and Wray are not that dissimilar from each other— the districts' poverty rates are 22% and 18%, respectively, 106 and both school systems are over 70% white. 107 The West Yuma split divided somewhat more different communities: Liberty is only 13% nonwhite, while Yuma is 53% nonwhite 108 (though the districts have almost identical poverty rates, at around 16% 109). The real difference between the school systems, though, is enrollment. Idalia and Liberty each have fewer than 100 school-age children living within their boundaries, while Wray has over 700 and Yuma has nearly 1,000. 110 And the districts succeeded at securing extra state funding by shrinking their enrollment size: by 2014, Idalia had nearly \$8,500 in state funding for each of its students, while Wray had just \$4,700. Similarly, students in Liberty each received \$8,700 for their education from the state, while the district it left behind had just \$4,700. It is clear that Colorado's education funding policy has rewarded the creation of these microdistricts.

The trend across the country, including in Colorado, has been toward fewer and larger school districts, not smaller ones, and for good reason: consolidation can cut costs, especially for very small districts, by helping districts make use of economies of scale. A study of small, rural districts in New York found that consolidation would cut the costs of two 300-student districts by over 20%. Still, some districts, especially in areas as remote as Yuma County, will inevitably be small, and small districts have unique needs. Colorado already has policies in place to support small schools, and these can be applied in a way that provides resources without encouraging the creation of new, inefficient districts. By incentivizing this poor financial management, Colorado is throwing good money after bad and dividing communities along the way.

#### **CONCLUSION**

The notion of allowing small enclaves to withdraw a portion of their taxes to serve only themselves is one that is unique to education. Imagine allowing a citizen to withhold taxes for a library that they don't use or a sidewalk on which they don't walk. Picture a neighborhood attempting to opt out of public works support if they promised to keep only their street patched or if they agreed to never cross the bridge that needs repair. Envision providing exemptions from federal taxes for people who don't have family members receiving Medicare or those who may object to foreign policy. Surely, there is a legitimate argument to be made for each one of these options, but that argument never outweighs the case for the public good.

"Our school funding structure means that, whatever the express motivation for a proposed school district split, "local control" through secession will always be tied to money."

Parents and communities will inevitably take it upon themselves to provide for their own children, seeking more direct input. However, secession is one of the most inefficient and isolating means possible of obtaining greater local authority. It often fractures tax bases, tying funding more closely to community wealth and depriving the school districts left behind of critical resources needed to educate vulnerable children." It is inefficient, requiring duplication of administrative costs, which also pulls money from the classroom. And it splits students along racial and class lines, cementing social divisions in a way that can only beget further segregation attempts in the future.

Our school funding structure means that, whatever the express motivation for a proposed school district split, "local control" through secession will always be tied to money. Incentivizing communities to opt out of the public good, create inefficiencies, and keep their money for themselves will only further the economic divide in our country as it relates to our children. If we are to truly achieve the ideal of *Brown*, we should commit to closing the loopholes enabled by *Milliken* and bolstered by state code. We must reimagine our education funding system in a manner that recognizes that all students deserve a chance at success.

It is during childhood that we teach people how to engage in our society. When children don't get to know their neighbors during their formative years, they will be less likely to associate with or care for them when they're adults. We have a unique opportunity during children's earliest years to teach them what our country could and should be. There is no doubt that a splintered school system of haves and have-nots today lays the groundwork for a fractured society in the future. We are deluding ourselves if we believe that we can maintain a fair and inclusive culture without putting in the collective effort to support the education of our most vulnerable students—and if we don't unify around that goal, we will surely fail to realize a society in which all children may reach their full potential.

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# APPENDIX: STATE POLICIES ON SCHOOL DISTRICT SECESSION

#### Alabama

Cities with more than 5,000 residents in Alabama can secede from their county school districts by negotiating an agreement with the county district.

Alabama has county and city school districts. A city with a population of more than 5,000 can choose not to enter into an agreement with the county board of education and instead form a city school district.

In Alabama, cities are municipalities with at least 5,000 people. Any "homogenous" community with more than 300 residents can become a municipality with a petition signed by 15% of eligible voters and a referendum in the proposed area. <sup>143</sup> Municipalities can be identified as having more than 5,000 residents in the next United States Census. <sup>144</sup>

When a new city school district is formed, taxes that are already paid in the city will automatically go to the new city school district without a special election. Property in the new school district will be transferred to the city school district. 146

#### Alaska

Communities in Alaska must become a new city or borough to secede from their school districts. A community can become a city through a petition, approval, and referendum process if it meets population requirements and has the resources and need for city government.

Because school districts in Alaska do not have the power to levy taxes independent of cities and boroughs (equivalent to counties),<sup>147</sup> the only way for a community to secede from its school district is to form its own city or borough.

To become a city, a community must have at least 400 residents, a stable population, the human and financial resources to run a city government, and a "demonstrated need" for city government that cannot be met by attachment to an existing city. The process of becoming a city requires a petition signed by 15% of residents; approval from the Department of Commerce, Community, and Economic Development and the Local Boundary Commission; and majority support in a referendum in the proposed city. The process of becoming a city support in a referendum in the proposed city.

New school districts must have at least 250 students, unless the state Commissioner of Education finds that a smaller district would be in the best interest of the state and the proposed district.<sup>150</sup>

#### Arizona

Arizona communities can secede from their school districts with approval from the State Board of Education, consideration of the educational and financial impact of the secession, and majority support in both the seceding and remaining area in a referendum.<sup>151</sup>

A school district's governing board or voters can request that a district be divided so long as the existing district has more than 600 students. Voters must submit a petition signed by at least 10% of voters or fifty voters from both the proposed district and the remaining area, whichever is more. 152

The State Board will decide if the proposed district has enough property wealth to support the district and enough students to ensure that programs and services will be of "similar or better quality" after the division. The district will be divided if a majority in both the proposed district and remaining district vote in favor in a referendum.

All school buildings located in the new district will become the property of that district. Any debt will be divided between the two districts based on property value in the new and remaining districts. Any debt will be divided between the two districts based on property value in the new and remaining districts.

#### **Arkansas**

Communities that meet certain size requirements can break away and form their own school districts. The process requires approval from the State Board of Education, consideration of the impact on desegregation efforts, and a referendum held in the proposed district.

Either the district's board of directors or voters in the seceding area can request that a community be detached from an existing district.<sup>157</sup> Both the seceding area and the remaining area must have at least 2,500 students.<sup>158</sup> The resolution or petition will include a feasibility study examining the cost of operating the new district, the assets to be transferred, and the effect on desegregation.<sup>159</sup>

The State Board will consider the petition and seek an opinion from the Attorney General on whether the creation of the new district will "hamper, delay, or in any manner negatively affect" desegregation efforts. 160

The district will be created if a majority of voters in the proposed district vote in favor at the next election.<sup>161</sup>

Either the new and remaining district or the State Board will agree on how to divide property and debt. <sup>162</sup> The tax rate in the new district will remain the same until a new tax rate is approved at an election. <sup>163</sup>

#### California

Communities can secede from their school districts with approval from a county committee and the State Board of Education and with the majority vote at a referendum. The approval process will consider the impact of secession on racial segregation, educational quality, cost to the state, and fiscal condition of the affected districts.

School board members or voters can start the process of school district secession. Voters can do so with a petition signed by 25% of voters in the existing district or 8% if the district has more than 200,000 students.  $^{164}$ 

A county committee will consider plans for secession, but with the exception of some limited cases, the plan also needs approval from the State Board. The State Board will consider the impact of the plan on educational, financial, and equity factors, including whether the plan will result in an "equitable division" of property, leave districts with an "adequate" number of students, and promote "sound fiscal management." The State Board will also consider if the secession will promote racial segregation, disrupt education programs, come at an increased cost to the state, or negatively affect the fiscal status of a district. <sup>166</sup>

If the State Board approves it, the plan will be on the ballot in the next election. The new district will be formed if it gets approval from a majority of voters in an election area, as determined by the State Board. <sup>167</sup>

#### Colorado

A community can secede from its school district with approval from the State Commissioner of Education, consideration of the impact of secession on educational quality and equity, and the majority support of the existing district in a referendum.

The process of secession can start with the district's school board, a petition signed by 15% of voters in the district, or the district's loss of accreditation. 168

The school board and accountability committee will then appoint a planning committee. <sup>169</sup> The committee will draft a plan that considers the educational needs of students, the availability of "diverse educational opportunities," the equalization of educational opportunities, and the fair division of properties and assets. <sup>170</sup> The plan must be approved by the State Commissioner. <sup>171</sup>

The existing district will vote on the formation of the new district, as well as on any increase in the local school tax rate because of the secession. 172

Existing debt will be paid as a tax on property that was part of the district that had the debt, unless the new school district assumes all or a part of the debt. 173

#### Connecticut

Connecticut towns that are part of a regional school district may secede by withdrawing from the regional district. To do so, they need the action from their town council, approval from the State Board of Education, and the support of voters in each member town. A community that is not already a town would need to become a town to secede.

In Connecticut, each town has its own school district unless it joins a regional school district.<sup>174</sup> A town that is a member of a regional school district can apply to the regional board of education to withdraw from the district with a vote of its town council.<sup>175</sup> The regional board will then appoint a committee to develop a withdrawal plan.<sup>176</sup> The committee will determine the share of assets belonging to each town and develop a plan for dividing property and debt. The town will be able to withdraw from the regional district if the plan is approved by the State Board and by a majority of voters from each member town of the regional school district in an election.<sup>177</sup>

A community that is not already a town may be able to form its own district by becoming a new town, but this would require an act of the state legislature.<sup>178</sup> No new town has been created in Connecticut since 1921.<sup>179</sup>

#### Delaware

Delaware residents cannot begin the process of seceding from their school district. In order to secede, a community must have the support of the State Board of Education, meet minimum criteria, and secure majority support in a referendum in the existing district.

All school districts must be able to provide a "complete instructional program" for grades 1–12, with the exception of career and technical education. School districts can be divided in Delaware if the division is proposed by the State Board and receives the support of a majority of voters in a referendum held in the existing district.

The new district will own any property located within its boundaries. <sup>182</sup> If the district has debt when it is divided, both districts will share the debt and should levy a high enough tax rate to pay it off. <sup>183</sup>

#### Florida

Florida's state law does not provide a path for school district secession. Each county is its own school district, according to the state constitution. A community hoping to secede from its school district would require action from the state legislature and a constitutional amendment.

#### Georgia

Georgia's state law does not provide a path for school district secession, and the state constitution prohibits the creation of new independent school districts. A community hoping to secede from its school district would therefore require action from the state legislature and a constitutional amendment.

#### Hawaii

Hawaii is a single school district. 186 It is therefore impossible to secede.

#### Idaho

A community in Idaho can secede from its school district with the support of the district's Board of Trustees, approval from the State Board, and voter approval in a referendum.

Only a district's Board of Trustees can begin the process of secession, and it can do so by submitting a proposal to the state Department of Education and the State Board of Education. The proposal must be approved by the State Board. The proposal cannot divide the area of a city between more than one district, or leave a resulting district without a high school, if the existing district was a high school or K–12 district. 188

The proposal will be approved if it garners the support of a majority of voters in both the district as a whole and the smaller of the resulting districts in a referendum.<sup>189</sup>

#### Illinois

State law in Illinois does not provide a path for school district secession. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### Indiana

Indiana residents cannot start the process of school district secession. A community seeking to secede must have the support of a county committee, approval from the State Board of Education, and the support of residents in the proposed district. The county committee and State Board will consider the educational and financial impact of the secession.

In Indiana, a county committee for reorganization, whose members are appointed by a judge of the circuit court, <sup>190</sup> is responsible for proposing and planning the formation of new school districts. <sup>191</sup> The county committee drafts a reorganization plan, which will include the educational improvements the secession will make possible, the property wealth per student in the proposed and remaining districts, and the way property and debts will be divided. <sup>192</sup> The plan is then submitted to the State Board for approval. <sup>193</sup>

The proposed district is created by either a petition signed by 55% of voters in the proposed district or by majority support in an election in the proposed district.<sup>194</sup>

#### lowa

lowa's state law does not provide a path for school district secession. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### Kansas

State law in Kansas does not provide a path for school district secession. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### Kentucky

Kentucky's state law does not provide a path for school district secession. A community hoping to secede from its school district would therefore require action from the state legislature.

There is no constitutional prohibition on secession.

#### Louisiana

Louisiana's state law does not provide a path for school district secession, and its constitutional language limits the creation of new school districts. A community seeking to secede from its school district would therefore need both action from the state legislature and the support of voters in a state-wide referendum on a constitutional amendment.

The specific language in Louisiana's state constitution about school funding means that the creation of new districts requires a constitutional amendment. Amendments to the state constitution require approval by a two-thirds vote in each house of the legislature and majority approval in a state-wide election. In order for a community to secede, the legislature must pass one bill creating the school district and another placing a constitutional amendment on the ballot.

#### Maine

In Maine, a town that is part of a regional school district may secede from its school district by withdrawing from the regional district. The process of withdrawal involves a petition and referendum process, the approval of the Commissioner of Education, and a second referendum. A community that is not already a municipality may form a municipal school district by becoming a municipality.

After an attempt to reorganize many of Maine's city and town school districts into regional districts, the state legislature began allowing municipalities to withdraw from regional districts after they had been in a part of the regional district for a period of time (three years, later reduced to thirty months).<sup>197</sup>

In order to pull out of a regional district, residents of the withdrawing town have to submit a petition signed by 10% of the voters who voted in the last gubernatorial election and secure approval from a majority of voters in a special election.<sup>198</sup> Municipal officers will then appoint a withdrawal committee to prepare a plan to provide education services to all students and to divide property and debts.<sup>199</sup>

The proposal must then be approved by a majority of voters in the municipality in a special election, where the total number of votes cast must be at least 50% of the votes cast in the last gubernatorial election.<sup>200</sup>

A community that is not already a municipality may become one in order to become a municipal school district. A community can become its own municipality through a process involving a petition from residents, a referendum, and legislative approval.<sup>201</sup>

#### Maryland

Maryland has only county school districts, with the exception of Baltimore, which is treated as a county for the purposes of state law.<sup>202</sup> Therefore, for another community to secede from its school district, the General Assembly would need to create a similar exception for that community.

There is no constitutional prohibition on secession.

#### Massachusetts

In Massachusetts, a city or town that is part of a regional school district may secede by withdrawing from its regional district, with approval from the Commissioner of Education. A community that is not its own town may be able to form its own district by becoming a town.

In Massachusetts, each city and town has its own school district, unless it is a member of a regional school district. A town or a city that is a member of a regional school district can withdraw from the regional district with the approval of the state Commissioner of Education. The exact procedure will depend on the agreement made when the regional district was formed.

Theoretically, a community can also form its own school district by forming a new town or city, but no new city or town has been created since 1920.<sup>206</sup>

#### Michigan

Michigan's state law does not provide a path for school district secession. School districts can be divided or dissolved, but in both cases, the parts of the divided or dissolved district will be attached to neighboring districts.<sup>207</sup> A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### Minnesota

Minnesota's state law does not provide a path for school district secession. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### Mississippi

A community in Mississippi can secede from its district with the support of its school board and a majority of voters in the proposed district.

Voters can petition their school board to secede from their district if they gather signatures from a majority of voters in the proposed district.<sup>208</sup> The school board may approve the proposal if it decides that the secession will not "seriously interfere with or impair the efficiency" of the district.<sup>209</sup>

The new district will still be responsible for paying any debts for properties located within its boundaries. <sup>210</sup>

#### Missouri

Voters in Missouri cannot start the process of secession. A community hoping to secede from its school district must have the support of a county commission, the approval of the State Board of Education, and majority support in an election in the existing district.

School districts can only be divided as part of a plan proposed by a county commission.<sup>211</sup> The plan then must be approved by the State Board and the majority of voters in an election in the existing district.<sup>212</sup>

If a new district is created, the boards of the new and the remaining districts will decide on a "just and proper" division of property and debt, taking into account the property value in each district and the value of the property to be divided.<sup>213</sup> If the school boards cannot agree, the State Board will appoint a board of arbitration to do so.<sup>214</sup>

#### Montana

Montana does not provide a path for secession. A community hoping to secede from its school district would therefore require action from the state legislature.

Since 1993, Montana statutory code has banned the creation of new high school or elementary school districts.  $^{215}$  New K-12 districts can be created from elementary and high school districts,  $^{216}$  but there is no provision for the creation of new K-12 districts from parts of existing K-12 districts.

There is no constitutional prohibition on secession.

#### Nebraska

Nebraska communities can secede from their school districts with approval from the state Committee for Reorganization of School Districts in a process that considers educational, financial, and equity factors.

School districts in Nebraska can be divided in two ways: through a petition and election process or through a school board process. In the first, voters can start the process of petition by submitting a petition signed by at least 60% of voters in the existing district to the State Committee for Reorganization of School Districts.<sup>217</sup> If the petition is signed by more than 65% of voters, the Committee will automatically approve the petition.<sup>218</sup> If the proposal is approved by the state Committee, it will be decided by an election in the existing district.<sup>219</sup>

In the school board process, school districts can be divided if the school board of the existing district submits a proposal to the state Committee. <sup>220</sup> This process does not require an election. <sup>221</sup>

In both cases, the state Committee will consider, among other factors, communities' educational needs, the reduction in property-wealth disparities between districts, equalization of educational opportunities, and economies of scale in transportation and administration in deciding whether to approve the proposal.<sup>222</sup>

With few exceptions, all new districts must be K-12 districts.<sup>223</sup>

Division of properties and debts will be decided in the reorganization proposal, <sup>224</sup> subject to the approval of the Committee, <sup>225</sup> and made public in the election notice. <sup>226</sup>

#### Nevada

Nevada's state law does not provide a path for school district secession. Since 1956, school districts in Nevada have been coterminous with county boundaries, with the Carson City School District considered a county school district. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

### **New Hampshire**

In New Hampshire, a town that is part of a cooperative school district may secede from its district by withdrawing from the cooperative school district. The withdrawal process requires approval from the State Board of Education and a referendum in the district as a whole. A community that is not already a town may form a town school district by becoming a town.

In New Hampshire, each town is a school district.<sup>228</sup> Some towns are also part of a cooperative school district.<sup>229</sup> The school board of a member town of a cooperative school district that is at least ten years old can direct the board of the cooperative district to study the town's withdrawal from the cooperative district.<sup>230</sup> The study committee must submit to the State Board a report that describes how the withdrawing district will pay for its share of debt and how students in the district will continue their education.<sup>231</sup>

If the State Board approves the plan, a referendum will be held in the whole cooperative district.  $^{232}$  If the district secedes, buildings and land in the withdrawing district will belong to the new district, once the district has paid its share of the cost of the buildings and improvements.  $^{233}$ 

#### **New Jersey**

A municipality that is part of a regional school district may withdraw from the regional district with the approval of the Commissioner of Education, consideration of educational and financial factors, and a special election in both the withdrawing district and the regional district. A new school district may also be formed when a new

municipality is formed.

In the first case, the State Board of Education or the governing body of a municipality must apply to the county superintendent to investigate the educational and financial impact of withdrawal on both the proposed and remaining districts.<sup>234</sup> After the report is filed, the municipality can ask the Commissioner of Education to hold a special election.<sup>235</sup> The Commissioner of Education can refuse if the remaining district would have too much debt or if any district would not have the resources or students necessary to have an efficient school system.<sup>236</sup>

If the Commissioner approves and the election is held, the plan must gain the support of a majority of voters in both the withdrawing district and the regional district.<sup>237</sup>

New districts can also be formed when a new municipality is formed or subdivided.<sup>238</sup> However, the creation of new municipalities has largely ceased since the 1950s.<sup>239</sup>

#### **New Mexico**

A community in New Mexico may secede from its school district with the approval of the State Board of Education. The State Board will consider district size and educational impact in deciding whether to approve the secession.

The school board of the existing district, the state superintendent, or voters can request that a new district be formed from part of the existing district.<sup>240</sup> Voters can request the creation of a new district with a petition signed by 60% of voters in the proposed district.<sup>241</sup>

The State Board will decide whether to approve the creation of the new district.<sup>242</sup> Both the new and remaining districts must have 500 students.<sup>243</sup> The State Board will also determine if both districts can provide a high school program and whether creating the new district is in the best interest of public education in the existing district, the new district, and the state as a whole.<sup>244</sup>

#### New York

New York's state law outlines several ways in which a municipality may secede from its school district if it meets size requirements and gains sufficient support from both the proposed district and the remaining district. However, the Office of Educational Management Services within the state Department of Education has indicated that these statutes are not currently in use.<sup>245</sup>

Almost all school districts in New York belong to a supervisory district, which is led by a superintendent.  $^{246}$  These superintendents have the authority to create new school districts within their district whenever they determine that it is in the educational interests of the community.  $^{247}$ 

Some municipalities that are part of other districts can also request that they become their own school district.<sup>248</sup>

A municipality can secede if it has at least 10,000 residents and its secession would leave the existing district with at least 1,000 students. The superintendent of the supervisory district will help to develop a reorganization plan specifying how current programs will continue and how property and debt will be divided. The new district will be formed if the proposal has either majority-voter support or two-thirds support in the governing bodies of both the seceding municipality and the remaining area. The second second

Another law singles out a select group of districts but still requires the support of the board of education of the existing district and the support of residents in both the proposed district and remaining district.<sup>252</sup>

#### North Carolina

North Carolina's state law does not provide a path for school district secession. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### North Dakota

North Dakota's state law does not provide a path for school district secession. School districts may reorganize but only to form new school districts from parts or wholes of two or more existing districts. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### Ohio

In Ohio, the State Board of Eduation has control over the process of secession. The State Board may, with the approval of the state legislature, create new districts, unless residents petition to hold an election in which they can reject the proposal.

The State Board can propose that a new local school district be formed from part of an existing district.<sup>253</sup> The district will be created unless 35% of voters in the proposed district who voted in the last general election petition to hold a referendum.<sup>254</sup> If the petition is successful, the voters in the proposed new district will vote on the referendum during the next general or primary election.<sup>255</sup>

Since 2005, the law has stated that formation of new districts must be approved by both houses of the General Assembly.<sup>256</sup>

The new district will assume a part of the remaining district's debt that is the same as the ratio of the property value in the new district compared to that of the remaining district.<sup>257</sup> Buildings located in the new district will be transferred to the new district.<sup>258</sup> The State Board will divide funds between the new district and the remaining district.<sup>259</sup>

#### Oklahoma

Oklahoma's state law does not provide a path for school district secession. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### Oregon

Oregon's state law does not provide a path for school district secession. A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### Pennsylvania

Pennsylvania's state law does not provide a way for a school district to permanently secede, though it does allow independent districts to be temporarily created while the territory is transferred to another district.<sup>260</sup> State law also allows municipalities to become school districts, so a community in Pennsylvania could theoretically secede by becoming a new municipality through a petition process and approval by the Council of Basic Education.

A community can theoretically secede from its school district by splitting off from its municipality and becoming

a new municipality. $^{261}$  The simplest way to do this is to incorporate as a borough: a majority of "freeholders" living in a proposed borough with at least 500 residents can file a petition for incorporation. $^{262}$  However, if a new municipality has a population of less than 5,000, the creation of the new district must be approved by the Council of Basic Education. $^{263}$  The Council will consider whether the "welfare of pupils" is promoted by the creation of the new district. $^{264}$ 

The boards of school directors of the new and existing districts are responsible for dividing property and debt.<sup>265</sup>

#### Rhode Island

A Rhode Island community that is part of a regional school district can secede from its school district by withdrawing from the regional district. A community that is not a part of a regional district may theoretically secede by becoming a municipality.

Most school districts in Rhode Island are municipal school districts, but some are regional school districts made up of two or more municipalities.<sup>266</sup> A municipality can withdraw from a regional school district in the way agreed upon when the regional district was formed,<sup>267</sup> which usually requires approval from both the withdrawing district and the remaining regional school district.<sup>268</sup>

A community may theoretically form a school district by becoming its own municipality, but this is only possible through an action of the General Assembly.<sup>269</sup> State officials consider this so unlikely as to be impossible.<sup>270</sup>

#### South Carolina

South Carolina has county school districts that cannot be divided except by an act of the General Assembly or with the approval of the County Board of Education.  $^{271}$ 

The County Board will approve a division of a county school district if the plan has the support of the entire state legislative delegation from the county; if a petition signed by at least 80% of voters in the county district is submitted; or if both a petition signed by one-third of voters is submitted and the plan is approved by a majority of voters at a countywide referendum.<sup>272</sup>

#### South Dakota

A community in South Dakota can secede from its school district with approval from the Secretary of Education, consideration of the new and remaining districts' wealth and student population, and majority support in a referendum in the existing district.

A community can secede from its school district so long as the new district can offer a K-12 program<sup>273</sup> and if all territory within a municipality that dates back to 1991 or earlier remains in one district.<sup>274</sup>

The secession process can start with either the school board of the existing district or with a petition signed by 15% of voters in the district.<sup>275</sup> The school board develops a reorganization plan, which includes the property value in the new and proposed districts and a description of the educational program the new district will provide.<sup>276</sup> The plan then must be approved by the Secretary of Education, who may deny the plan if the proposed district does not have the property wealth or number of students to provide an "adequate educational program."

If the Secretary approves the plan, an election will be held. $^{278}$  The district will be divided if a majority of voters in the existing district approve. $^{279}$ 

The Board of County Commissioners is responsible for allocating property and debt.<sup>280</sup>

#### Tennessee

Since 2013, municipalities in Tennessee that meet certain size requirements have been able to secede so long as

they secure the approval of a majority of voters in the seceding municipality.<sup>281</sup>

Municipalities may form their own school districts if they are authorized by their charter to do so and would have a student population of at least 1,500.<sup>282</sup> The municipal district is created if a majority of voters in the seceding municipality approve the creation of the new district and agree to raise local funds to support it.<sup>283</sup>

#### **Texas**

In Texas, a community that meets certain size requirements can secede from its school districts through a referendum held in both the seceding area and the remaining district.

A community with at least 8,000 students and an area of at least nine square miles can break away and form its own district.<sup>284</sup> The process of secession can be started by the district's board of trustees or by a petition signed by 10% of voters in the seceding area.<sup>285</sup>

The existing district will hold a referendum on the proposal.<sup>286</sup> The new district is created if the proposal gets majority support in both the seceding area and the remaining district and if at least 25% of registered voters in the district turn out.<sup>287</sup>

The new district will own any properties located in its territory, and a county court will decide how much debt each district should assume, depending on the value of the properties involved and the property wealth of each district.<sup>288</sup>

#### Utah

In Utah, a community that meets certain size requirements can secede from its school district with the approval of a county legislative body that considers the financial impact of the secession and with the support of a majority of voters in both the proposed district and the remaining area.

Since 2003, the law has stated that a community may break away from its school district so long as both the new and remaining districts would have at least 3,000 students. The process can begin by request from the board of the existing district or with a petition signed by 15% of the voters in the proposed school district who voted in the last gubernatorial election. The county legislative body will appoint a committee to review data and gather information on the impact of the proposed district, including the district's financial viability, its financial impact on existing districts, and other "positive and negative effects."

The new district will be created if it secures the approval of a majority in the county legislative body and a majority of voters in both the proposed district and the remaining district in the next election.<sup>292</sup>

The county legislative body will resolve any disagreements about division of property.<sup>293</sup> Both districts will levy a uniform tax rate that raises enough to pay off bonded debt.<sup>294</sup>

Cities with more than 50,000 people may secede with a separate but similar process.<sup>295</sup>

#### Vermont

A Vermont town that is part of a union or unified union school district may secede by withdrawing from the union district. The process of withdrawal involves approval from the State Board of Education and from voters in each member town. Other types of districts may not divide or secede without action by the state legislature.

Vermont has many types of school districts. The most common types are city or town school districts; union school districts, which are made up of more than one town; and unified union school districts, which are K-12 union school districts.<sup>296</sup>

A town that has been a part of a union or unified union school district for more than a year may withdraw from the district with the support of a majority of voters in the withdrawing town and in each of the other member towns.<sup>297</sup> The State Board will then consider whether the withdrawal is in the best interests of the state, students, and remaining member towns.<sup>298</sup>

Any other form of school district secession would likely require action from the state legislature.

#### Virginia

Communities in Virginia have no direct power in the process of school district secession. The State Board of Education is responsible for determining school district boundaries, with the approval of the affected school boards and municipal and county governing bodies.

The state constitution gives the State Board the power to divide the state into school districts so as to promote educational quality.<sup>299</sup> When reviewing existing school district boundaries or drawing new ones, the State Board may consider the school-age population of the area and the ability of the proposed district to offer a comprehensive education, to meet quality standards, and to promote efficiency.<sup>300</sup>

The State Board can only divide districts with the consent of the affected school boards and the governing bodies of the affected municipalities and counties.<sup>301</sup> In addition, the General Assembly can overrule any change.<sup>302</sup>

#### Washington

Washington's state law does not provide a path for school district secession. The Attorney General has advised that the state laws on school district reorganization do not "authorize or allow a section of a school district to break away from that school district and form a new and separate school district by itself." A community within a school district would therefore require action from the state legislature to form its own district.

There is no constitutional prohibition on secession.

#### West Virginia

West Virginia's state law does not provide a path for school district secession. A community within a school district would therefore require action from the state legislature to form its own district.

West Virginia's state law requires that school districts include all the territory in a single county.<sup>304</sup> The state constitution suggests that "independent free school districts" could potentially be created, but the constitution also states the state's current system of school districts can only be changed through action by the state legislature.<sup>305</sup>

#### Wisconsin

In Wisconsin, a community can secede with approval from its local school board, consideration of the secession's impact on district finances and diversity, and voter approval.

Either a resolution by the school board or a petition signed by 20% of voters in the affected district can propose the creation of a new district from part of an existing district.<sup>306</sup> The school board will decide the new district's boundaries and how property and debt should be divided between the new and remaining district.<sup>307</sup> If the board fails to agree or if voters petition, the proposal may instead be reviewed by a School District Boundary Appeal Board, where members are appointed by the state superintendent.<sup>308</sup> Both the school board and appeal panel should consider the impact of the secession on students' educational needs, the financial status of the affected districts, and socioeconomic and racial diversity.<sup>309</sup>

Once the proposal is approved by the school board, appeal board, or both, the proposal will be decided by a referendum held in the proposed district.<sup>310</sup> If voters petition, the referendum will be held in the district as a whole.<sup>311</sup>

#### **Wyoming**

In Wyoming, a community that meets certain criteria may secede from its school district with approval from a county district boundary board and from the State Board of Education. The boundary board and State Board will consider the educational, financial, and equity impact of the secession.

A community with one hundred or more voters can petition to create a new school district within an existing district, so long as the area contains both a high school and an elementary school and has at least 500 students. Moreover, all territory within a town must remain in one school district. 313

A district boundary board composed of county officials will consider the petition.<sup>314</sup> The board will then submit a proposal to the State Board, which ultimately decides whether the community can secede.<sup>315</sup> The State Board will consider whether the secession will provide an improved and more equalized educational opportunity for students, enable a "wiser and more efficient" use of funding, improve financial equity between districts, and simplify school district organization.<sup>316</sup>

If the community successfully secedes, the district boundary board will divide property and debt between the new and remaining districts.  $^{317}$ 

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- \*. It should be noted that resource withdrawal does not arise with another form of reconfiguring school systems: charter schools. When individual students transfer to charter schools, their families continue to pay property taxes for education (or rents that cover those taxes), supporting public schooling as a common good.
- \*\*. It should be noted, however, that this issue does not arise with another form of reconfiguring school systems: charter schools. When individual students transfer to charter schools, their families remain within the territory of the school district. They continue to pay property taxes for education (or rents that cover those taxes), supporting public schooling as a common good. Similarly, they remain district homeowners and, as such, they are invested in the quality of the local school system. This is a different matter entirely than the withdrawal of entire neighborhoods from school districts.

