



# Using Regional Coalitions to Address Socioeconomic Isolation

## *The Omaha Metropolitan Agreement*

Full case study is available at: <http://www.charleshamiltonhouston.org/Publications/Item.aspx?id=100019>

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# Responding to the Realities of Segregation



- In May 2007, Nebraska's governor signed into law an unprecedented piece of legislation requiring 11 public school districts in the Omaha, Nebraska metropolitan area to form a cooperative "Learning Community."
- The plan responds to the reality that segregation in large metro areas has shifted mainly from *within* district segregation to *between* district segregation (Clotfelter, 2004). Omaha is no different from its peers in other metropolitan areas in this respect.
- Why it's unique: 1) school districts will participate in a large-scale interdistrict socioeconomic desegregation plan, all without a court order; 2) it will be funded through a new shared metropolitan tax base; and 3) a regional governing council will implement the agreement and oversee the construction of new interdistrict schools of choice and support centers in high poverty communities.

**Regional solutions to reduce inequality are not novel. However, none have been attempted on the scale of the Omaha effort.**



# A Long Road to Change

This agreement was not forged easily; it emerged after years of conflict between the central Omaha Public School District (OPS) and the surrounding suburban districts.

## Major Issues of Contention:

- Where school district boundaries would be drawn;
- Resources; and
- Racial and economic segregation.

Intense political negotiations among school superintendents of the 11 districts and key members of the state legislature ultimately led to the current agreement.

# “As the City Grows, So Shall the School District”



An unusual state statute set in motion the events leading up to one of the most innovative attempts to cope with the “cycle of regional polarization,” whereby urban and then inner-ring school systems slip into decline as ever more far-flung suburbs siphon the region’s wealth and tax dollars.

- By statute, the City of Omaha’s boundaries and the Omaha Public School District (OPS) boundaries were required to be one and the same.
- Since Nebraska state law also permitted “metropolitan-class cities” to annex land, the statute meant that as the City of Omaha annexed land to capture new population growth, OPS boundaries expanded along with the city.
- In the late 1940s, several predominantly white suburban neighborhoods joined together and formed an independent school district. In 1947, the legislature passed a law that exempted this predominantly white and wealthy school district (called “District 66”) from annexation by OPS.

By the 1960s, Omaha began to meet growing resistance to its annexation efforts, as the battles over city and district boundaries became increasingly contentious and tied up with battles over race and social class.

# The Growth of Between-District Segregation

The westward migration of suburban housing and office developments, a declining birth rate, and the construction of a major interstate fueled decline in OPS and growth in the suburban schools.

- 1976-1984: Omaha is subject to court-ordered desegregation (busing continues until 1999).
- The OPS student population had declined significantly prior to mandatory desegregation:
  - In 1971, the district enrolled 63,931 students.
  - In 1976, the student population had fallen to 53,825.
- Nebraska's "option enrollment" policy (enacted in 1989) contributed to a declining white and middle-class enrollment. Many states enacted similar plans as a school reform tactic.
- The Omaha World-Herald found that in 2005-2006, three-fourths of the 2,700 students who chose to leave OPS under the option enrollment plan were overwhelmingly, and disproportionately, white and higher-income.

During desegregation, districts could deny transfers that would harm the district's racial balance. No such authority existed after mandatory desegregation ended. The legislature declined to reinstate this right, despite OPS's appeal in Spring 2005.

# Racial and Economic Isolation in Omaha

By 2007, the Omaha metro area had grown more segregated, particularly by income.

- At the same time that OPS was losing white students to the suburbs, its tax base was also slowly eroding.
- OPS boundaries were frozen and incorporated a much smaller geographic area than the boundaries of the City of Omaha itself, cutting OPS off from important tax revenue.
- OPS was also hurt by the city's economic development policy of "tax increment financing," which granted tax breaks to businesses and corporations in an effort to lure them downtown.

<i>School District</i>	Free & Reduced	Minority Population
Bellevue	24%	22%
Bennington	7%	0.6%
Douglas County West	36%	10%
Elkhorn	6%	0.6%
Gretna	7%	3%
Millard	11%	11%
Omaha	62%	59%
Papillion – La Vista	17%	13%
Ralston	40%	29%
South Sarpy	17%	0.4%
Westside (District 66)	20%	16%

Nebraska's school finance system did not compensate for these problems.

# Omaha's Attempts to Correct the Situation



After several attempts to address the financing system within the legislature, OPS joined several other high poverty districts and sued the state in 2003, challenging its finance system.

- For the first time in 30 years, the City of Omaha began annexation proceedings to take in the territory of the City of Elkhorn.
- OPS officials did not initially consider whether or how the nearly-forgotten “One City, One School District” statute could be used to incorporate Elkhorn’s schools into Omaha.
- The statute came to the attention of OPS officials when, in late 2004, OPS attorneys discovered in a “technical cleanup bill” an effort to strike it from the record books, thus eliminating OPS’s right to annex land.
- The school board resolved that OPS should “take all necessary steps to assure that all schools organized or existing within the City of Omaha are under the direction of OPS.”

The resolution called for annexing 21 schools in the Millard district and 4 schools in Ralston.

# The Community Reacts



“ ”

*My God, you can imagine  
the roar, and the place  
went up in smoke.*

—Newspaper publisher John Gottschalk



# Seeking A Solution

The legislature and its education committee immediately became the locus for a solution to this problem.

““”

*[H]ere we are in little dinky Nebraska and Omaha... I mean, all these places in the country you have this issue and surely there's been a lot of smart people and surely they've come up with several ways to deal with it, and so all we need to do is go out and find out those ways and just pick the best one and we're home free. That didn't work.*

—Ron Raikes  
Chair of the Education Committee



# A Long Road to Change

- By late summer of 2005, the superintendents of the suburban districts of Westside, Elkhorn, Millard and Ralston had formed a coalition to oppose the “One City, One School District” effort.
- While superintendents publicly held meetings to fight the effort, they also began work with Raikes and the education committee to create an alternate proposal.

**In an attempt to formulate an alternative proposal to the “One City, One School District” resolution, the superintendents visited other cities that had implemented inter-district desegregation plans, including Minneapolis, Hartford, and Milwaukee.**



# A Long Road to Change

## Initial Learning Community Legislation (LB 1024) Introduced January 10, 2006

- Attempted to resolve the boundary dispute by freezing all district boundaries in place, thereby ending OPS's "One City, One School District" quest;
- Instituted a common tax levy;
- Solidified organizational cooperation of all 11 districts across the two county metro area with a common governance structure; and
- Required the establishment of focus schools, which drew students from across the region and that were designed to "create an economically diverse learning environment," with the goal of creating more economic diversity.

# A Bump in The Road

**LB 1024 took a dramatic turn in April of 2006, when long-time Senator Ernie Chambers (from Omaha) declared that he would not let the bill move forward.**

- Chambers desired more community input within the historically black community of North Omaha;
- Raikes attempted to address this concern by offering to add a provision for greater local control;
- On April 6, 2006, Amendment 3142 was introduced, which had the effect of dividing OPS into three smaller districts organized around 2-3 high school buildings, “having attendance areas which are contiguous and whose student populations share a community of interest.”
- The legislature passed LB 1024 and AM 3142 on April 13, 2006 with a vote of 31-16. The governor signed it into law later that day.

**As Ben Gray, Chair of the African American Achievement Council, observed, as a result of residential segregation, “there was no way for the breakup to occur other than along racial lines.”**



"History will not, and should not, judge us kindly," said Senator Gwen Howard of Omaha.

Law to Segregate Omaha Schools Divides Nebraska  
Plan for Omaha Schools Raises Segregation Concerns

**Nebraska law raises hope for reform, concerns about segregation**

**The community outcry was immediate, and the story quickly drew national attention.**

- Stories about the breakup of OPS into racially identifiable districts were carried in the New York Times, on PBS News Hour, and even on The Colbert Report;
- Demonstrations against the new legislation erupted across the city;
- The Council of Great City Schools cancelled its national conference, which had been scheduled to take place in Omaha later that year;
- Both state and federal lawsuits were filed, challenging various aspects of the law; and
- In September 2006, the US Commission on Civil Rights held hearings in Omaha on the issue.

**By the fall of 2006, the bad press generated a growing wave of pressure among business leaders, religious groups, and activists to repair the bad image and reach a resolution.**

# Forging Ahead

## Revised Learning Community Legislation (LB 641 + LB 1154) Introduced January 2007 and April 2008

- On November 29, 2006, the Omaha World-Herald reported that the superintendents had laid out a proposal to resolve the issue, which ultimately contained many of the integration provisions contained in the new learning community law.
- The new legislation rescinded the split of OPS, instituted new and stronger SES-based integration provisions, and modified the finance structure in terms of meeting the needs of at-risk students.
- The legislation freezes school boundaries in place as they existed on March 1, 2006 (for the Omaha metro specifically) thereby putting to rest OPS's "One City, One School District" claim.

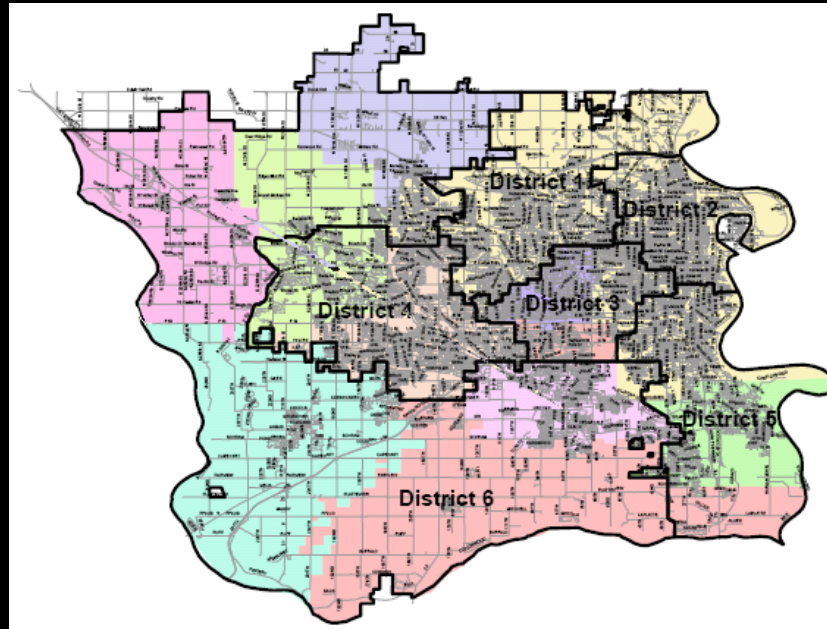


# Overview of Legislation

**LB 641 and LB 1154 require that a Learning Community (LC) be created within “each city of the metropolitan class” in the state. The legislation also enables other school districts to create learning communities:**

<b>Rural Areas</b>	<ul style="list-style-type: none"><li>• A LC can be established at the request of at least three school boards of districts that are either sparse or very sparse (as defined under state law) or have a minimum combined total of 2,000 students.</li><li>• These rural Learning Communities must include all districts in the counties of the participating districts.</li></ul>
<b>10,000+ Combined Student Population</b>	<ul style="list-style-type: none"><li>• A LC can be established at the request of three school boards of districts with a combined total of 10,000 students.</li><li>• These arrangements do not require the participation of all districts in the county.</li></ul>

# Elements of the Learning Community Legislation



1. **Regional Governance: The Learning Community Coordinating Council**
2. **Tax Sharing and a Common Levy**
3. **School Diversity and Reduction of Socioeconomic Isolation**
4. **Elementary Learning Centers**



# The Learning Community Council (LCC)

## Authority and Responsibilities:

- 18 member elected board (+ 3 nonvoting members) governs and operates the LC;
- Has authority to levy and distribute common levy;
- Approves focus schools and programs;
- Implements a diversity plan;
- Conducts school information fairs (and other methods) to encourage access to information and promotional materials about the educational opportunities available;
- Receives community input and mediates disputes between LC member schools; and
- Has authority to collect, analyze and report data on student enrollment and achievement.

LCC is divided into 6 achievement sub-councils, comprised of the 3 representatives from each electoral district. They are charged with developing diversity plans, administering elementary learning centers, and reviewing and approving “poverty plans” and “Limited English Proficiency” plans within their sub-districts.



# Tax Sharing and a Common Levy

- Tax-base sharing plan: the levy is assessed across the property wealth of all the districts combined, then re-distributed back based on need.
- Will be phased in starting in 2009-10 and will be fully implemented by 2012-13 (per LB 1154).
- This type of metropolitan tax-base sharing has been tried only one other time, in Minneapolis-St. Paul. That plan required districts to share a portion of their commercial-industrial tax capacity.
- How It Operates:
  - State law maximum levy: \$1.05 per \$100 of assessed property value;
  - LCC can levy from \$0.90 to \$0.95 per \$100;
  - *Special Building Fund:* LCC can also levy up to \$0.02 more per \$100 for a special building fund, which is distributed to LC districts on a per-pupil basis;
  - Local school districts are allowed to levy the difference between the LCC levy and the \$1.05 maximum permitted by state law, allowing property wealthy districts to maintain some of their tax base advantages; and
  - Outside the \$1.05 maximum, the LCC can levy an additional \$0.05 per \$100 of assessed value to fund the construction of Elementary Learning Centers and cover up to 50% of the capital costs of construction for approved school district projects.

# The Advantages of Tax Base Sharing

According to Myron Orfield at the University of Minnesota, tax-base sharing has advantages over increased state aid when applied to education:

1. It increases resources available without compromising local control over tax rates;
2. It promotes more cooperative and efficient land use and development by reducing the need for governments and school districts to compete with one another; and
3. Regional tax-base sharing off-sets the need for states to design complicated formulas to cope with vastly different contexts, particularly rural school districts.

In addition, tax-base sharing is more effective than state aid formulas in reducing inequality between jurisdictions, while at the same time more cost-efficient in that less state aid is required.



# Diversity Plans

- LCs are required to develop “Diversity Plans” by December 31 of the first year of the LC (2009). The plans may be “revised from time to time.”
- The plans are intended to lay out how the LC will “provide educational opportunities which will result in increased diversity in schools across the learning community.”
- Under the law, the goal is to reach an “enrollment [that] reflects the average [SES] diversity of the entire enrollment of the learning community” by annually increasing SES diversity at each grade level.
- The diversity plans will include voluntary choice-based programs that include giving preference (after sibling preference) “to students that contribute to the [SES] diversity of enrollment at each school building.” These preferences also apply to non-focus schools and programs.

The law defines a student “who contributes to the socioeconomic diversity of enrollment” as one who: 1) does not qualify for free or reduced-price lunch (FRL) if the chosen school has more than the LC-wide average of FRL eligible students; or 2) does qualify for FRL when the chosen school has fewer than the LC-wide average of FRL students across all buildings in the learning community.

# Transportation Provisions

## An important feature of the LC legislation involves transportation of students.

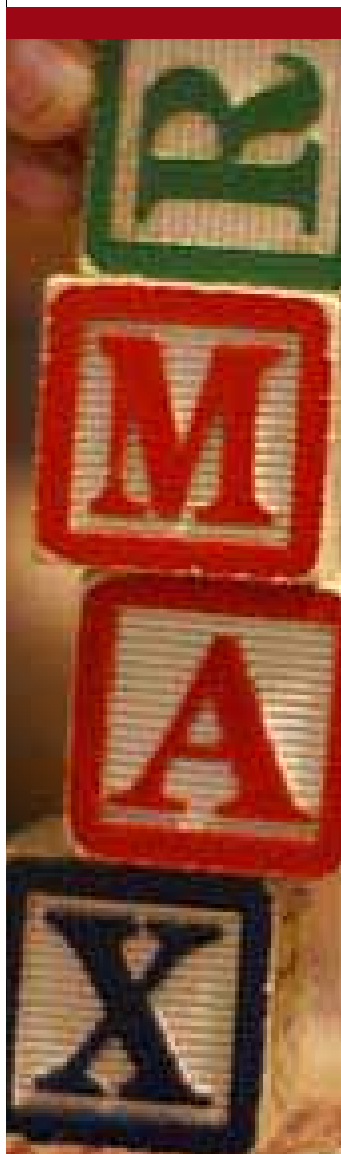
- School districts that are members of learning communities must provide free transportation for students attending their district if they:
  - are transferring via open enrollment;
  - qualify for free or reduced-price lunch (FRL); and
  - live more than one mile from the school.
- Transportation must be provided to students who do not qualify for FRL if the student contributes to the socioeconomic diversity of the school (and lives more than 1 mile away).
- Free transportation is provided to all students attending focus schools or magnet schools (with the 1 mile provision).
- Districts may (but are not required to) provide transportation to any “intra-district student.”
- Parents are not required to provide information about their child’s eligibility for FRL. However, if they do not present the information, their student is assumed not to qualify for transportation funding.



# Elementary Learning Centers

The LC is required to establish “at least one” Elementary Learning Center (ELC) for every 25 high-poverty elementary schools – elementary schools “in which at least 35 percent of the students attending the school who reside in the attendance area of such school qualify for free or reduced-price lunch.”

- ELCs will provide social and academic support services to children and parents outside of school hours (i.e. parental reading skills, English classes for families, or health centers).
- Achievement sub-councils are charged with developing plans for these ELCs, which will detail the services to be provided.
- In developing these plans, the sub-council is required to “seek input from community resources and collaborate with such resources in order to maximize the available opportunities and the participation of elementary students and their families.”
- Each ELC is required to have at least one “facility” located in an area with a high concentration of poverty.



# How Did This Happen?

The solution that emerged from the political battles and controversy that began with “One City, One School District” involved other factors that facilitated the agreement, including:

1. **Messaging, Media, and Framing the Problem: Highlighting the Role that Boundaries Play in Producing Inequality**
2. **Superintendent Leadership and Collaboration**
3. **Creating Interest Convergence: The Common Levy**
4. **Walking the Line: Advancing Regional Equity While Preserving Local Control**
5. **Building on Existing Inter-Local Agreements**
6. **Community Advocacy: The Role of the Philanthropic Community, the Business Community, and Local Organizations**
7. **Leveraging the Accountability System to Get Political Support for the Plan**

**These factors could feasibly be applied in other contexts by people and organizations that aspire toward regional solutions in public education.**



# Challenges in Implementation



The following challenges must be addressed as the implementation of the Learning Community law moves forward:

1. **The Common Levy and Funding Cuts**
2. **No Targets or Timelines for the Implementation of the Diversity Requirement**
3. **Potential Weaknesses in the Diversity Provisions**
4. **Lack of Consensus Around Desegregation/Diversity Goals**
5. **Superintendent Turnover**
6. **No Child Left Behind Accountability Provisions**
7. **Administrative Capacity**

There is a clear need for researchers to document and draw lessons from the process by tracking the implementation, evaluating its progress, and analyzing student outcomes.



# What is the Status of the Learning Community?



- On January 8, 2009 the Learning Community was officially established.
- The first meeting of the larger 21-member Learning Community occurred that same month.
- The state will provide \$500,000 for 2008-09 and another \$1 million in 2009-10.
- The LC must create new education resource centers by July 1, 2009, and the deadline for the metro integration plan is December 31, 2009.
- The finance structure begins in 2009-10 and is phased in over three years.
- The integration plan will begin in March of 2010 (deadline for students to apply under the new open enrollment law will be March 15, 2010).
- The finance structure is fully implemented in 2012-13.

# What Can We Learn From Omaha?



**If educators wish to reduce racial and economic isolation, cooperative agreements between school districts are the only way to achieve it.**