Funding K-12 Education

States’ efforts in addressing school funding policy challenges
Who we are.

The essential, indispensable member of any team addressing education policy.
What we do.

We believe in the power of learning from experience and we know informed policymakers create better education policy.
How we do it.

We research, report, convene and counsel.
Presentation Topics

• Expenditures and Revenue for Education
• Distributing State Education Funding
• Policy Challenges
• Overcoming Policy Challenges
• Legislative Trends
• Funding for Competency-Based Education
Current Per Pupil Expenditures

FY 2017

National Average: $12,258

Source: NCES
Revenue Per Pupil

FY 2017

National Average: $13,962

Source: NCES
Source Percentage Share of Per Pupil Revenue for Public Elementary and Secondary Education, FY 17

- **State Percentage of Per Pupil Revenue**
- **Local Percentage of Per Pupil Revenue**
- **Federal Percentage of Per Pupil Revenue**

Source: NCES

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<th>State</th>
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Distributing State Education Funding
Foundation Formula

www ecs org | @EdCommission
Resource-Allocation Models

www.ecs.org    |    @EdCommission
Hybrid Models
Exceptions
New Hampshire

Foundation Formula

Base per pupil amount: $3708.78 (for FY 2020-2021; adjusted for inflation every 2 years)
District budgets are approved at the local level but mostly funded through the statewide education fund. The state does not use a fixed base funding amount per student.

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Policy Challenges
Student and School Attributes

Different students and districts have different needs or requirements.

The cost to educate some students may be higher than others, especially multiple high-cost populations.

Education in schools with geographical or other attributes may also be costly.
Allocating funding for attributes in New Hampshire

**At-risk funding:** (Free and Reduced-price Lunch funding in NH)
Flat weight system

**Small size or isolated adjustment:**
None

**Special Education:**
Flat weight system

**English Language Learner funding (ELL):**
Flat weight system

*New Hampshire also allocates additional funding for 3rd grade pupils that score below proficient on the statewide assessment if that student is not counted in another category.*
**MA**

**Special Ed:**
Census-based system and high cost

**At-risk:**
Multiple weights system

**ELL:**
Multiple weights system

**Small or isolated:**
None

**NJ**

**Special Ed:**
Census-based system

**At-risk:**
Multiple weights system

**ELL:**
Flat weight system

**Small or isolated:**
None

**VT**

**Special Ed:**
Reimbursement system and resource-allocation model

**At-risk:**
Flat weight system

**ELL:**
Flat weight system

**Small or isolated:**
Multiple weights system
What is considered adequate and equitable funding for education differs across states. Generally, such funding might account for disparities in costs between schools and districts as well as their ability to cover those costs.
A states’ fiscal context, economic conditions, constitutional obligations, policy and other factors influence the local, state and federal share of school funding. Additionally, revenue streams may fluctuate over time.
Cost Factors

- Facilities
- Materials
- Staff
- Transportation
- Technology
Overcoming Funding Challenges
Legislative Action

Many states create legislative interim committees, task forces or commissions on school finance. However, significant changes to education funding through legislative action take time. Incremental adjustments through budgets and legislation are more common.
Voter Initiative

Voters may bring about change to education funding through specific initiatives.
Almost every state has encountered litigation challenging their education finance system. The outcomes of and states responses to these court cases vary depending on the states’ context, constitutional obligations and the court’s interpretations.
Legislative Trends
What Are States Doing?

• Modifying existing revenue sources

• Addressing equitable distribution of high-need funding

• Investing in school facilities
Competency-Based Education
Iowa and Utah fund competency-based instruction and professional development through grants or other sources. While there is growing interest in aligning funding with student outcomes, states have not supported these programs through their funding systems.
The CBE Funding Puzzle

Performance Metrics

Performance Standards

Funding Sources and Limitations on Distributions
Selected Resources

Highlights/Recent:

• EdNote Blog Series: School Funding (01/2020)

• 50-State Comparison: K-12 Funding (08/2019)

• Funding Transparency Under ESSA (02/2018)

• The Importance of At-Risk Funding (06/2016)
Thank you!

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