

School Funding 101

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Overview

- Please ask questions or make comments
 - During the presentation if you feel comfortable
 - Or after the presentation
- Please stop me if I'm using a term you don't know

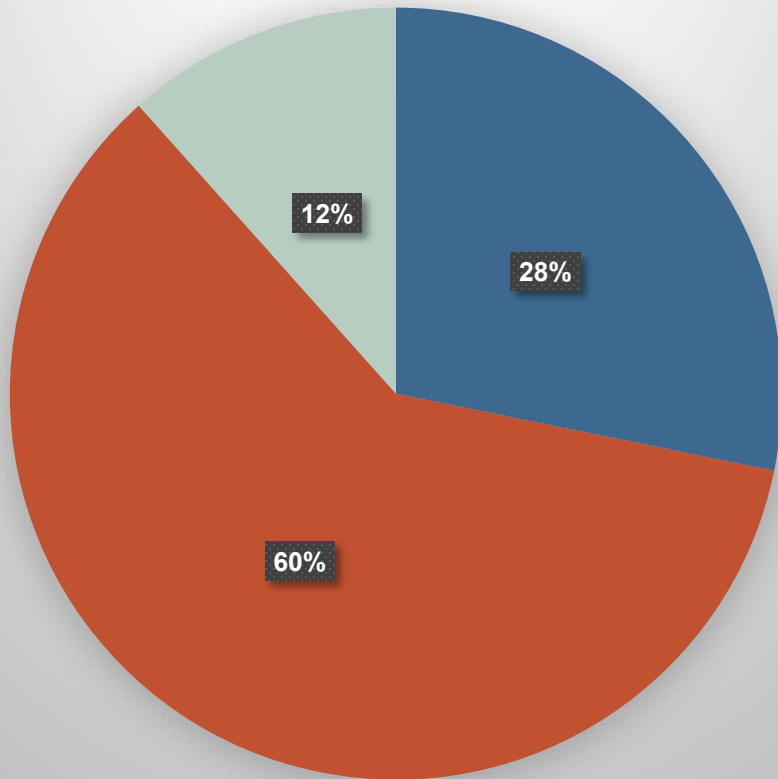
Today's Presentation

1. Introduction to school funding
 1. What is a school funding formula?
 2. What makes a school funding formula good?
 3. Why are these funding formulas so complicated?
2. The formulas that states use
3. What is a foundation formula?

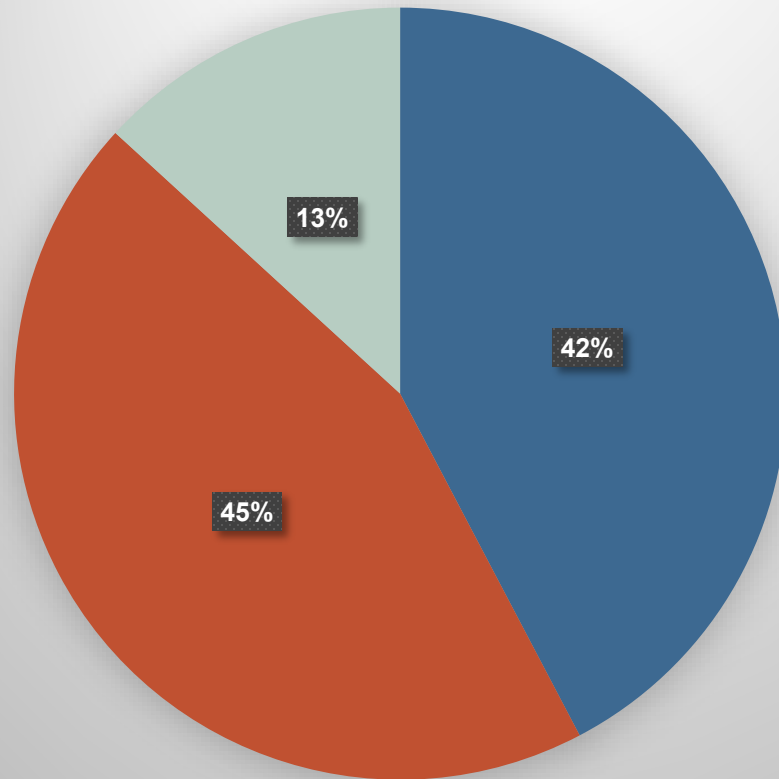
Who Funds Public K-12 Education in America?

(2022-23)

Delaware



United States



What is a Funding formula

Primary Funding Formula

(About 70% to 90% of Funding)

+

Categorical Funding

(Capital, Transportation, and others)

=

Total State Funding

(Sometime confusingly referred to as
the “State Funding Formula”)

High-Quality Funding Formula

Adequate: Funding is sufficient to meet current state education requirements for all students, these can include:

- Inputs: seat time, class sizes, 1-to-1 computers
- Outcomes: test scores graduation rates, college going

Equitable:

- All districts have access to a relatively equal level of resources and
- All students have access to relatively equal educational offerings

High-Quality Funding Formula

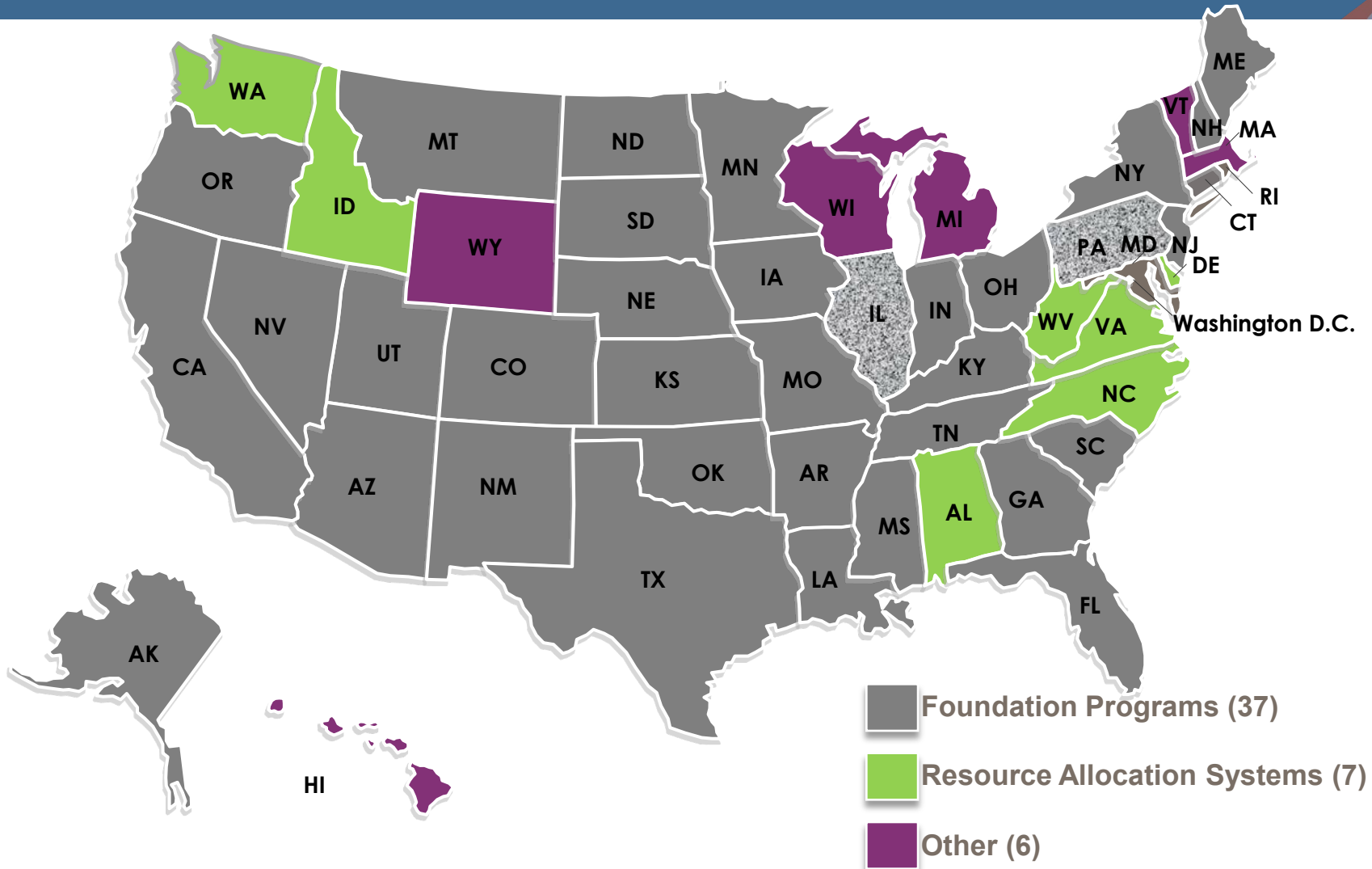
Flexible: Districts are able to use their resources to meet their unique needs

Adaptable: The formula can handle changes in the way that educational services are delivered with little to no adjustment

The Evolution of State Primary Funding Formulas

- 1st Generation: Flat payment
- 2nd Generation: Takes district wealth into account
- 3rd Generation: Takes both relative wealth & student needs into account (State makes expenditure decisions)
- 4th Generation: 3rd gen but LEA makes expenditure decisions
- 5th Generation: Ensuring that the resources are better targeted to the student

School Funding Formulas in Each State



Issues with Resource Allocation Funding Systems

- **Rigid:** Districts are not always able to use their resources to meet their unique needs
- **Lack of adaptability:** The formula can't always handle changes in the way that educational services are delivered with little to no adjustment
- Difficulty with new ways of educating students:
 - Open enrollment
 - Dual/concurrent enrollment
 - Part-time students
 - Funding high-need student groups (At-risk, ELL, students experiencing homelessness)

Let's Take A Break

Questions & Answers

And a 5 min. break

How A Foundation Formula Works

1. Determine foundation/base amount
2. Count students with weights
3. Multiply student count by the foundation amount
4. Determine state vs. local split
5. Add on categorical funding (*capital, transportation, other*)

What is Student-Based Funding? It Starts with a Foundation

- What should a foundation amount be?
 - The amount of funding needed to allow a general education student to achieve state standards
- Ranges in states from:
 - \$4,015 – Louisiana
 - \$11,525 – Connecticut

How is a Foundation Amount Determined?

- Based on research (California, Maryland)
- Based on past year expenditures (Maine, Nebraska, and Nevada)
- Based on how much money the state has (Everyone else)

What are Funding Weights?

- Weights are the additional funding that states provide to high-need student groups
- Most common weights are for at-risk, English language learners, and special education students
- The weights (when multiplied by the foundation amounts) should equal the cost of educating a high-need student

State/Local Split

- **Most states split the cost of education with school districts**
- **A district's share is usually defined by their relative wealth**
 - Often defined by their property wealth per student
 - Some states use other measures (Income, sales, or other taxes)
- **States often mandate a minimal contribution from districts**
 - This may include mandating a minimum property tax

Why do so Many States Use a Foundation Formula?

- Easy to establish
- Easily adjusted to meet a state's/district's educational needs and economic circumstances
- Provides districts with greater autonomy in decision making

Foundation Formulas

Foundation formulas can be adjusted to include various policy choices, such as:

- Class size requirements
- Teacher salary schedules
- Targeted funding for certain programs/student groups

The more mandates that are added the less flexibility districts will have

Questions and Comments

Let's talk school funding!