

OPEN SKY POLICY INSTITUTE WEBINAR

# K-12 School Funding Formulas

Improving State Systems to Better Support  
High-Need Students



Michael Griffith  
Senior Researcher & Policy Analyst  
11/17/2021



The Learning Policy Institute conducts and communicates independent, high-quality research to improve education policy and practice.

# Overview

- ▶ Goal for state funding formulas
- ▶ Why focus on high-need students
- ▶ State funding programs for high-need students
- ▶ Issues with at-risk funding
  
- ▶ Emerging school funding issues

# School Finance Information

## Nebraska – 2019-20

	<b>Nebraska</b>	<b>United States</b>
Average salaries of public-school instructional staff	\$55,367 (39 <sup>th</sup> )	\$66,496
Expenditure per enrolled student	\$12,208 (31 <sup>st</sup> )	\$15,673
Local revenue as a % of total	57.9% (9 <sup>th</sup> )	45.6%

Source: NEA Rankings & Estimates

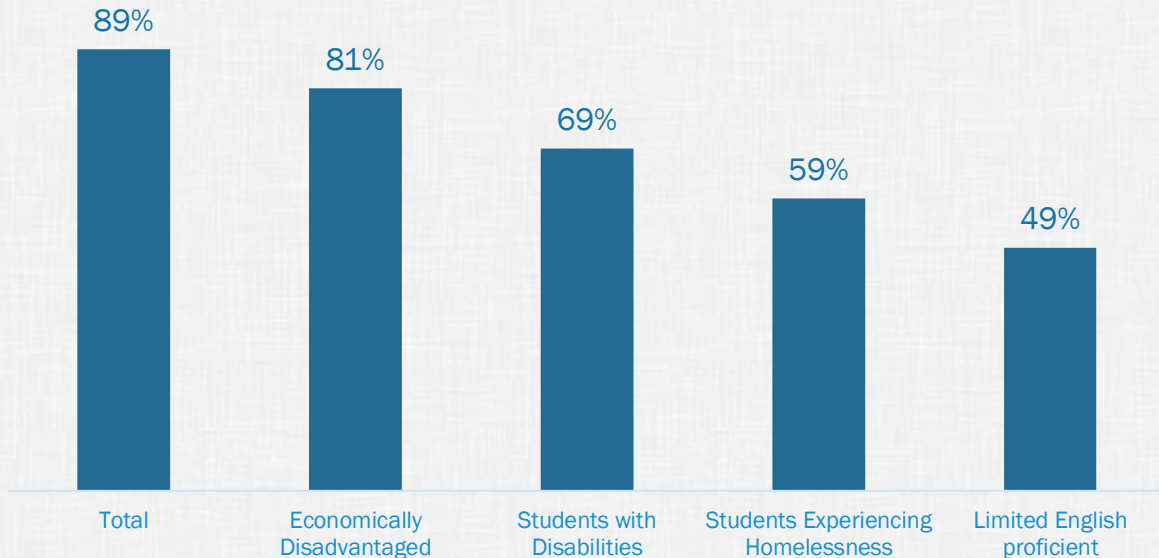
# Creating a High-Quality School Funding Formula

- ▷ Connect funding & state education expectations
  - The funding formula should be aligned to state educational standards (*Maryland and Massachusetts*)
  - Resources should be targeted to students based on their needs (*California*)
  
- ▷ Strive for equity
  - Relative equity in funding (*Montana, New Mexico, and Texas*)
  - Equity in opportunity and offerings for all students (*Wyoming*)

# Creating a High-Quality School Funding Formula

- ▶ Transparent, comprehensible, and predictable
  - Fewer programs outside of the funding formula  
*(California, Maryland and New York)*
  - Clarity on how the dollars flow to schools/students
  - A predictable system allows the state and school districts to do advanced planning

# Four-Year High School Grad Rate Nebraska - 2017-18



Source: National Center for Education Statistics

# Special Education Funding

- ▶ The federal Individuals with Disabilities Education Act mandates that students with disabilities must be provided an education based on their individualized education program.
- ▶ Current State Funding
  - All states currently provide districts with additional funding for students with disabilities (Source: Education Commission of the States)
- ▶ Trends
  - States are moving toward funding special education students based on the services that they receive



# Students Experiencing Homelessness

Students experiencing homelessness are more likely to be chronically absent, they are less likely to complete high school and continue in their education or to meet state achievement standards. (Recent LPI Study)

## ▶ State Funding

- Only 3 states (California, Ohio, and Washington) provide general support funding for students experiencing homelessness (Source: Upcoming LPI report)

## ▶ Trends

- States are beginning to recognize the need for more targeted funding for students experiencing homelessness

# At-Risk Students

- A 2019 study found that 42 states and D.C. provide their districts with some form of at-risk funding
- The majority of states (31) use free/reduced price lunch eligibility to identify at-risk students. Other measures are:
  - English language learners (6 states)
  - Foster Care (6 states)
  - SNAP, TANF, or state level assistance programs (6 states)
  - Census data/federal poverty rate (3 states)
  - Students experiencing homelessness (3 states)
  - Student performance (2 states)

# Community Eligibility and the Need for a New Set of Measures

- Community Eligibility
  - Began in 2010
  - All students in a school are eligible for free lunch
  - Families no longer need to apply for the F/R Lunch program
- Eligibility Criteria
  - At least 40% of the students' families are identified as low-income
  - Based on their enrollment in other public service programs

# Issues With Other Measures

- Federal poverty rate
  - Income level is lower than F/R Lunch number
  - Census numbers may not perfectly reflect actual enrollment
- Federal/state aid programs
  - Some programs have lower income qualifications than F/R Lunch (TANF)
  - Families must apply for these programs
- Student performance
  - Some policymakers believe that student performance could be manipulated to increase funding

# Emerging School Funding Issues or "What keeps me up at night"

- ▷ COVID-19 Issues:
  - How much lost learning time have students experienced?
  - Will all students return to in-person schooling?
  - What happens when the federal relief funding runs out?
  
- ▷ How do we recruit and retain quality teachers?
  
- ▷ What will happen to our funding systems as more students attend schools outside of their district?

# Contact Information

Michael Griffith

Senior Researcher & Policy Analyst

Learning Policy Institute

[mgriffith@learningpolicyinstitute.org](mailto:mgriffith@learningpolicyinstitute.org)

