



On Background

**School Finance Context for
(Almost) Any Education Story**



Zahava Stadler

**Special Assistant for State Funding and Policy,
The Education Trust**



The Education Trust
edtrust.org

About the Education Trust

- The Education Trust is a national nonprofit that works to close opportunity gaps that disproportionately affect students of color and students from low-income families.
- Through our research and advocacy, Ed Trust supports efforts that expand excellence and equity in education from preschool through college, increase college access and completion for historically underserved students, engage diverse communities dedicated to education equity, and increase political and public will to act on equity issues.





Opening Poll:



Have you written one or more stories about school funding in the last year?



Learning Goals for this Session

- ✓ Consider when you might want to include funding policy information in a story
- ✓ Become familiar with FundEd, a national database of school funding policies
- ✓ Understand how this tool can be helpful in informing and contextualizing your education reporting





School Funding Stories: The Obvious



01.

State Budget Events



- + Budget Legislation
- + Deficits and Bankruptcy
- + Surpluses
- + Infusions of Federal Aid



02.

Direct Legislative Activity



Litigation and Court Rulings





School Funding Stories: The Less Obvious



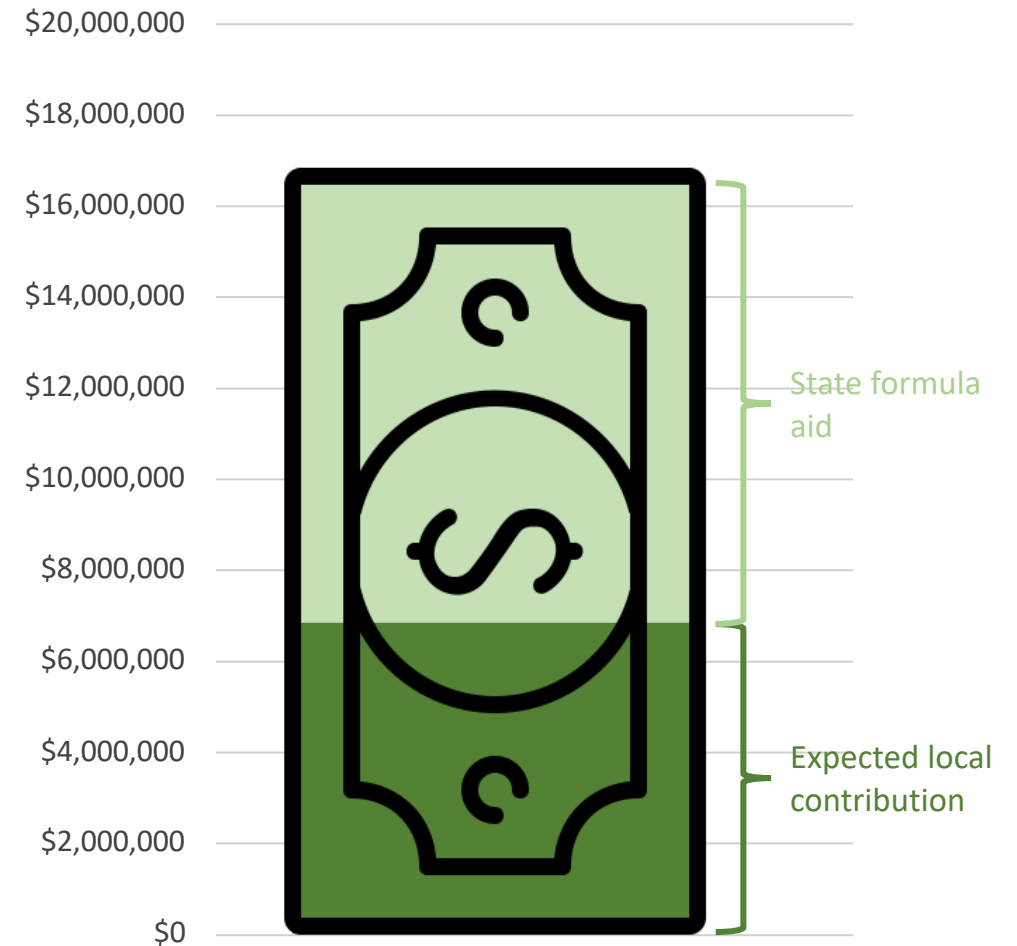


Education Challenges, Ripped from the Headlines

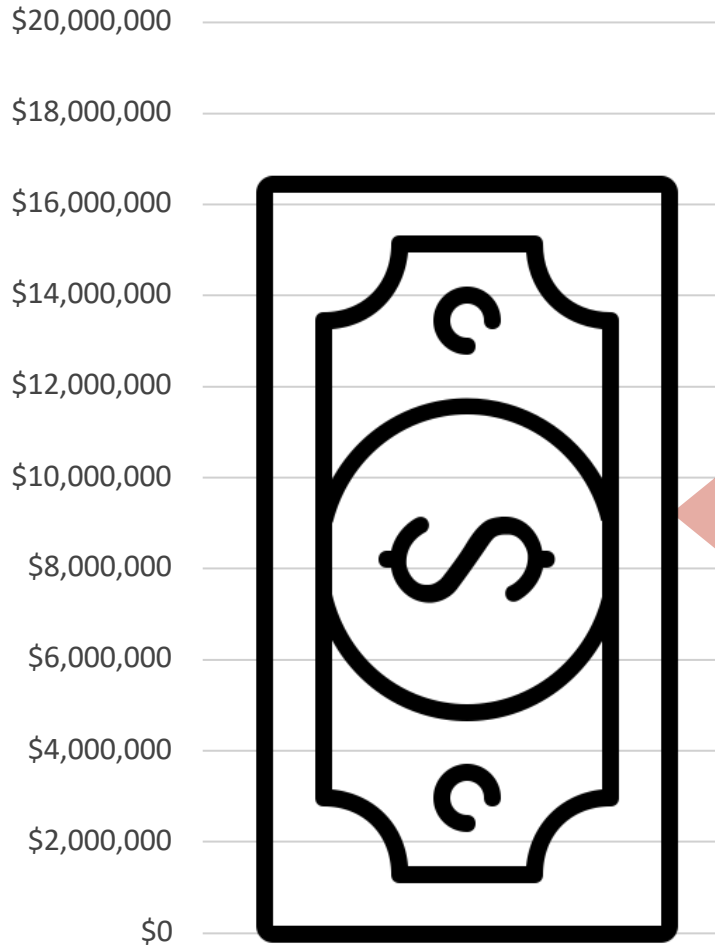
Colorado	Alabama	Idaho	Mississippi
Suburban districts around Denver are struggling to support an increasingly high-poverty population	Districts in higher-income communities have more experienced teachers than those in lower-income areas.	Schools are having difficulty serving rising numbers of special education students.	English Learners are rising as a share of state students, but their dropout rates are the highest of any student group.
The formula is heavily weighted towards small and rural districts, leaving less for high-need cities and suburbs.	The formula gives the most teacher funding to the districts that already have the most experienced teachers, reinforcing the problem.	Special education is funded based on assumed, not actual, counts of students with disabilities.	Mississippi is one of just two states in the country without any specific funding for English Learners.

Funding Formulas, In Brief

1. The state uses a formula to determine a target funding amount for each district for the year.
2. The state calculates how much funding the district is expected to contribute from local sources.
3. The balance of the formula amount is provided as state aid.



Potential Questions: The Formula Amount



- What is the formula's basic funding amount per student? Does it align with what the median district in my state actually spends on general education?
- What student needs (disabilities, language learning needs, economic challenges) are addressed in the formula? How does that respond to the actual student needs on the ground?
- If districts in my state are very different from each other (dense vs. sparse, high- and low-poverty), does the formula consider that? How does the mechanism match up with communities' different needs and experiences?

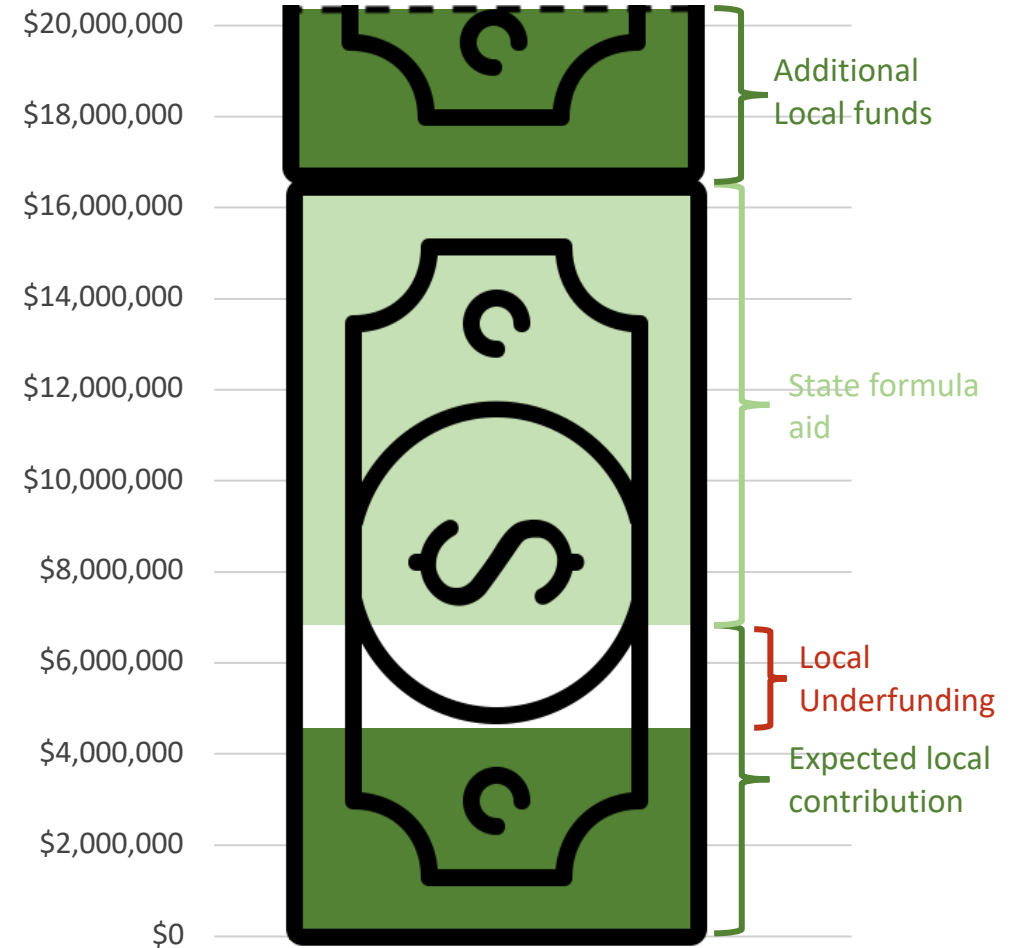
Potential Questions: The Local Share



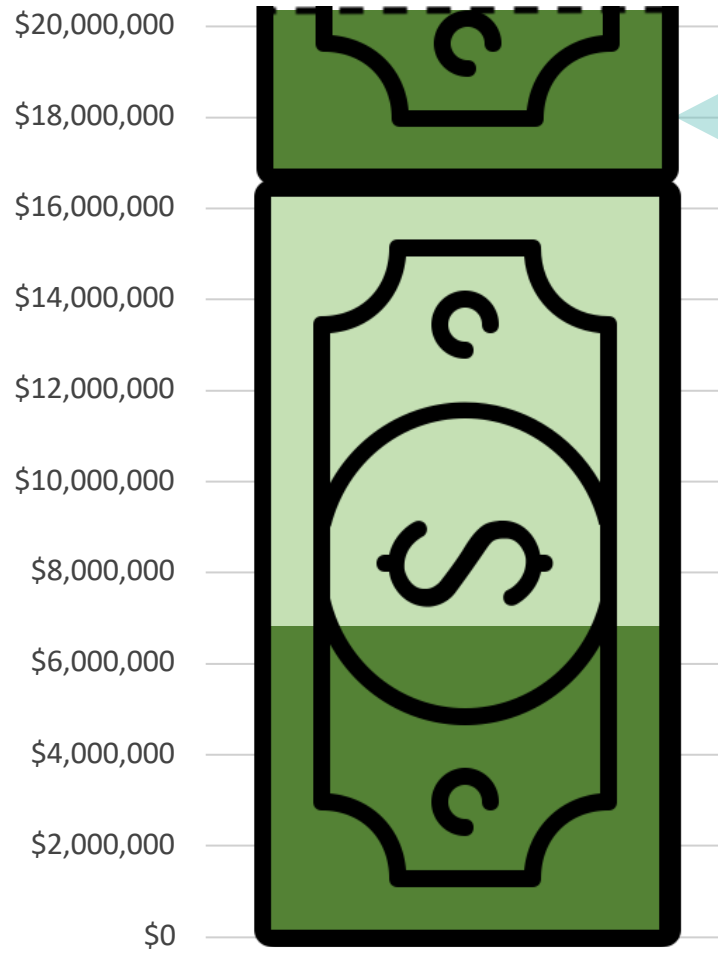
- Is the local share tax rate reasonable, or very burdensome to some district communities?
- Does the local share only consider property taxes?
 - Does it also consider local income levels? Are there any districts where resident income doesn't correlate with property values, and is that taken into account?
 - Does it also include sales taxes? What does that mean when some districts have malls or big commercial districts?

The Local Revenue Loophole

The state calculates how much funding the district is *expected* to contribute from local sources. But the district often may raise more or less in actuality—without affecting the state aid amount.



Potential Questions: Local Funding Guardrails



- Is the local share a ceiling, or can districts raise money beyond the formula amount? How much of the funding inequality in your state is driven by these additional dollars?
- Is the local share a requirement, or just an expectation? Is anyone underfunding their local share? If so, are those high- or low-wealth communities? What's driving them to invest less in schools?

**Any questions
about funding
formulas?**



The Education Trust
edtrust.org

FundEd Database: Demonstration of National and State Pages



National Page: Information Quest



- ➔ Click the button labeled “Poverty.”
1. How many states provide funding for students in poverty?
 2. How many consider district concentrations of poverty?
 3. What category/categories does your state fall into?



State Page: Information Quest



Scroll down to “English-Language Learner” and click the arrows ∨ on the right to fully expand the summary.

1. Does your state provide EL funding?
2. How much funding is it (or how large a percentage boost is it) per EL student?
Is the policy transparent about that?
3. Is it flexible funding for the student (e.g. dollar allocation or multiplier) or a grant tied to a specific program/use?



State Page: Information Quest



- ➔ Pull up a second state for comparison by clicking the + sign next to the state name. Fully expand ∨ its summary for EL funding.
1. Does this state provide EL funding?
 2. Is this state's EL funding greater or less than the first state's funding? Is the policy transparent enough to tell?
 3. Can this funding be used more or less flexibly than the first state's funding?





FundEd Database: Demonstration of Reports Page



The Value-Add: School Funding Stories

From a 2017 article on the House's passage of a new funding formula in Kansas:

Two-thirds of the Kansas House voted to approve school-finance legislation Thursday praised for investing more state funding in K-12 public schools and denounced as insufficient to comply with the Kansas Constitution.

The measure sent to the Senate would raise state aid by \$180 million in the upcoming academic year and add \$100 million in the second year for a total of \$280 million. The Senate's alternative bill would boost state aid to schools by about \$240 million by the second year...

Rep. Steven Crum ...also voted for the House bill. [He] believe[s] the Supreme Court will accept a revamped formula targeting more money toward at-risk students and increasing overall funding.

"The formula portion of this bill, after amendments, is thought out and I believe will be constitutional," Crum said.



The Value-Add: School Funding Stories

From a 2022 article on a proposed new funding formula in Tennessee:

Gov. Bill Lee has unveiled his proposal for overhauling K-12 funding in Tennessee, including a base of \$6.6 billion to provide per-pupil funding to educate nearly 1 million public school students and \$1.8 billion in extra support for students needing the most help...

If the legislature approves the plan, Tennessee would join 38 other states that have some type of student-based funding model. Lee wants TISA to replace Tennessee's 30-year-old funding formula called the Basic Education Program, or BEP, which is a mostly resource-based model that's built around enrollment...

The proposed formula would set a base of \$6,860 per pupil, then distribute additional money per pupil to support students in certain groups:

- Economically disadvantaged students would get an extra 25%...
- Students living in areas of concentrated poverty would receive an extra 5%...
- Students in rural areas and small school districts would get an extra 5%...
- Students with unique learning needs would receive between 15% and 150% extra...



The Value-Add: Academic Stories

From a 2017 article on a Montana Office of Public Instruction plan to raise test scores

The Office of Public Instruction will ask schools to raise test scores significantly in a new education road map that will be submitted to the federal government later this year. The plan aims to comply with the Every Student Succeeds Act, which replaced No Child Left Behind in December 2015...

The test score improvements would call for at least four percent of non-proficient students to improve to proficient on state-required tests. ESSA requires the same goal to be applied to sub-groups, like students with disabilities. And because different sub-groups have different achievement levels, they'll be asked to improve at dramatically different rates.

More students with disabilities get non-proficient scores than an average student. They will be expected to improve math proficiency levels by 18.5 percent...

ESSA requires states to blend several factors into an overall rating for schools: academic achievement, academic progress, graduation rates and English language learner proficiency progress, plus another category with factors picked by states. The law also still requires that states administer standardized tests...



The Value-Add: Academic Stories

From a 2022 article on a Mississippi district seeing success with English Learners

...In this classroom, language is less like a barrier, and more like a puzzle everyone is working on together. It's an unusual scene in a country known around the world as a place where most people speak only English, and in a state with one of the smallest immigrant populations in the U.S.

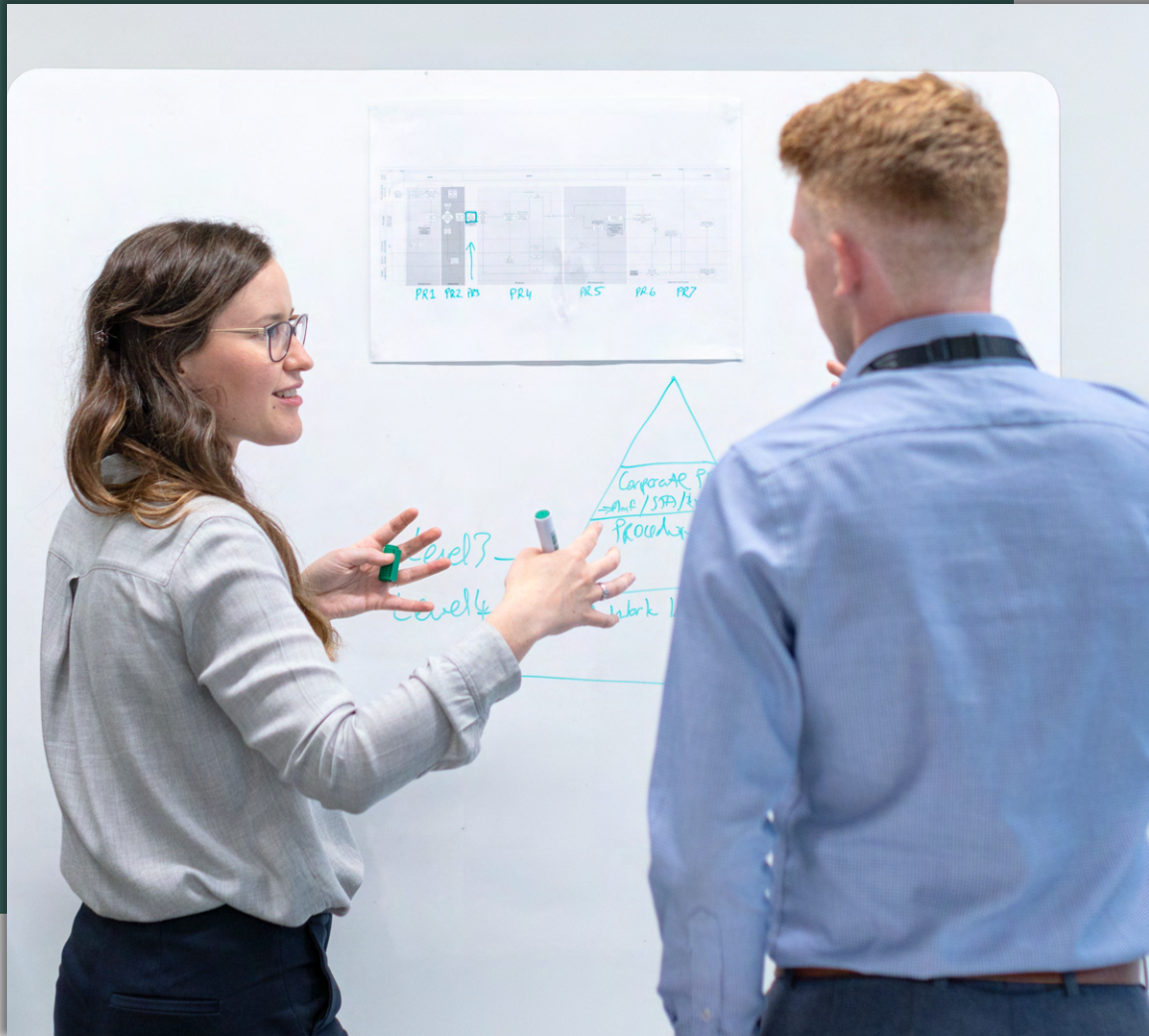
The Pascagoula-Gautier School District has by far the largest English Learner population of any on the Coast, at about 13% as of May 2021, most of whom are native Spanish speakers. That's one of the five biggest EL populations in the state...

The number of English Language Learners in Mississippi is growing rapidly, largely due to increasing Hispanic immigration and migration...

But Mississippi is not meeting the needs of EL or Hispanic students.... And in a poor state with a struggling educational system, a group that is growing rapidly but still comprises less than 5% of all students has not been a priority.

States like Arkansas, North Carolina and Alabama provide districts with additional funding for EL students, which they can use to hire staff and buy supplies. Mississippi allocates no extra state funding for EL students. Instead, Mississippi districts rely on federal Title III funding, distributed on a per-pupil basis.





To talk more about
school funding issues or
using FundEd,
book a time at:
tinyurl.com/talkfunding



The Education Trust
edtrust.org

Questions?

