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Fund Schools Equitably to Meet Student Needs

This brief is part of a series that explains EdTrust's core beliefs about how states should adequately and equitably fund public schools. To learn more, visit edtrust.org/fair-funding-policy-positions.

EdTrust believes that state school funding systems should provide equitable levels of funding to address students' individual needs including the needs of students who have been historically underserved in public education, particularly students of color, students from low-income backgrounds, multilingual learners, students with disabilities, and students from rural communities. While [many states](#)[1] provide some additional funding to address student needs either through "weighting" student enrollment numbers in the state's formula (e.g., 30% more, or 1.3 times as much, funding for English learners), allocating a specific amount of additional funding (e.g., an additional $3,000 for each English learner), or by funding specific programs or activities (e.g., an intensive tutoring program for English learners through a separate pot of money) there are still several that do not. Additionally, of the state funding formulas that provide additional funds, many do not provide funding at the levels that [national](#)[2] and [state research](#)[3] show are needed to reduce gaps in academic outcomes between students with and without additional needs.
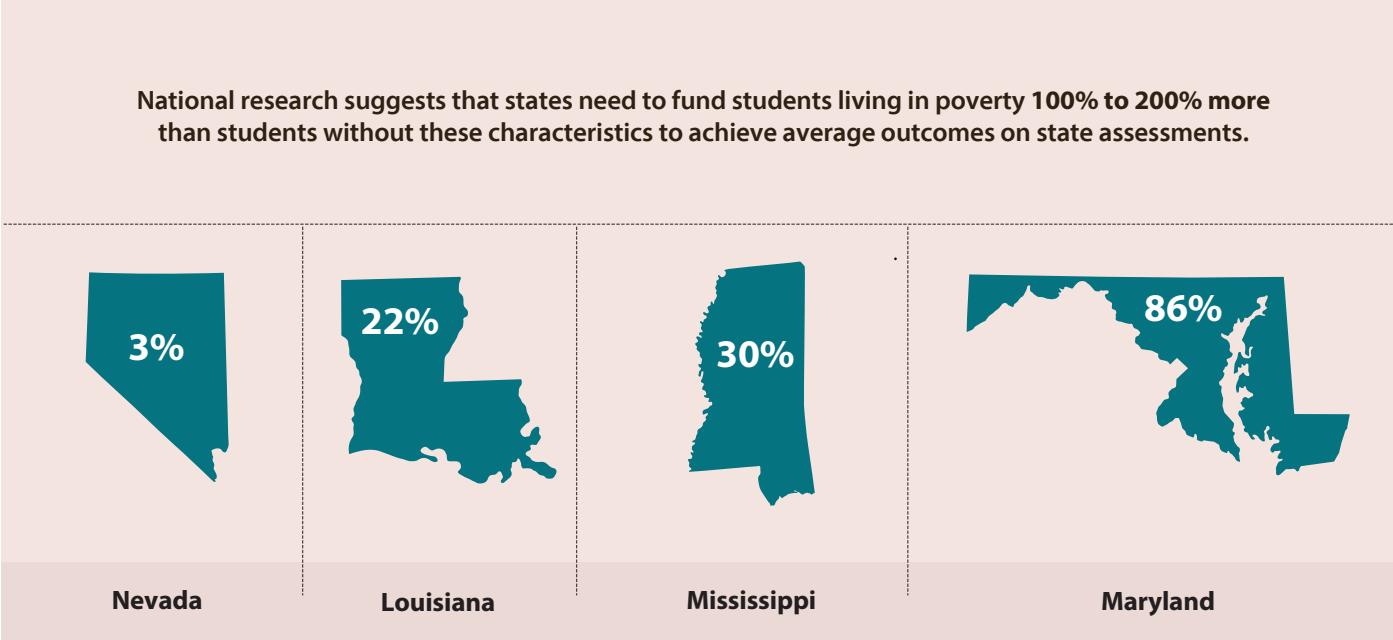
This brief lays out four school funding principles that can help ensure state funding formulas provide more funding to districts for students facing barriers to learning. When implemented well, districts can meaningfully invest in resources that help students thrive in the classroom and after graduation. EdTrust believes:

- **Students who need more should get more**: Districts receive generous, additional funding for students with unique needs.

- **Students with greater needs should get even more**: Formulas provide additional funding that is tiered, or on a sliding scale, to account for the significance of need within a category, such as students with disabilities. Fewer additional dollars are provided at the low end of a tier or scale while funding amounts increase the more significant a student's need.

- **Students should be funded for each need**: A student with multiple needs, such as a student who is an English learner and living in poverty, is eligible to receive additional funding for each need.

- **High poverty at the district level should be accounted for**: Formulas provide additional funding to address the unique challenges faced by districts with high concentrations of students living in poverty.

Students Who Need More Should Get More

States' funding systems should provide additional funding to districts to support students from low-income families, English learners, and students with disabilities. Researchers estimate[4] that states should fund students living in poverty and English learners **two to three times** more than students from families with higher incomes and native English speakers. Currently, there is a wide range in how much additional funding state formulas provide for students living in poverty and English learners, with just one state, Maryland, allocating funds close to the levels recommended by research.
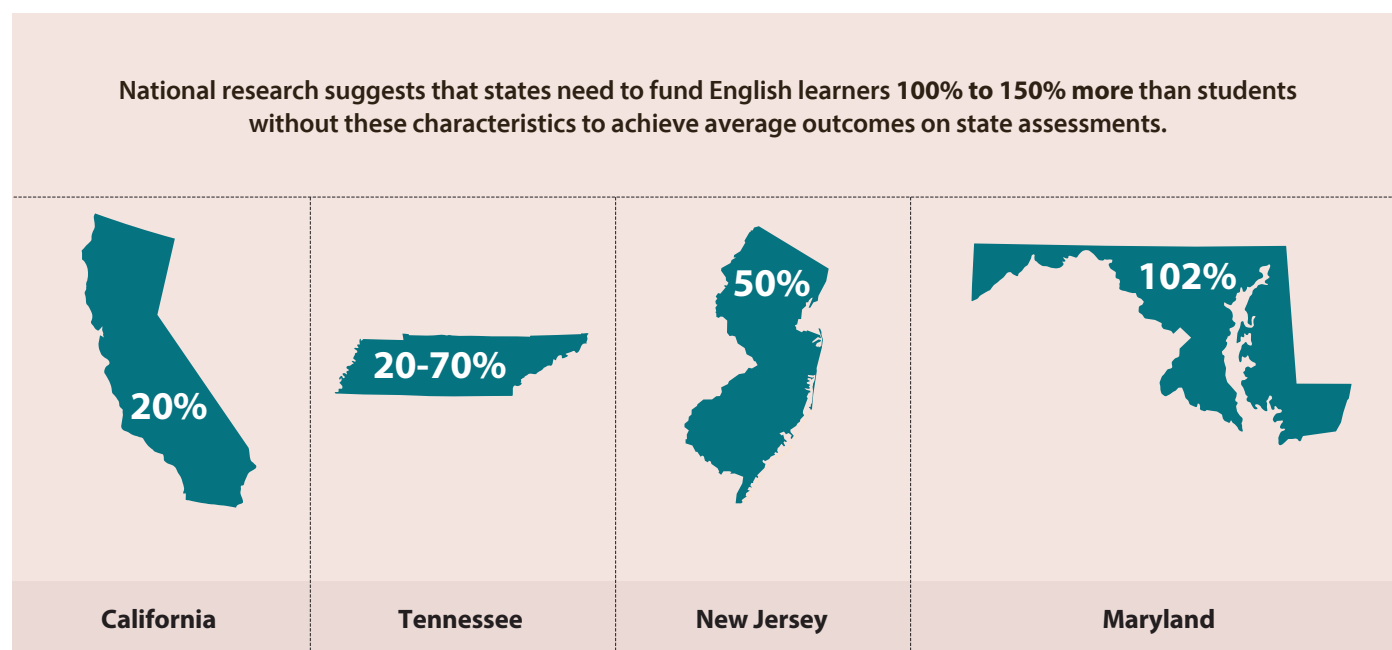
Figure 1. No State Funds Students Living in Poverty at the Level Recommended by Research, Fiscal Year 2025

National research suggests that states need to fund students living in poverty **100% to 200% more** than students without these characteristics to achieve average outcomes on state assessments.

3%	22%	30%	86%
Nevada	Louisiana	Mississippi	Maryland

Reading this figure: In Nevada, students from low-income backgrounds receive just 3% more funding than a student who is not from a low-income background. Maryland has the highest student poverty weight in the country, providing students from low-income backgrounds with 86% more funding.

Source: EdBuild, Maryland General Assembly

Figure 2. Few States Fund English Learners at the Level Recommended by Research, Fiscal Year 2025

National research suggests that states need to fund English learners **100% to 150% more** than students without these characteristics to achieve average outcomes on state assessments.

California	Tennessee	New Jersey	Maryland
20%	20-70%	50%	102%

Reading this figure: In California, English learners receive 20% more funding than a student who is a native English speaker. Maryland has the highest English learner weight in the country, providing English learners with 102% more funding.

Source: EdBuild, Tennessee Department of Education, Education Law Center, Maryland General Assembly

Additional funding gives districts more room to invest in and target evidence-based resources that help students, who through no fault of their own, face barriers to learning. For example, smaller classroom sizes[5] in early grades; targeted, intensive tutoring;[6] and effective teachers[7] are resources with strong evidence of success. Research reveals that these resources are particularly effective at boosting the educational outcomes of students living in poverty and students of color and some of them have also been shown to have long-term benefits.

State systems should also provide additional funding to enable districts to meaningfully help students with disabilities learn. Some states provide substantially more funding for students with disabilities — largely based on the types and degree of disability and the services that students need. However, some states like Louisiana do not differentiate funding based on the types of disabilities students have or the intensity of services students need. Nearly 20 states[8] limit the amount of state dollars allocated toward special education costs. The underfunding of special education is a significant equity issue[9] because districts serving high percentages of students in poverty also tend to serve more students with disabilities and are often forced to reduce or cut funding from other programs to provide much-needed and legally required special education services.

Federal inaction contributes to the inadequate and inequitable[10] state of special education funding. The federal government is authorized to contribute 40% of the average cost of educating a student with disabilities; however, the federal government has never paid its fair share. Currently, Congress[11] only pays 13% of the average per-student cost of special education services. The combination of inadequate federal investment and inadequate state investment constrain district budgets, especially budgets of districts that are less wealthy and cannot reasonably raise more revenue.

How states identify students for additional funding is equally important as the amount of supplemental aid state funding formulas provide for those students. Inadequate methods can lead to under- and over-counts of students, such as undocumented students, which can have fiscal implications for local, state, and federal funding streams. When identification methods under-identify students,[12] districts receive less funding than what they need for resources that support the social, emotional, and academic well-being of students. When methods over-identify students, those dollars may not be well-targeted[13] to the students who need additional support the most.

New Jersey: Pitfalls of a Census-Based Approach to Funding Students with Disabilities

New Jersey is one of 10 states[14] that use a census-based approach to funding students with disabilities. Under this approach, the state calculates the statewide average percentage of students identified as having disabilities and applies this percentage to each district to allocate special education funding. A census-based approach is thought to deter over-classification or misclassification of students but, this approach is problematic because many districts serve higher percentages of students with disabilities than the state formula accounts. This approach is also shortchanging districts and schools because it fails to account for the different types of disabilities students have and the varied costs associated with providing necessary services. Consequently, many districts, especially low-wealth districts, in states with a census-based approach, struggle to close this funding gap with local revenue.

In the 2022-23 school year, New Jersey applied a statewide average of roughly 16% to calculate special education funding for each district — an analysis by the Education Law Center (ELC)[15] shows that the actual percentages ranged from 3% to 34%. ELC found that this practice shortchanged districts with higher percentages of students with disabilities than the statewide average by nearly $400 million. To close this gap, ELC estimates that these districts would have had to divert up to $2,000 per student from funds designated for other general expenses to cover their unfunded special education costs.

Advocates should urge their state education agency (SEA) or department to prioritize accurate methods of counting students to ensure that state funds are equitably distributed and are reaching students who need additional support. As this state example shows, failure to provide districts with additional funding for the actual number of students with disabilities can lead to devastating funding inequities. While wealthy districts can raise more local revenue, low-wealth districts cannot and must stretch their already inadequately and inequitably funded budgets to provide much-needed and legally required special education services.

Maryland: More Precise Poverty Measure Identifies More Students

Maryland, like many other states, has long relied on free and reduced-price lunch (FRPL) data to measure student economic need. However, the expansion of the community eligibility provision (CEP), has made that a less accurate[16] metric. Further, more states are adopting universal free meals programs,[17] rendering forms used to collect FRPL data obsolete. In 2023, Maryland policymakers took steps to count students from low-income backgrounds more accurately, which resulted in more than 100,000 new students[18] being identified. Maryland now relies on multiple metrics, including free and reduced-price lunch and enrollment in Medicaid and other state benefit programs. This more precise counting meant that in School Year 2022-23, the districts serving those students who had been undercounted received an additional $7,396 per student living in poverty — almost twice the per-student base amount the state's formula[19] allocated for a student not living in poverty.

Given the limitations of free and reduced-price lunch data, [researchers](#)[20] have been exploring which metrics will more accurately measure student poverty. Many states are now using enrollment in state benefit programs such as Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Medicaid with these metrics appearing to improve accuracy. Advocates should urge SEAs to determine which alternatives will lead to better targeting of funds and should push states to adopt those more accurate metrics.

Students with Greater Needs Should Get Even More

Some states provide the same funding for all English learners regardless of language proficiency, while many other states fund students on a sliding scale dependent on their need. Providing the same funding across all English learners is inequitable because not all English learners are the same — needs vary among English learners who are new to the U.S. versus those of students who were born in the U.S. but live in households where English is not regularly spoken at home. Some districts serve students who mostly speak the same native language, while other districts where English learners speak different native languages. Additionally, districts serving smaller numbers of English numbers and rural districts face higher costs to provide adequate services to their students. These differences add up and impact the breadth and quality of programming districts and schools can offer. These factors make it essential for state formulas to meaningfully reflect the varied needs and associated costs of meeting students' needs.

Kentucky: One-size Fits All Funding for English Learners

Kentucky is one of many states that provides the same amount of money per-English learner regardless of the learner's English proficiency or other relevant factors. The state has a student-based formula in which it provides just 9.6% more funding per English learner than a native English speaker. Kentucky's weight is one of lowest English learner weights in the country. Districts serving the most English learners receive [32% less](#)[21] state funding than districts serving the fewest. Without addressing both the design and size of the weight, funding inequities will persist, and districts will be unable to meaningfully invest in proven strategies that work for students.

Michigan: English learner Funding Driven by Language Proficiency

Michigan is one of 10 states that varies supplemental funding for English learners based on students' performance on English language proficiency tests. The state formula includes funding at three different levels that correspond to different proficiency level.[22] In fiscal year 2024, Michigan [enshrined](#) target funding weights ranging from 35% to 75% in statute, but only appropriated enough funding for prorated weights of roughly 2% to 15%, resulting in additional funding amounts ranging from $167 to $1,476 per student.[23] The state increased funding for English learners in fiscal year 2025 resulting in additional funding amounts ranging from $210 to $1,863 and corresponding weights of roughly 2% to 19% per student.

Students Should Be Funded for Each Need

State funding systems should provide students funding across each need they have, meaning, for example, that a student who is an English learner and living in poverty should generate funding for each of those needs. About half of the states with weighted student formulas do this by "stacking" weights, providing funding for each of a student's need (See Figure 3).[24] Funding policies that only allow students to generate funding once undermine districts capacity to provide adequate resources to students facing multiple barriers to learning.

Nevada: Not Funding All a Student's Needs

In Nevada, students who are designated "at-risk," are an English learner, or enrolled in a gifted or talented program are only eligible to receive additional funding for the category that has the highest weight.[25] In the 2022 fiscal year, English learners received 24% more funding than the per-student base, students living in poverty received 3% more, and students enrolled in gifted and talented programs received 13% more. Nevada's policy means that a student who fits both of those categories only received 24% more funding since that is the highest weight. This policy shortchanges students because the formula limits how much additional funding districts receive to address all the needs of their students.

Tennessee: Recognizing All of Students' Unique Learning Needs

In Tennessee, a student that has multiple Unique Learning Needs (ULN) gets funding for those multiple needs. For example, a Tier 1 English learner[26] receives 20% more funding than the per-student base, or a student without additional needs. If a student is an English learner and from a low-income family, experiencing homelessness, in foster care, a migrant, or a runaway, the student would also receive 25% more funding for being economically disadvantaged. In total, a student would receive 45% more funding than a student without these needs.

Figure 3. Formulas should fully fund each need a student has.

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When reading this figure note that a student recieves nearly **$3,000 more** when the formula funds each need, not just one.

Formula Stacks Weights			Formula Does Not Stack Weights		
Student Characteristic	Weight	Additional per-student funding amount	Student Characteristic	Weight	Additional per-student funding amount
English Learner	20%	$1,480	English Learner	20%	$0
Economic Disadvantage	15%	$1,110	Economic Disadvantage	15%	$0
Special Education	110%	$8,140	Special Education	110%	$8,140

Figure 3: Formulas should fully fund each need a student has.
When reading this figure note that a student recieves nearly **$3,000 more** when the formula funds each need, not just one.

Formula Stacks Weights		Formula Does Not Stack Weights	
Total per-student Funding	$18,130	Total per-student Funding	$15,540

Note: This example assumes a per-student base of $7,400. The base is multiplied by each weight to determine the additional funding amounts a student receives above and beyond the base. Those amounts are then added to the base to determine the total per-student funding provided for a student who has each characteristic.

High Poverty at the District Level Should be Accounted For

Some states[27] and districts[28] have moved toward providing supplemental funding to account for district- or neighborhood-level factors that that get in the way of students thriving. When students show up to school, they do not leave everything that their families and communities experience at the front door. Concentrated and generational poverty, community violence and trauma, lack of access to healthy foods and health care, economic disinvestment,[29] and other harmful factors make it more challenging for schools and districts to help students learn. When most students in a district or school experience any one of or a combination of such factors, their districts and schools need more money and flexibility to spend their dollars in ways that help their students thrive.

Maryland: Addressing Concentrated Poverty Through Community Schools

The Blueprint for Maryland's Future established concentration of poverty grants[30] for schools where at least 80% of students are eligible for free and reduced-price meals. There are two types of concentration grants: personnel and per-student grants. The personnel grants are for eligible schools to hire a community school coordinator and a school health professional such as licensed registered nurse. The per-student grants are awarded to schools on a sliding scale and can be used to fund various wraparound services including before and after school programs, vision and dental services, family engagement, and professional development opportunities for teachers and school staff. Many states have made progress toward equitably funding student needs. Despite this, governors, legislators, and state education agencies still have more work to do to ensure that funding systems and policies provide significantly more funding and resources to students who have been historically and intentionally excluded and underserved in the public education system. This brief provides key policy changes state leaders can adopt to make school funding fairer and more responsive to students' needs.

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