



The Education Trust



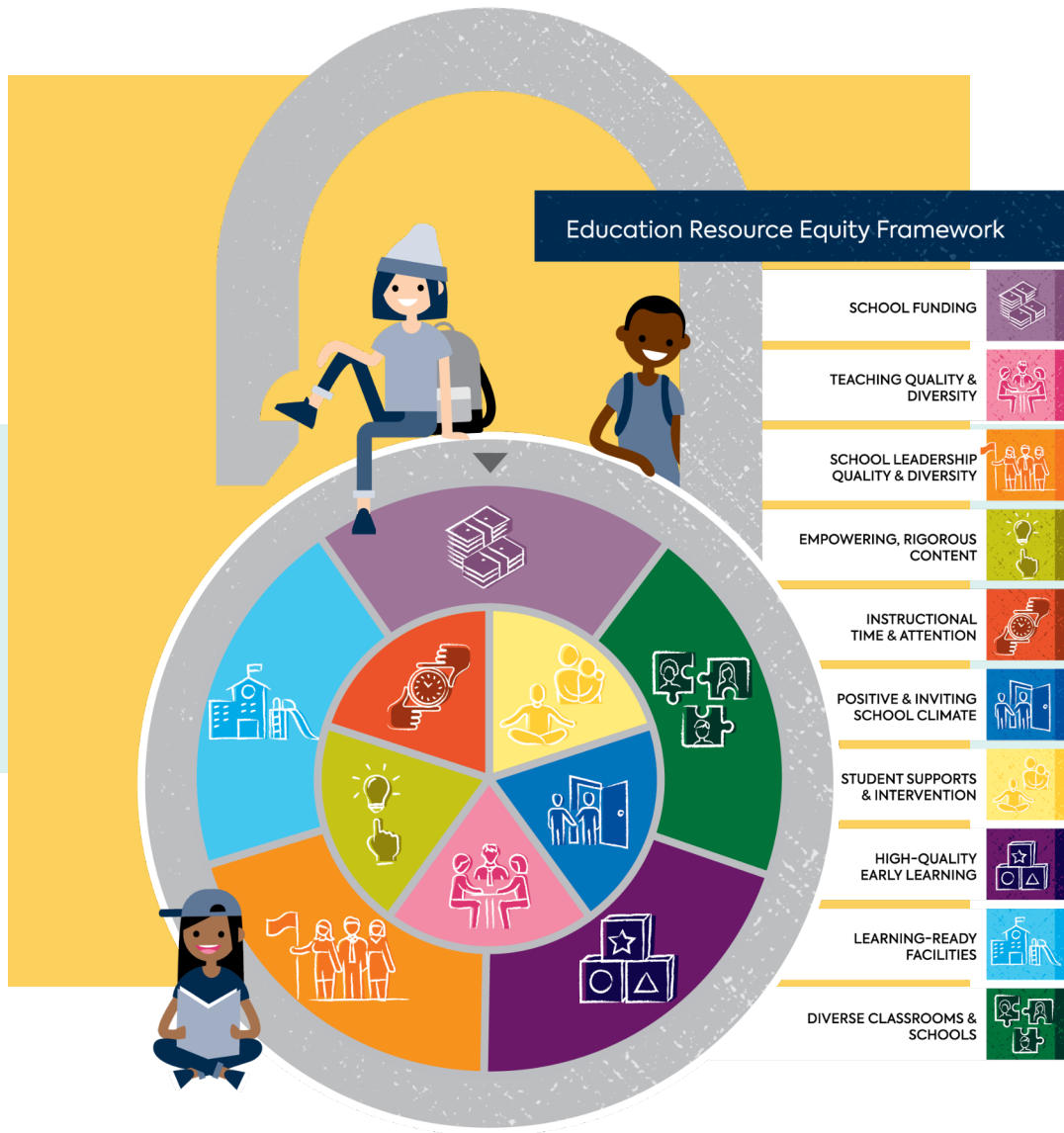
School Funding Systems & Resource Equity

NCSBE 2021 Fall Planning & Work Session – November 3, 2021

Session Agenda



- ▶ School funding and resource equity
- ▶ Funding policy primer
- ▶ EdBuilder tool demonstration



School Funding and Resource Equity

Equitable Student Experiences: 10 Dimensions

How much and how well resources are used matter for student experiences.



SCHOOL FUNDING



TEACHING QUALITY & DIVERSITY



SCHOOL LEADERSHIP QUALITY & DIVERSITY



EMPOWERING, RIGOROUS CONTENT



INSTRUCTIONAL TIME & ATTENTION



POSITIVE & INVITING SCHOOL CLIMATE



STUDENT SUPPORTS & INTERVENTION



HIGH-QUALITY EARLY LEARNING



LEARNING-READY FACILITIES



DIVERSE CLASSROOMS & SCHOOLS

Why focus on funding policies?



Teaching Quality & Diversity

- Strong teachers and teaching practices
- Diverse teachers

In Oklahoma, teachers are leaving the state for better-paying positions in Texas school districts.

Funding policy implication: The formula doesn't allocate much state money per student, and districts are barred from raising extra funds locally.



Student Supports & Intervention

- Targeted supports for family, social-emotional, mental, and physical health
- Effective post-secondary guidance

In Delaware, 80% of students are enrolled in schools without enough counselors.

Funding policy implication: A rigid funding system offers no flexibility to prioritize counselors.



Instructional Time & Attention

- Enough instructional time
- Enough instructional attention

In Idaho, schools are having difficulty serving rising numbers of special education students

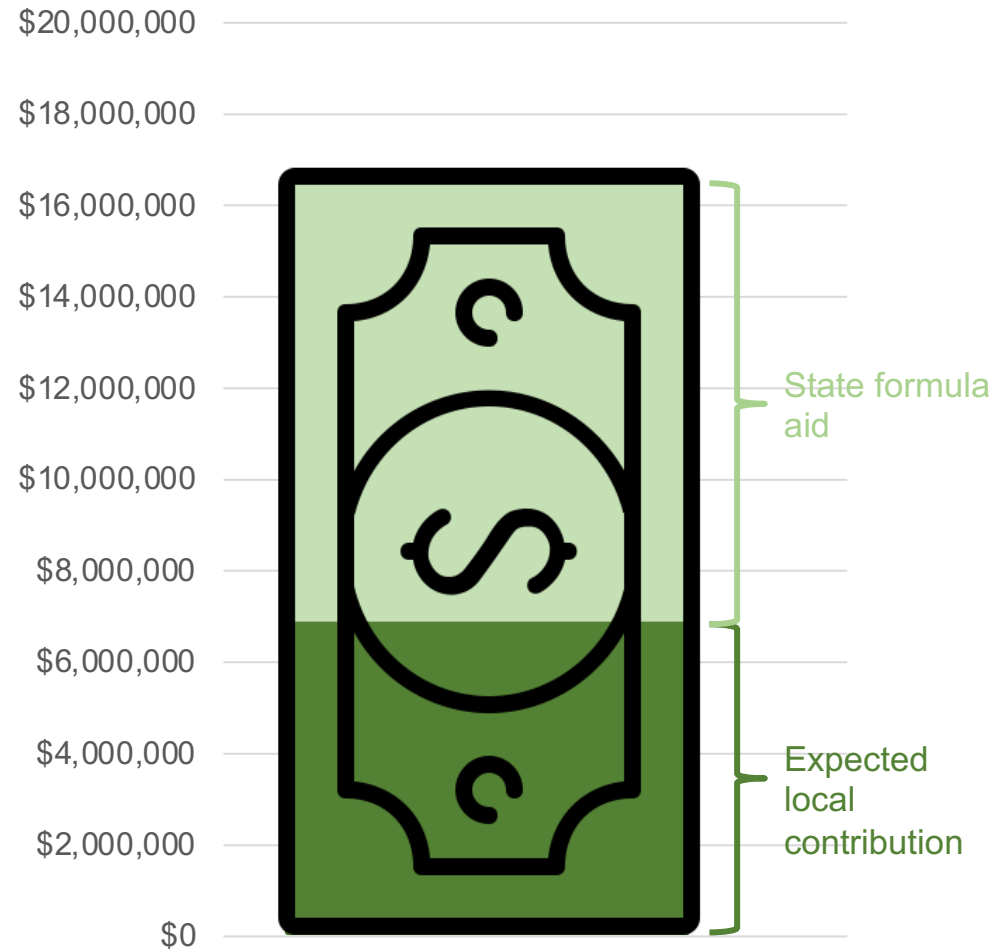
Funding policy implication: Special education is funded based on assumed, not actual, counts of students with disabilities.



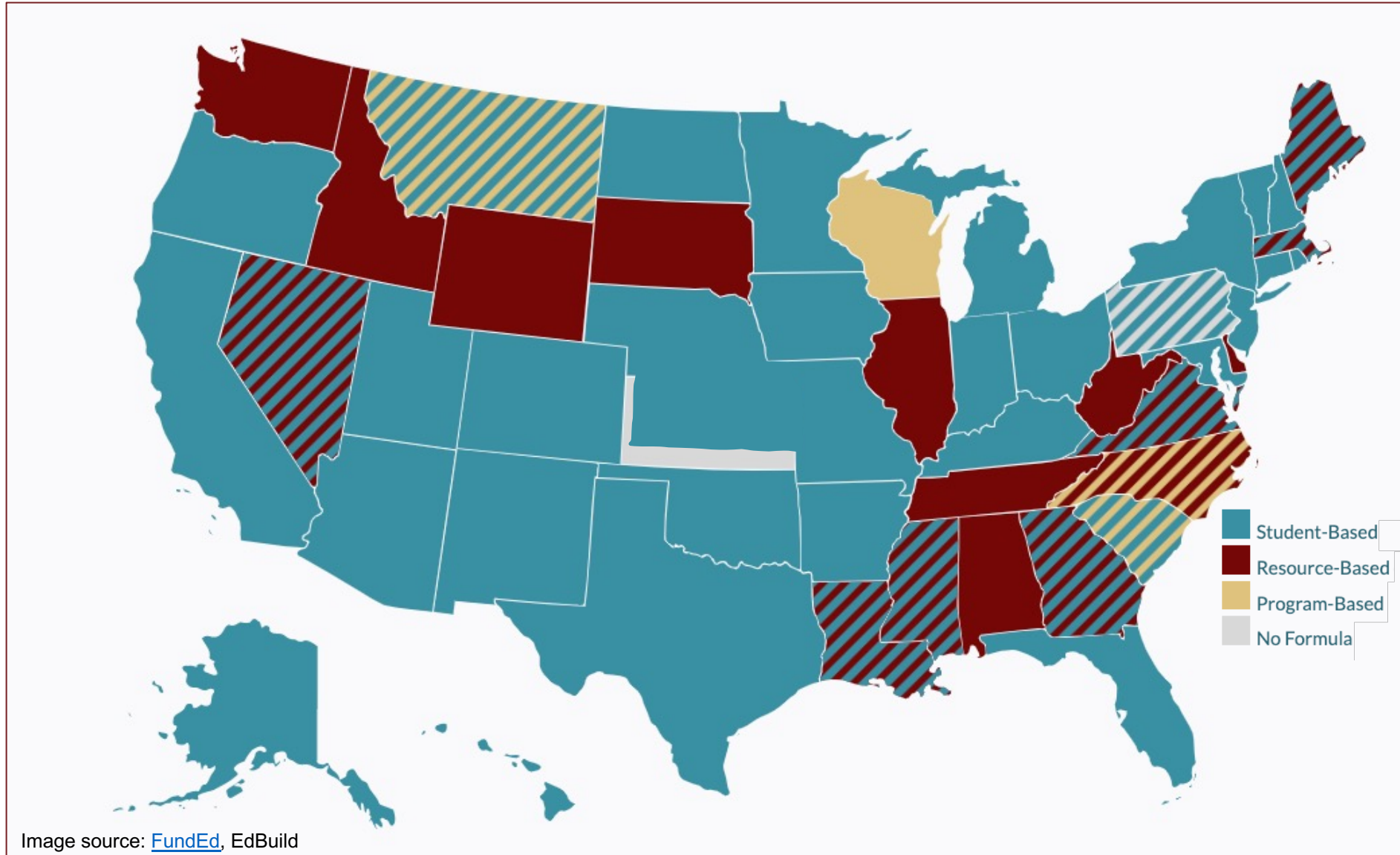
Funding Policy Primer

Funding Formulas, in Brief:

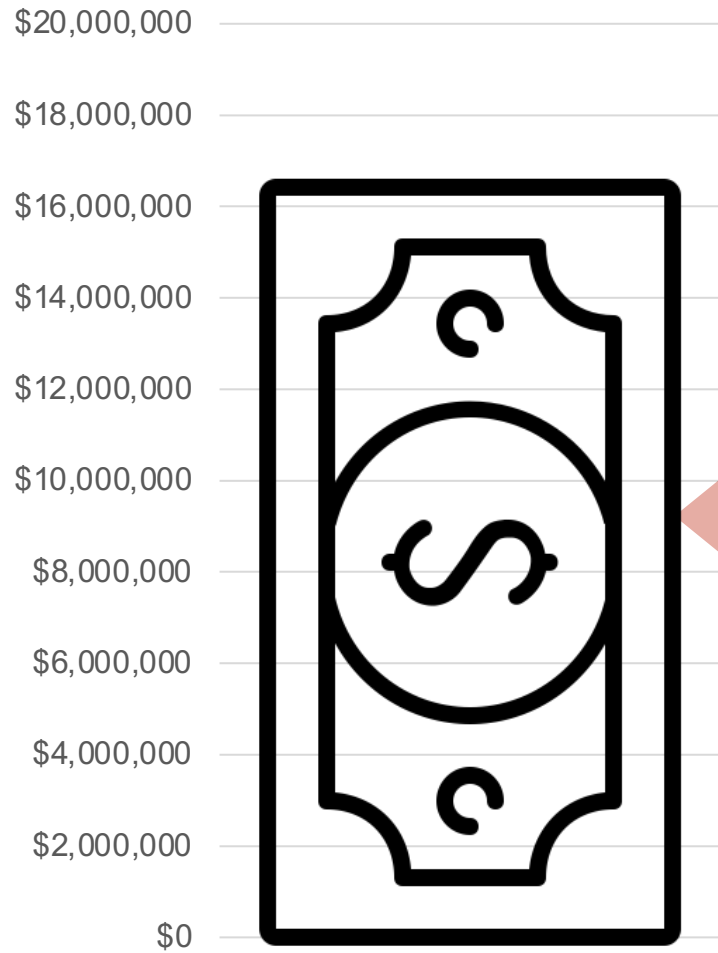
1. The state uses a formula to determine how much money each district needs for the year.
2. The state calculates how much funding the district is expected to contribute from local sources.
3. The balance of the formula amount is provided as state aid.



Formula Types



Policy Levers: Setting the Formula Amount



- How much funding is needed per student?
 - How should the funding system account for students with specific needs?
e.g. English learners, students from low income backgrounds, students with disabilities
 - How should the funding system account for geographic/district conditions?
e.g. transportation challenges, labor market differences, concentrated poverty
- Refine the equation to make sure that formula sets a fair and equitable target for each district.**

Policy Levers: Calculating a Local Share



Property tax considerations:

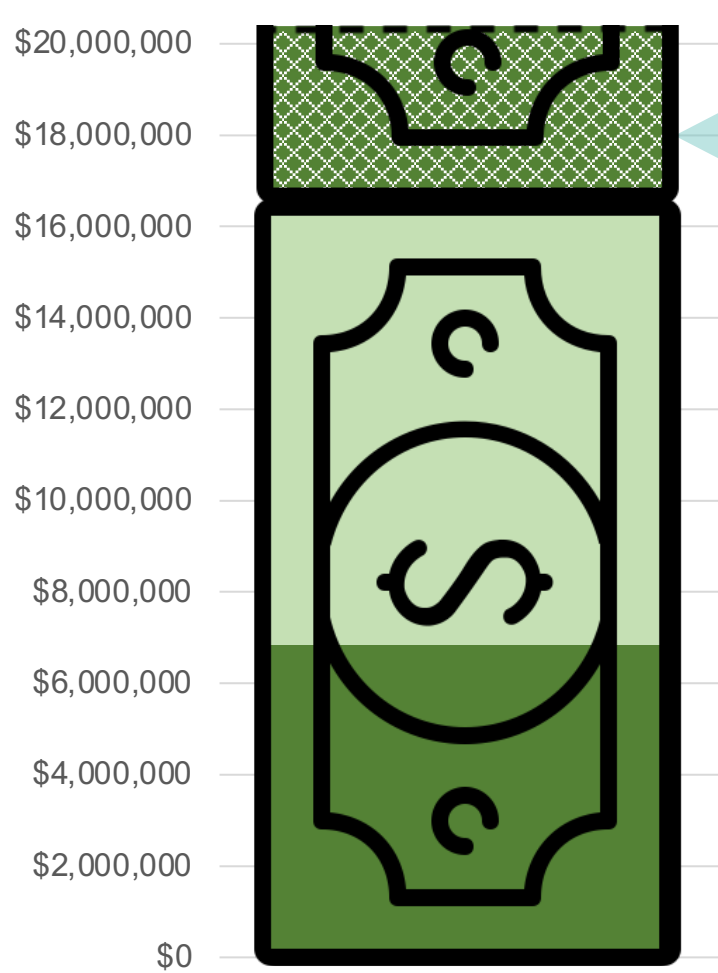
- What is a reasonable local tax rate?
- What can different districts raise from property taxes, given different property values?

Improve the local share calculation to ensure that the responsibility is shared

Other considerations

- What other revenues do districts have access to (e.g. sales/income taxes)?
- Should there be consideration of local income levels?
- Should there be any minimum or maximum state or local shares?

Policy Levers: Setting Local Funding Guardrails



Set limits on local tax rates or local revenues to ensure equity beyond the formula.

Funding Formula Principles

Adequacy

- Is there enough funding?

Equity

- Does funding vary based on student and community need—between and within districts?
- Is the funding responsibility shared fairly between state and local levels?

Responsibility

- Do district leaders have flexibility in how they fund schools?
- Do school leaders have flexibility in how they budget?

Transparency

- Is it clear *how* allocations are made for different students and communities?

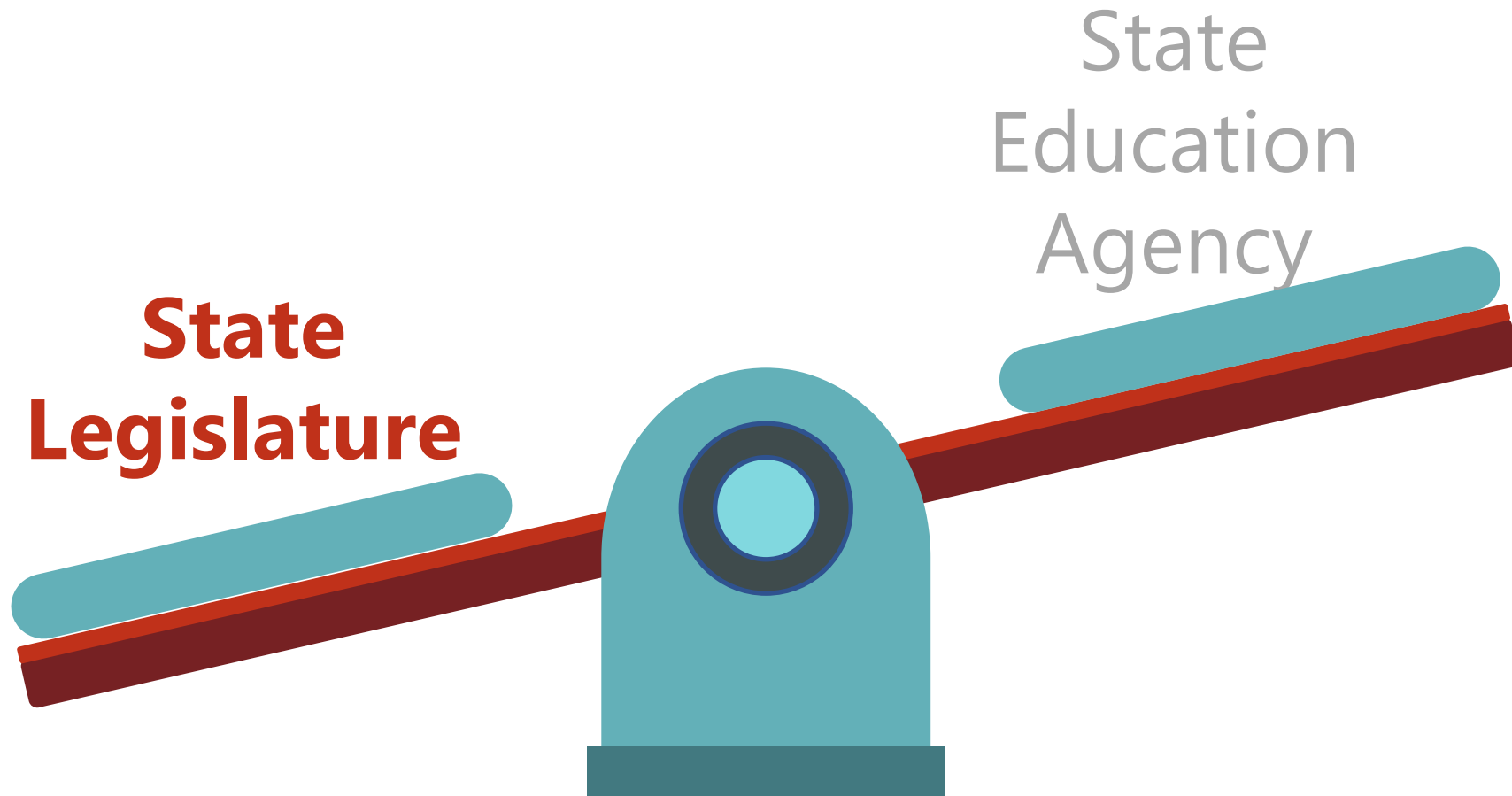
5 Ways to Advance Equity in State Funding Systems

- 1 Provide adequate funding according to student need.
- 2 Provide more funding to districts with low property wealth.
- 3 Ensure that dollars are used well to improve student learning experiences and outcomes.
- 4 Be transparent about the system's design and monitor funding going to districts.
- 5 Share clear and transparent data on the amount of funding that schools actually get.





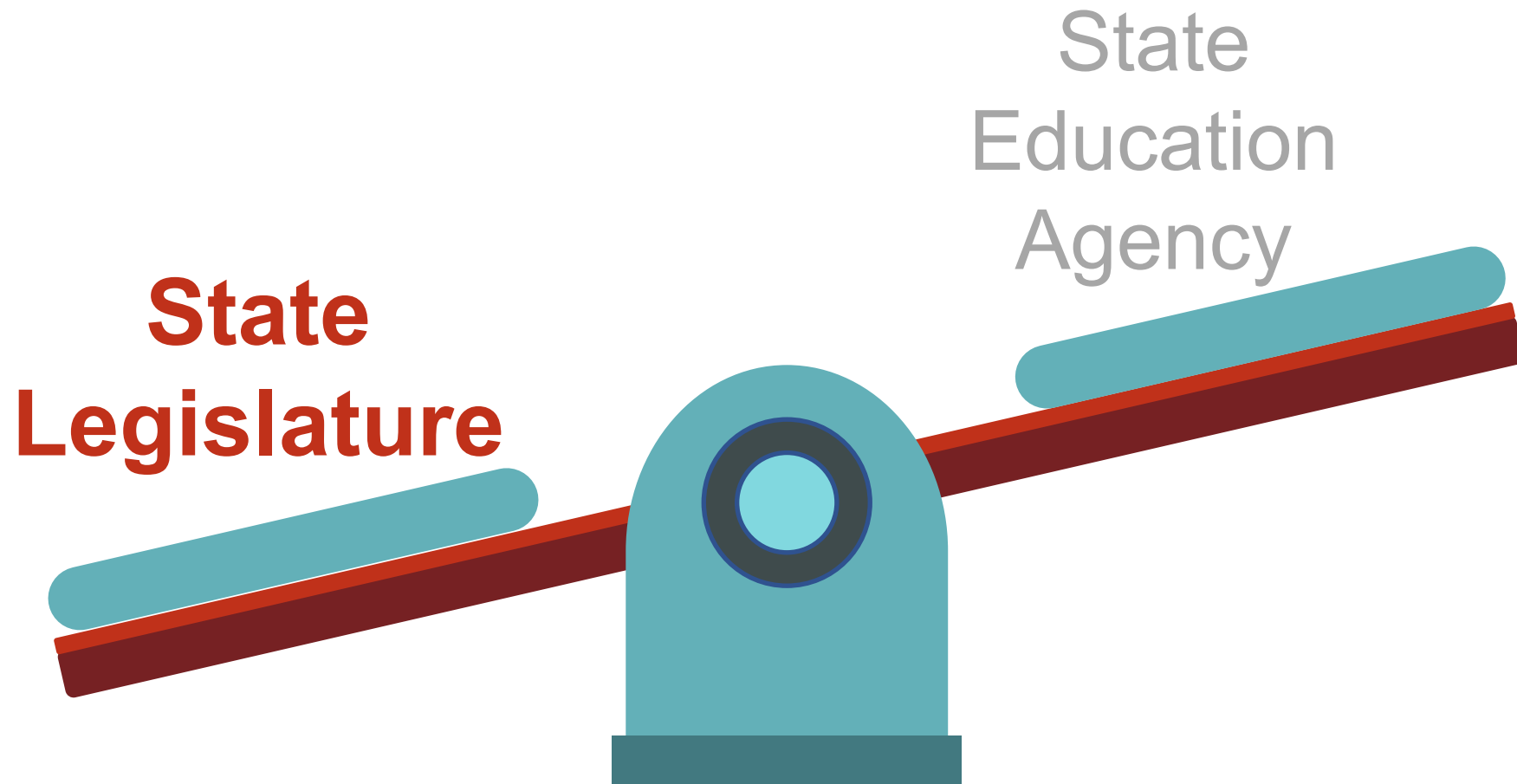
Provide adequate funding according to student need



Who has the power?

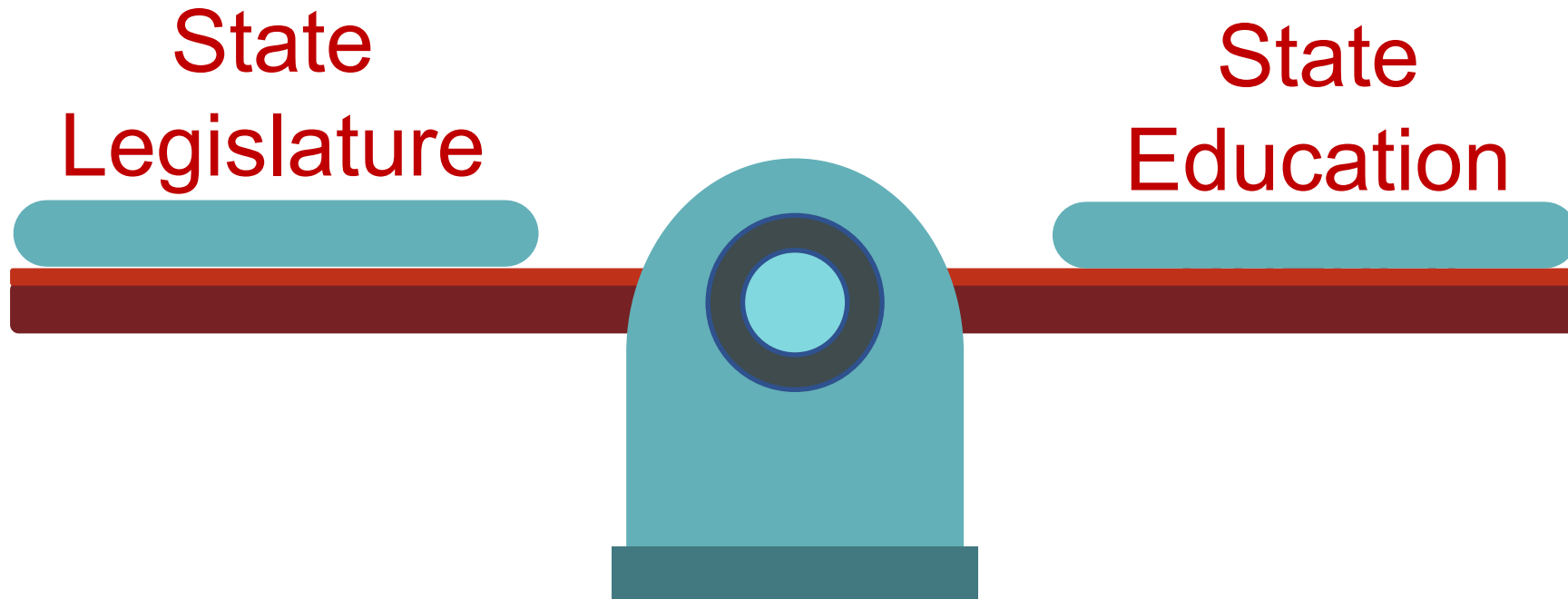
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Provide more funding to districts with low property wealth



Who has the power?

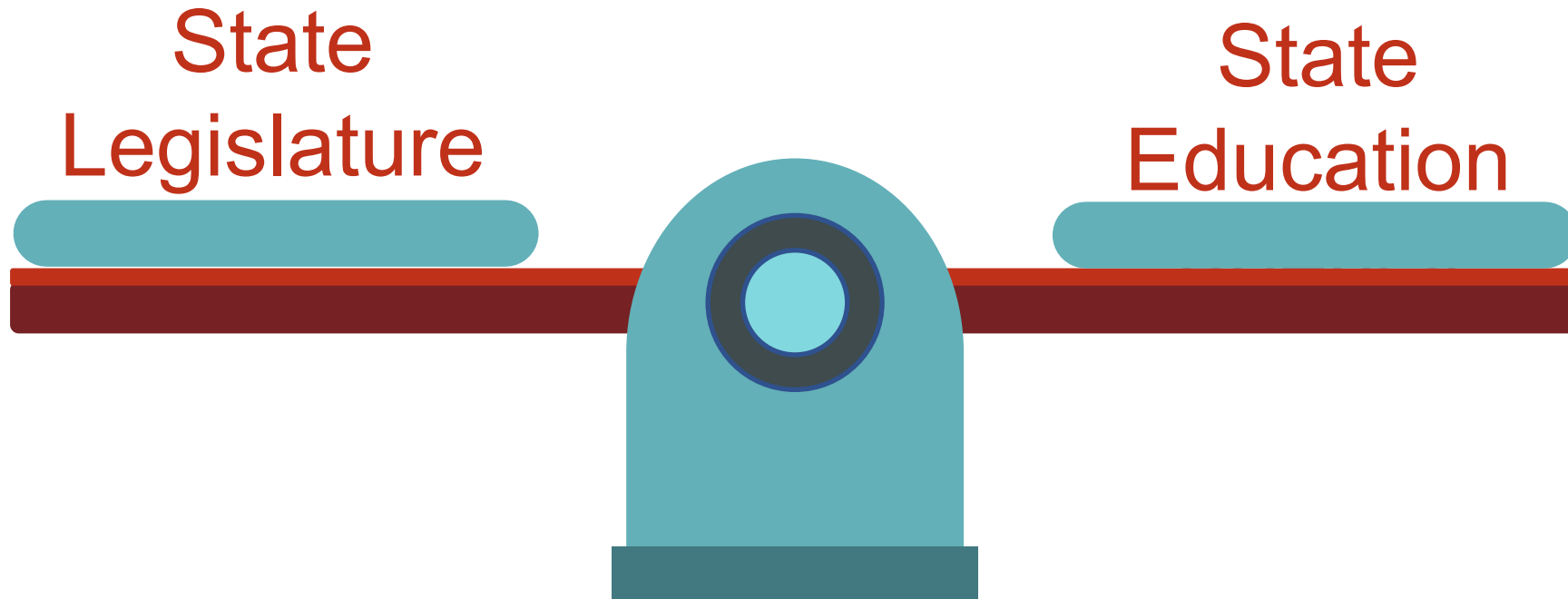
3 Ensure that dollars are used well to improve student learning experiences and outcomes



Who has the power?

It depends on relationships and the context in the state

4 Be transparent about the system's design and monitor funding going to districts

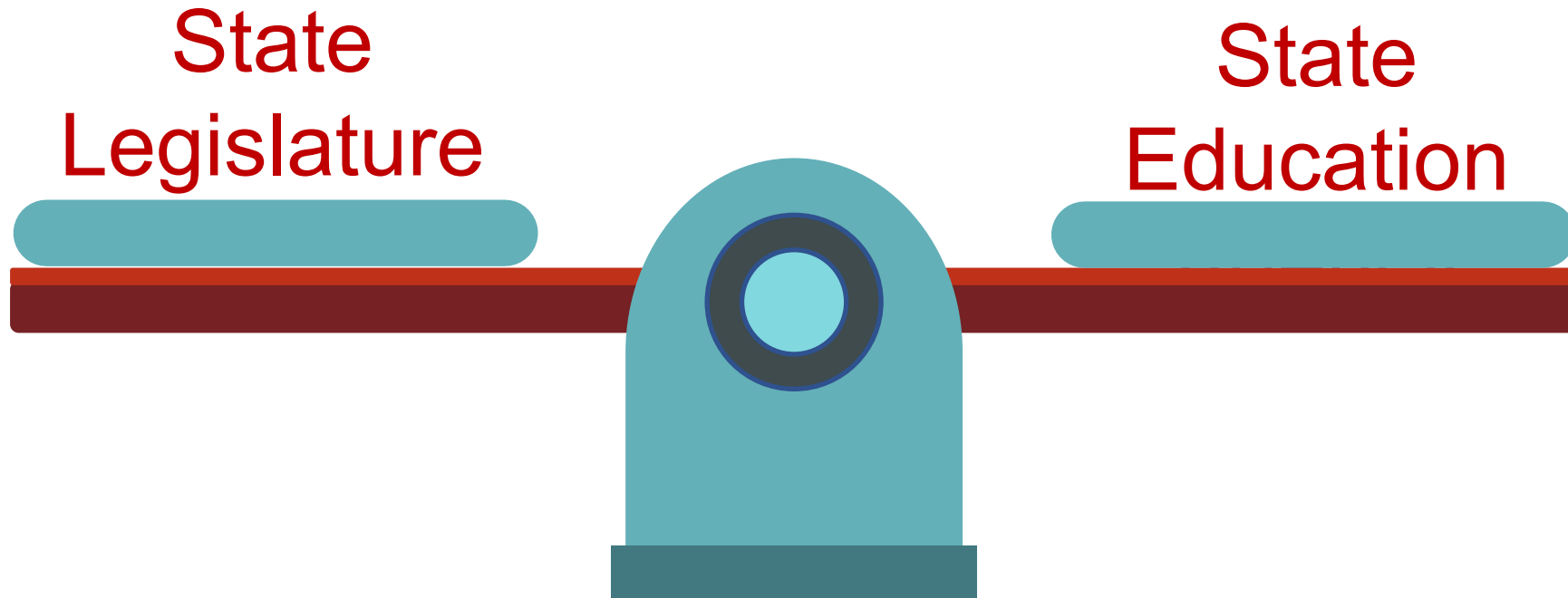


Who has the power?

It depends on relationships and the context in the state

5

Share clear and transparent data on the amount of funding that schools actually get



Who has the power?

It depends on relationships and the context in the state



Tools You Can Use

Tools you can use

FundEd is a tool that provides information about current policy—your starting point. <http://funded.edbuild.org/>

Common Sense and Fairness is a report presenting policy recommendations for how best to structure a state education funding formula.

EdBuilder is an interactive web tool designed to walk you through the process of crafting a funding formula.

Common Sense and Fairness: POLICY COMPONENTS

Formula Fundamentals	Student Characteristics	District Characteristics	Local Revenue
Formula Type and Structure	Economic Disadvantage	Sparsity and Isolation	Local Share and Property Tax Rates
Base Amount	English-Language Learners Special Education Grade Level Gifted	Within-State Cost Differences	Other Local Revenues

Common Sense and Fairness: RECOMMENDATION STRUCTURE

There are 3 tiers of recommendations:

Silver: well-precedented, but still strong enough to advance policy in most states

Gold: strong and ambitious; uncommon, but still precedented in existing policy

Moonshot: pushing further towards an ideal—more complex than other options, but also more equitable and precise



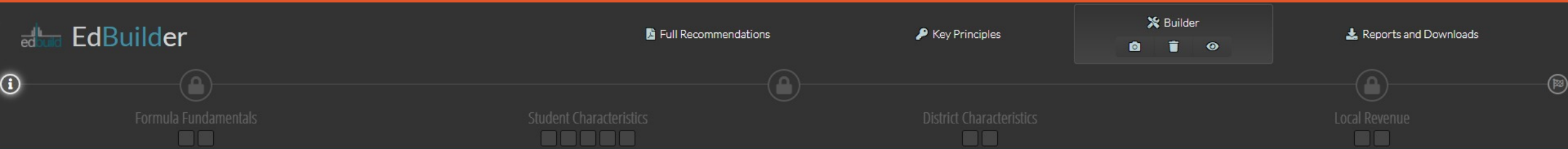
Recommendation Example: ENGLISH-LANGUAGE LEARNERS

Silver: A generous amount of supplemental funding for every English learner.

Gold: Supplemental funding for English learners in three tiers, with more funding provided for students at lower levels of proficiency. The state should also address diseconomies of scale in districts serving a small number of English learners.

Moonshot: Supplemental funding for English learners in multiple tiers, with more funding for students at lower levels of proficiency *and* those whose native language is less common in the district. The state should also address diseconomies of scale in districts serving a small number of English learners. Additionally, the state should also begin to collect data on students with limited/interrupted formal education.

Tool Demonstration



Welcome to the Builder!

The Builder will guide you through the process of building a state education funding formula. First, it displays policies that are fundamental to any strong formula; then, options for considering different student and district characteristics; and finally, options for how to account for local revenues. Recommendations are offered in multiple tiers: Silver (strong enough to advance policy in most states); Gold (especially strong and ambitious); and, in some areas, Moonshot (pushing further towards an ideal—more complex than other options, but also more equitable and precise).

Click the **+** in the corner of any policy to add it to your formula. Use the **📷** button at the top of the screen to take a snapshot of your formula-in-progress, use **👁** to preview your formula, and click **🗑** to start fresh.

[CLICK HERE TO BEGIN](#)



edbuild.org/content/edbuilder

A photograph of a classroom where several students have their hands raised, indicating they want to ask a question or answer. The background is slightly blurred, showing a chalkboard and other students. A semi-transparent dark grey horizontal bar is overlaid across the middle of the image, containing the text "Questions?".

Questions?