



# ACCESS GRANTED

## School Funding Between Schools in Districts

### BACKGROUND

Inequities in school funding between school districts within a state have been well documented, and a few early analyses have found that there are also inequities in spending between schools [within districts](#). Until recently, that data has been hidden. But thanks to a requirement in the Every Student Succeeds Act (ESSA), most states now include spending data for each school in school report cards. If collected and reported well, this data can provide parents, advocates, and other community members with the information needed to push for fair funding in their local schools. However, we found in a [previous analysis](#) that while most states are complying with the ESSA requirement, the vast majority of states don't go further to report the data in a way that is accessible to advocates and enables equity-focused comparisons. We decided to change that.

To maximize the impact of this data, we added it to the interactive, advocate-focused data tool, The State of Funding Equity, which includes state-by-state information on school funding inequities between districts based on percentages of students from low-income backgrounds, students of color, and English learners.<sup>1</sup> And for the first time, we included school-by-school spending data, which has the contextual information and across-school comparisons needed to better gauge whether funding is being allocated equitably across schools in a district. The tool also includes a school funding equity rating for districts that answers the question: What are overall patterns of funding equity between schools within districts, for students from low-income backgrounds, Black students, Latino students, Native students, and English learners?

### WHAT DID WE FIND?

This analysis provides a unique peek into patterns of funding equity (or inequity) that exist within school districts, based on the new school-by-school spending data that are available because of the new federal requirement in ESSA. We found:

1. Overall, students are more likely to attend districts where school funding is not targeted to meet the needs of students. In 97% of districts included in the analysis, state and local spending was flat or regressive for all student groups examined — meaning nearly all districts were not spending more to support students with additional needs.
2. Additionally, very few students of color, students from low-income backgrounds, and English learners attend schools in districts that spend more to meet their needs. Specifically, just 12% of Black students attend school in districts where school funding for those groups of students is progressive — meaning spending is at least 10% higher for that group of students than for the comparison group. Even worse, fewer than 5% of Latino students, students from low-income backgrounds, Native students, and English learners attend school in districts where school funding for their student group is progressive.
3. Virtually no students of color, students from low-income backgrounds, or English learners attend school in a district where spending is substantially higher than spending for other groups of students.

For more detailed information, view The State of Funding Equity data tool, which allows users to view individual school data for most schools across the country, districtwide averages for most districts in the country, and district-specific equity ratings for about 3,000 districts in the country, in addition to state-by-state analyses on equity in state and local school funding.

## HOW TO UTILIZE THE DATA TOOL FINDINGS

The data and analyses presented in The State of Funding Equity data tool can help advocates and other community members push for changes that are specific to the unique challenges in their school district, based on the assessment of school funding equity. Given the long-standing inequities in [school funding and other educational resources](#), particularly for students in communities of color or low-income communities, there is always room for improvement.

**If funding in your school district looks progressive, make sure that it really is.** Funding that schools receive from federal, state, and local sources is supplemented by private contributions from sources such as parent organizations and private philanthropy. These supplemental contributions can contribute to inequities in schools' available resources and are not necessarily captured in the school spending data that ESSA required. So, if funding in the school district seems progressive, make sure that the data is complete and includes all resources available for a school leader to spend.

**If funding is regressive, determine the potential root causes** by asking the following questions about district resource allocation policies and practices, and explore the potential actions noted in the Resource Equity Guidebook on school funding from the [Alliance for Resource Equity](#) (ARE), a partnership between Ed Trust and Education Resource Strategies.

- 1. District revenue:** Are overall school funding levels in the district sufficient to differentiate spending based on student need?

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- 2. Strategic spending:** Does the way that school funding is used align with the district's vision and strategy, such that a majority of funds are spent on investments that positively impact students' experiences in school?

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- 3. Transparency:** Does the district consistently use a standardized school funding formula to determine how resources are allocated to schools? Is the formula up to date and easy to understand as to which resources each school receives and why?

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- 4. Differentiation based on student need:** Does the district's resource allocation formula result in higher-need schools receiving more funding because the formula differentiates funding based on student need?

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- 5. Flexibility:** Does the school funding system provide school leaders with flexibility (and training and support to use that flexibility) over how to organize resources in ways that meet the distinct needs of their school and their students?

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## ABOUT THIS ANALYSIS

In this analysis, we examine patterns of funding equity between schools within districts, for students from low-income backgrounds, Black students, Latino students, Native students, and English learners.

## DATA

To conduct this analysis, we combined data from the following sources:

- School-level spending data from 2019-20 from the Edumetrics NERD\$ database.<sup>2</sup>
- Data from the National Center for Education Statistics (NCES) on percentages of students from low-income backgrounds, Black students, Latino students, and Native students in 2019-20.<sup>3</sup>
- Data from the Civil Rights Data Collection (CRDC) on percentages of English learners, percentages of students enrolled in advanced courses, and percentage of novice teachers in 2017-18.<sup>4</sup>

## METHOD

To help paint a clearer picture of patterns in spending between schools, we created equity ratings for school districts by first calculating the average spending in each district, overall, for five groups of students<sup>5</sup>: Students from low-income backgrounds; English learners; and Black, Latino, and Native students, and for three comparison groups of students: Students who are not from low-income backgrounds; students who are not English learners; and students who are not Black, Latino or Native. These average spending numbers are calculated separately by source of funding (federal, state and local, or total) and by school grade span (elementary, middle, high). Next, we compared average spending for each student group to its comparison group, by source of funds and grade span.

Districts with equitable school funding have spending for the group of interest that is at least 40% more than the reference group; progressive spending means spending for the group of interest is between 10% and 40% more than the reference group; regressive funding means spending for the group of interest is 10% less than spending for the reference group. Spending for the group of interest that is equal or up to 10% higher than the reference group is “flat.”

## LIMITATIONS

This analysis is based on data that many states have not reported before, and as such, subject to some limitations. Some larger districts do not have enough variation in student demographics to calculate ratings. For example, Philadelphia reports that almost 100% of students are students from low-income backgrounds, so there are not enough students in the comparison group of students who are not from low-income backgrounds to calculate an equity rating.

There are about 3,000 districts that are large enough to conduct the equity analysis. While these districts represent 22% of all districts in the country, they serve about two-thirds of all students. Compared to the country as a whole, these districts have similar percentages of Black, Latino, Native, and English learner students; however, these districts have smaller shares of students from low-income backgrounds (42% in the analysis vs. 51% overall).

# ABOUT THE INTERACTIVE DATA TOOL

The State of Funding Equity data tool presents a comprehensive look at school funding equity between districts in states, and between schools in districts. Specifically, the tool:

- Includes state-by-state information on inequities in state and local funding between districts based on percentages of students from low-income backgrounds, students of color, and English learners
- Shares newly available school-by-school spending data with the contextual information and across-school comparisons needed to make meaning of the data and better gauge whether funding is being allocated equitably across schools in a district

The State of Funding Equity data tool does not facilitate comparisons of the ESSA school-by-school spending across districts in a state or across states, because ESSA did not require it.<sup>6</sup> However, the analysis of school funding equity within districts is helpful to summarize the patterns that exist across the country.

## The State of Funding Equity Data Tool

School districts and schools that serve large populations of students from low-income backgrounds, students of color, and English learners continue to receive less funding than other districts. This is despite clear evidence that sustained and significant school funding increases can have a lasting impact on achievement and other outcomes – especially for students from low-income backgrounds.

School funding systems that provide more funding – not equal, and certainly not less – to meet the needs of underserved students will allow each student to have the resources and supports they need to thrive.

Use this tool to understand whether your state provides fair funding to its highest-need districts. After that, dig in to newly available data on spending for individual schools to explore differences in spending between schools in the same district.

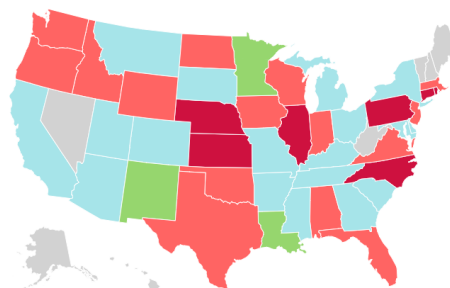
Students of Color

Students in Poverty

English Learners

**16%** LESS PER STUDENT

Districts with the most students of color receive 16% less state and local revenue than districts with the fewest students of color.



### Endnotes

1. Based on analyses of school district-level data from the U.S. Census Bureau and the National Center for Education Statistics, in *Equal Is Not Good Enough*.
2. Edunomics Lab at Georgetown University, “National Education Resource Database on Schools (NERD\$),” accessed August 2022, <https://edunomicslab.org/nerds/>.
3. National Center for Education Statistics Common Core of Data (CCD), “Public Elementary/Secondary School Universe Survey,” accessed August 2022, <https://nces.ed.gov/ccd/elsi/>.
4. U.S. Department of Education Office for Civil Rights, “Civil Rights Data Collection,” accessed February 2021, <https://www2.ed.gov/about/offices/list/ocr/docs/crdc-2017-18.html>.
5. Based on a methodology developed by the Urban Institute.
6. Instead, it facilitates comparisons of district-by-district revenue data from the U.S. Census Bureau.