



December 15, 2020

# Protecting High-Poverty Districts from State Funding Cuts



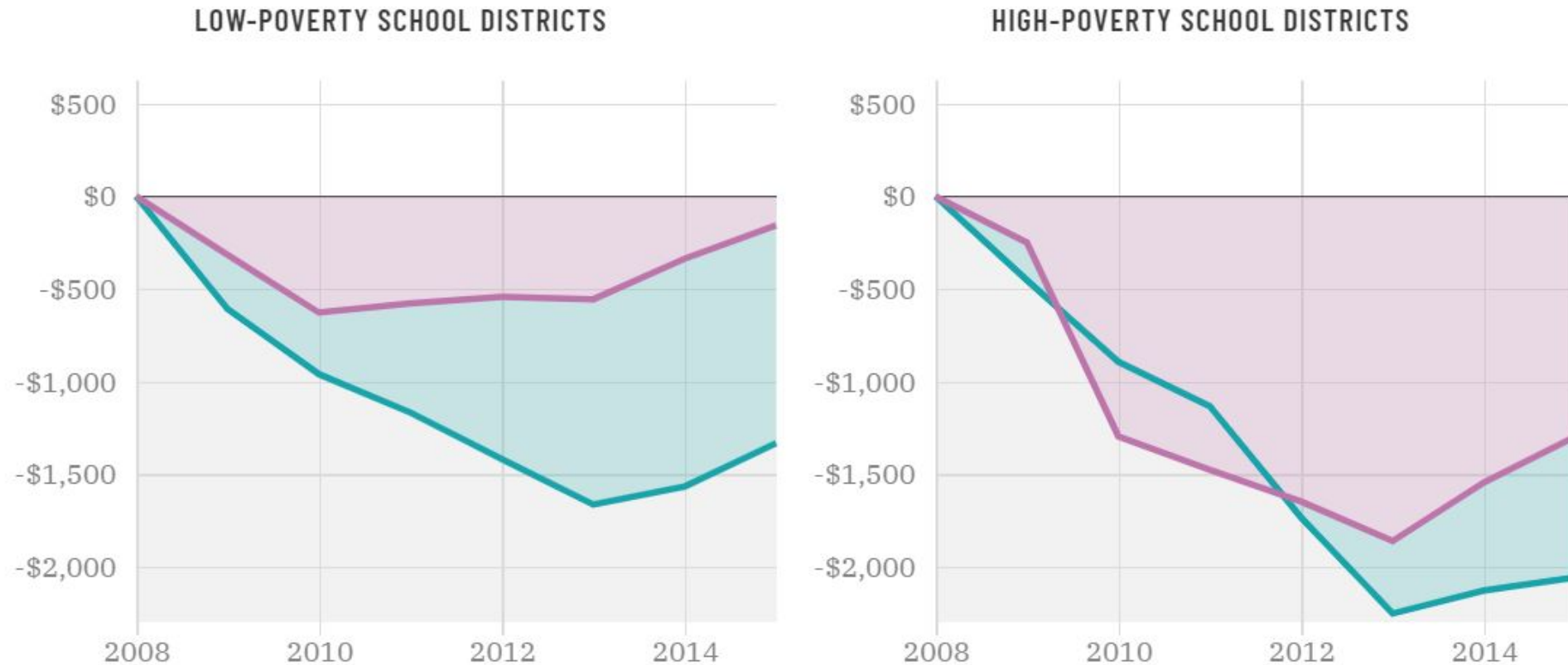
The Education Trust

# What we saw last time

WHAT ARE THE POTENTIAL IMPACTS IN YOUR STATE?

# The Great Recession exacerbated funding inequities across the country

■ State per-student funding ■ Total per-student funding



# Funding cuts translated to educator and school staff layoffs

The K-12 public education system lost nearly 300,000 jobs, including over 120,000 teachers.

Those layoffs were dealt inequitably.

- For example, in LAUSD, Latino students were 25% more likely and Black students were 72% more likely than their White peers to see their elementary teacher laid off.



# Those cuts negatively affected student outcomes

***For every \$1,000 decrease in per-pupil spending...***

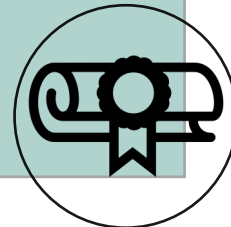
Student  
achievement  
dropped

Achievement



College-going  
rates fell

College-  
going



Test score gap  
between Black  
and White  
students grew

Opportunity  
Gap

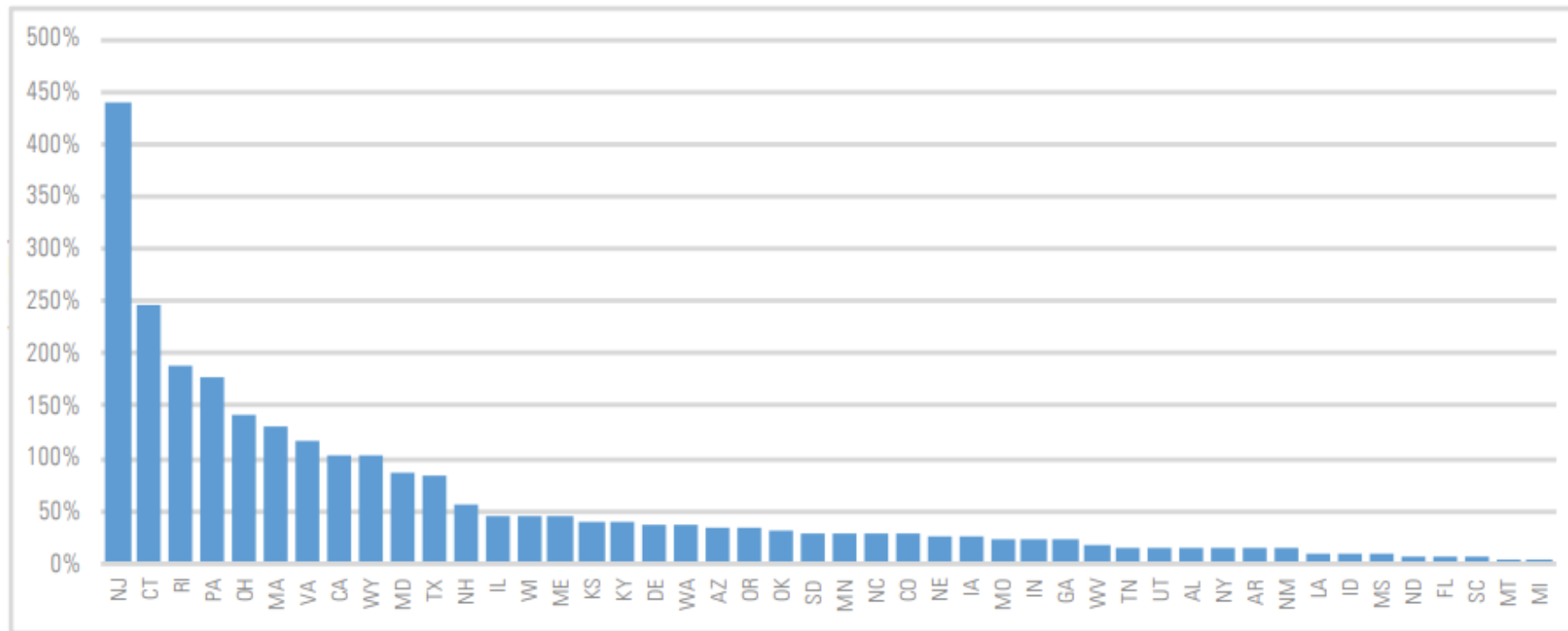


This was predictable...



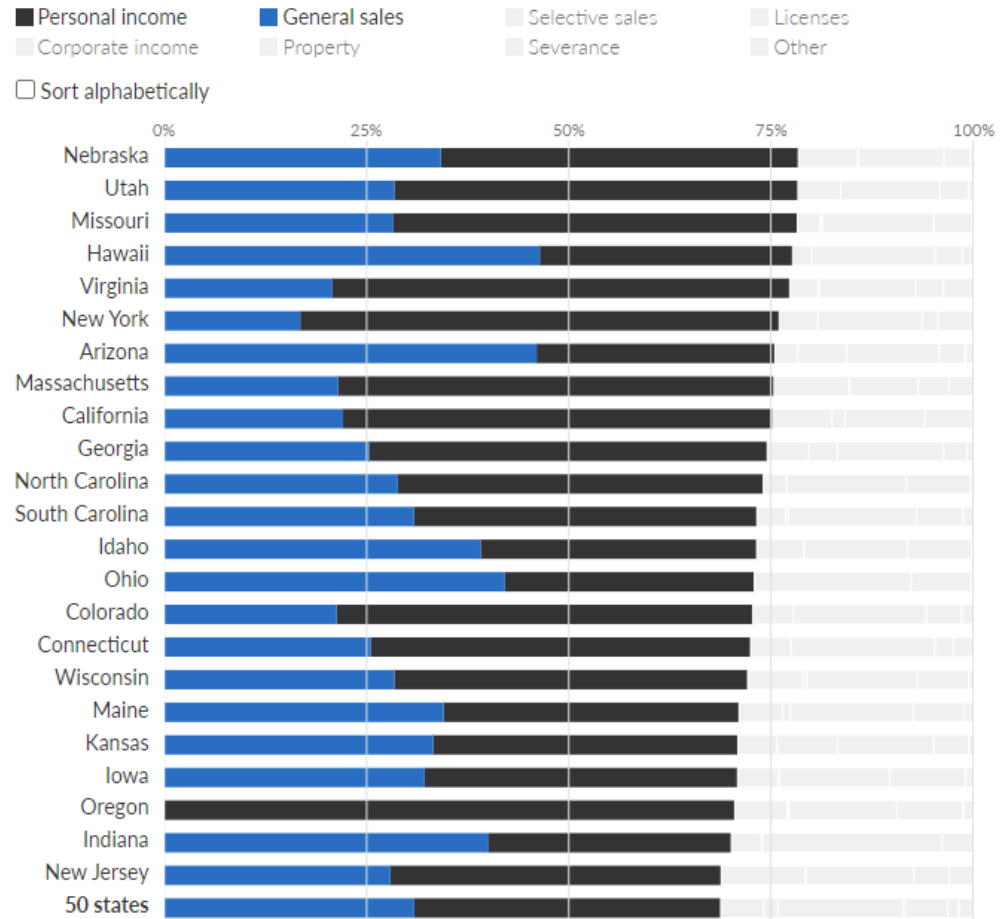
# High-poverty districts are more reliant on state aid

**FIGURE 4: Difference in State Revenues per Student Between Districts Serving the Most and the Fewest Students in Poverty**



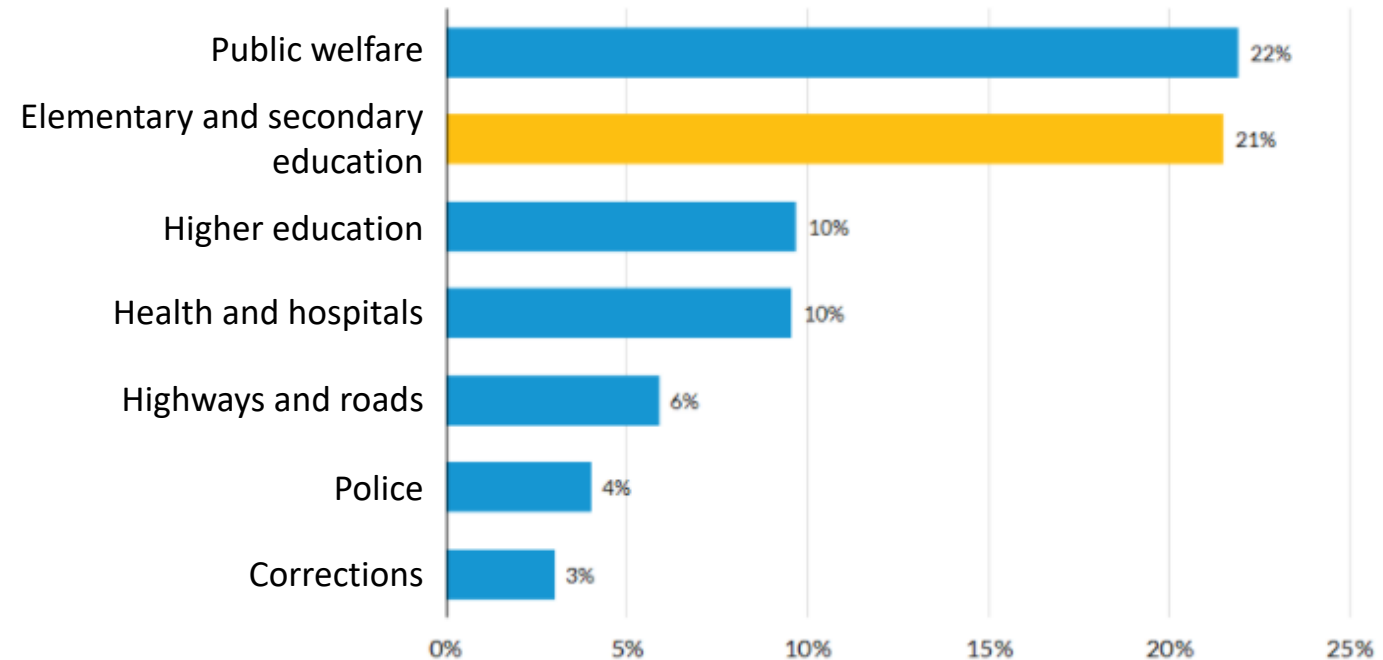
**READING THIS FIGURE:** In New Jersey, the highest poverty districts receive 439 percent more in state dollars per student than the lowest poverty districts. As in Figure 3, Vermont was excluded because the state tabulates revenue sources differently from other states, and Alaska, Hawaii, and Nevada were excluded because they do not appear in any of the other state-by-state analyses. States are ordered based on unrounded percentages.<sup>19</sup>

# State funding sources are at greater risk right now



Mix of Tax Sources by State, FY 2019

Source: The Pew Charitable Trusts, *How States Raise Their Tax Dollars 2019*



State and Local Direct General Expenditures, by Category, FY 2017  
 Source: The Urban Institute, *Elementary and Secondary Education Expenditures*

# What we're seeing now

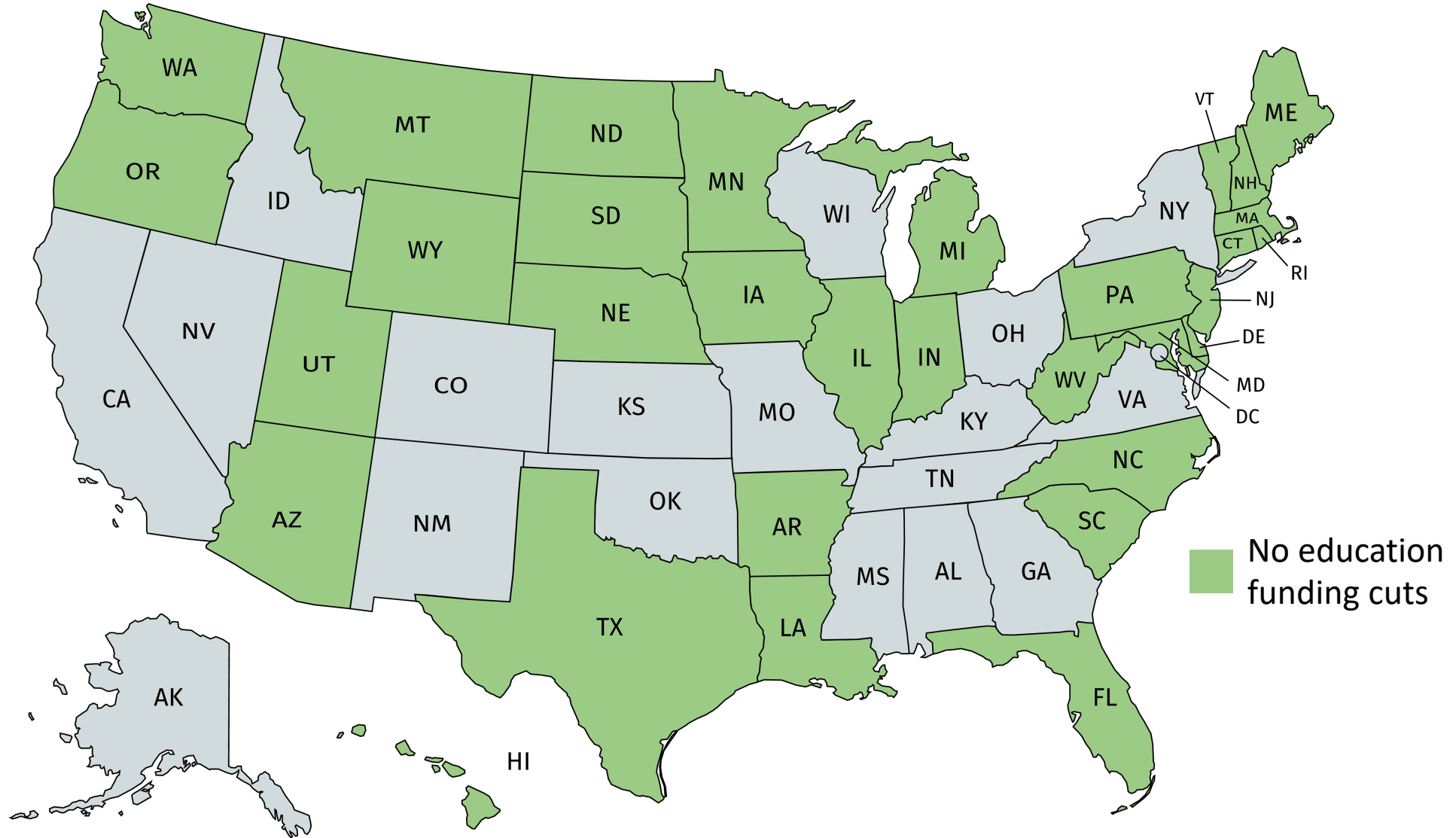
WHAT ARE THE POTENTIAL IMPACTS IN YOUR STATE?

# WHERE DOES YOUR STATE STAND REGARDING FUNDING CUTS RIGHT NOW?

## State leaders in my state...

- have already cut education funding
- can avoid cuts if they find new revenue
- are not making cuts to education funding
- are likely to make cuts to education funding soon

# State Actions: 35 states have not (yet) made cuts





There's no one approach... we think about funding cuts on a spectrum

**INEQUITABLE**

**EQUAL BUT  
INEQUITABLE**

**MORE  
EQUITABLE**

**NO CUT**



# State Actions



Georgia’s state leaders cut \$950 million from the state’s core funding for K-12 education. This represented 10% of total state funding and the state cut that amount from every district.

<b>Forsyth</b>		<b>DeKalb</b>
5%	% of Students in Poverty	22%
\$493	Reduction per Student	\$542
10%	Reduction as % of State Aid \$	10%

# State Actions



Ohio's governor chose to reduce last school year's funding for K-12 education by \$300 million. The cuts were designed to take more funding from wealthier districts.

<b>Solon</b>		<b>Cleveland</b>
7%	% of Students in Poverty	44%
\$302	Reduction per Student	\$109
38%	Reduction as % of State Aid \$	1%



# MASSACHUSETTS EDUCATION EQUITY PARTNERSHIP

*There is no excellence without equity*



# The Student Opportunity Act of 2019



**Increases funding, especially for highest need districts (\$1.5 billion new investments over 7 years)**



**Requires all districts to take action to address disparities in opportunity and achievement**



**Creates opportunity to open up decision-making tables**

# FY 2021 was supposed to be the first year of implementation

- Increase of more than \$300 million, directed overwhelmingly to highest need districts
- Governor's January 2020 budget proposal promised
  - Chelsea -- \$11 million in new dollars
  - Lawrence -- \$22 million
  - Springfield -- \$20 million
  - Worcester -- \$18 million

July 2021...

EDUCATION / GOVERNMENT

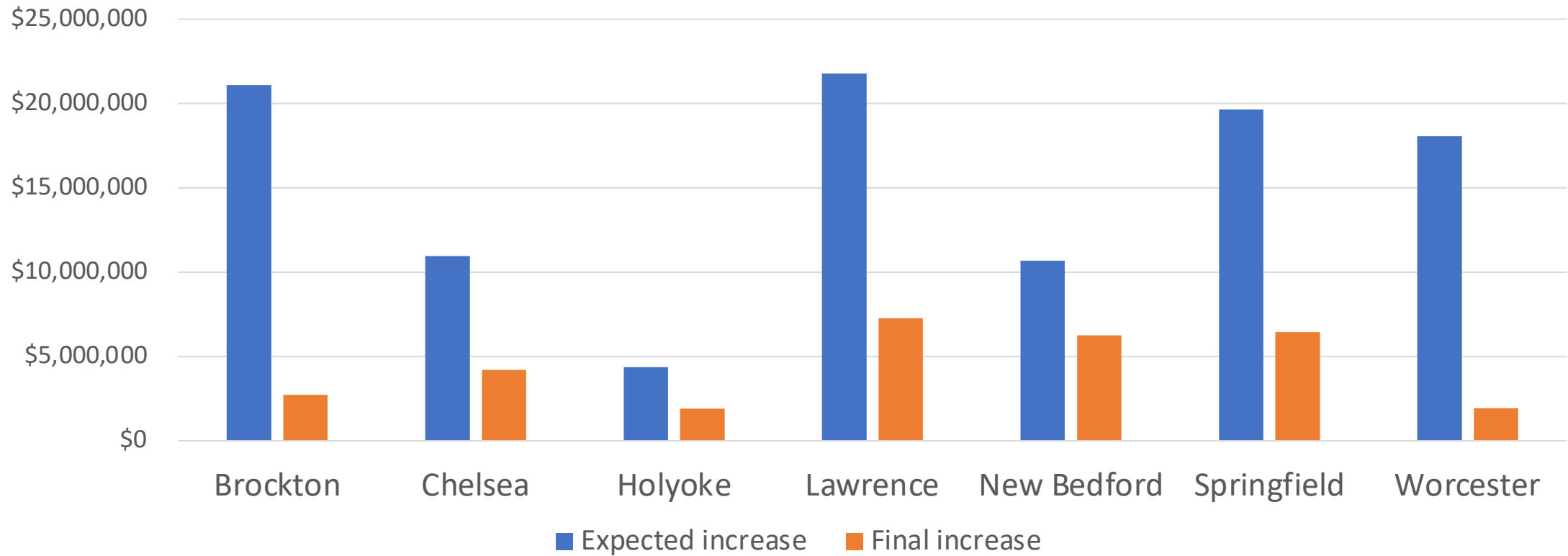
# State school aid level-funded

Districts will get federal coronavirus relief money



# What this means

Expected vs. Final Increase: Sample High Poverty Districts in MA



# Actions so far & Looking ahead

OPINION

## State must fulfill its promise to underserved students

As lawmakers determine the 2021 state budget, they must fulfill their promise to historically underserved students — even if that means wealthier communities receive less.

By Massachusetts Education Equity Partnership Updated August 7, 2020, 3:00 a.m.



November 9, 2020

Massachusetts State Legislature  
24 Beacon St  
Boston, MA 02133

Dear Members of the Massachusetts State Legislature,

As organizations committed to educational equity and to racial and economic justice, we write today with renewed hope for our country and our state. We know, however, that an election is just the first step in securing a more just future; to quote Vice President-Elect Kamala Harris, "Now, the real work begins." In Massachusetts, that work must include addressing long-lasting inequities in our education system. That is why we write to urge you to do everything in your power to ensure that the 2021 state budget meets the needs of students that have long been underserved in the Commonwealth — even if that requires increasing revenues or shifting resources away from wealthier communities that can raise additional funds locally. Our more detailed recommendations for elementary/secondary, early, and higher education, respectively, are below.

### Elementary/Secondary Education

Last year, the Massachusetts State Legislature and the Baker Administration acknowledged that the state had, for years, failed to meet its obligations to students of color, economically disadvantaged students, English learners, and students with disabilities — and through the Student Opportunity Act (SOA), pledged over \$1.5 billion to correct course. Since then, the COVID-19 pandemic has only exacerbated pre-existing inequities. Communities like Chelsea, Brockton, Lawrence, Springfield and Worcester, which stood to gain the most under the SOA, were hit hardest by COVID-19, bringing staggering illness rates, loss of life, economic insecurity and deep trauma for children and families. Long-existing inequities in access to technology went from being a challenging barrier to a near-insurmountable roadblock to student learning. Long-delayed building renovations, coupled with rising COVID rates have led to the majority of Black and Brown students starting the 2021 school year online — while the majority of White students had the option of some in-person learning.

Today, delivering on SOA's promise to historically underserved students is more important than ever. We commend the Legislature and the Baker Administration on the commitment to maintaining 2020 Ch. 70 funding levels (including \$108 million new dollars for inflation). We are concerned, however, that

the communities to bear the pandemic.

In, we urge the ways that provide higher communities must

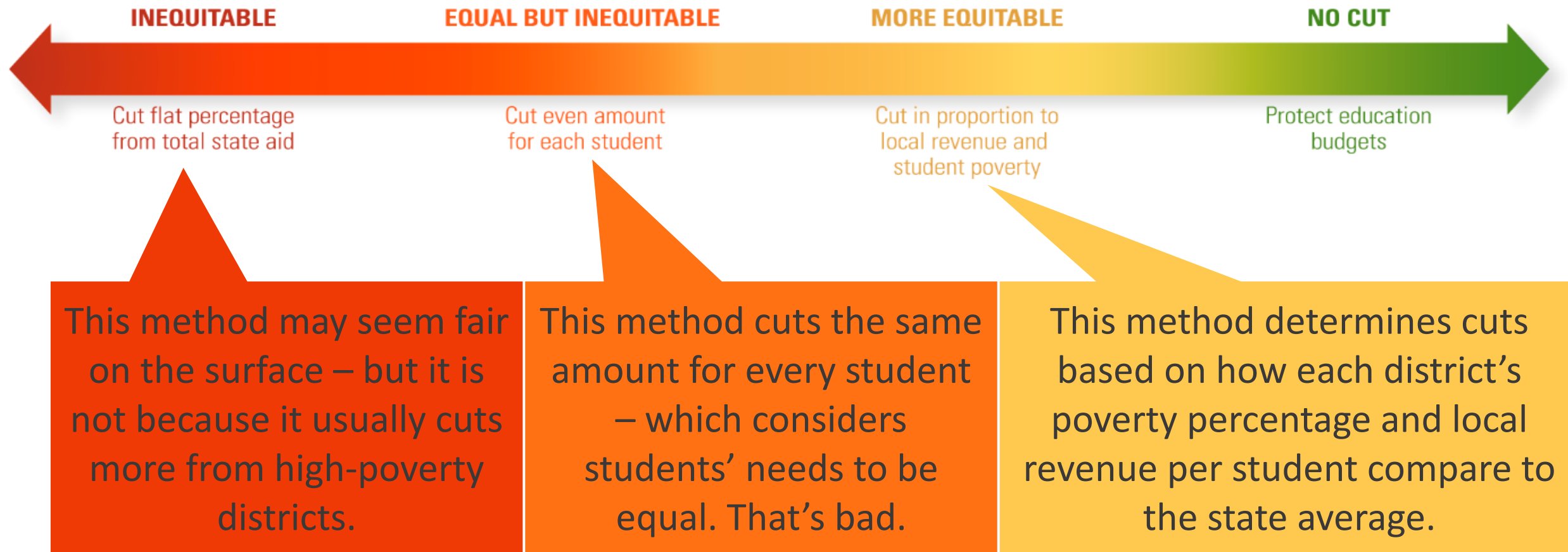
communities, including

economically

# State-by-state data viz

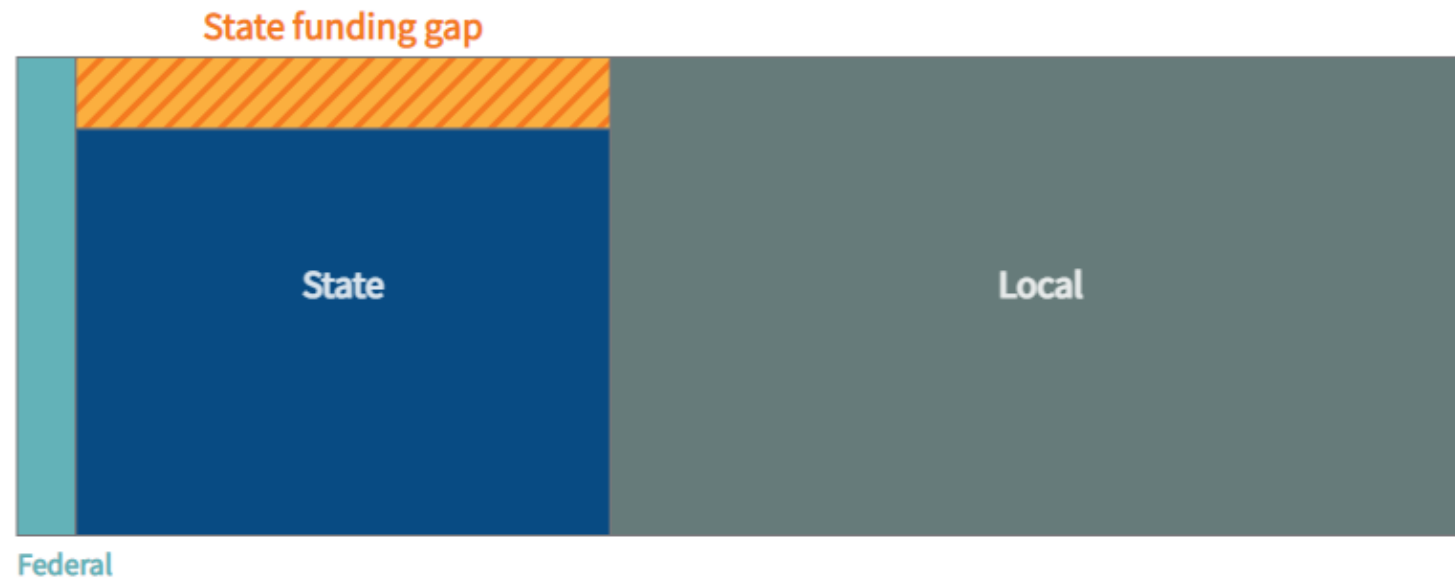
WHAT ARE THE POTENTIAL IMPACTS IN YOUR STATE?

States can choose MANY different methods.  
We modeled three.



# WHAT ARE THE RISKS OF NOT FOCUSING ON EQUITY IN CONNECTICUT?

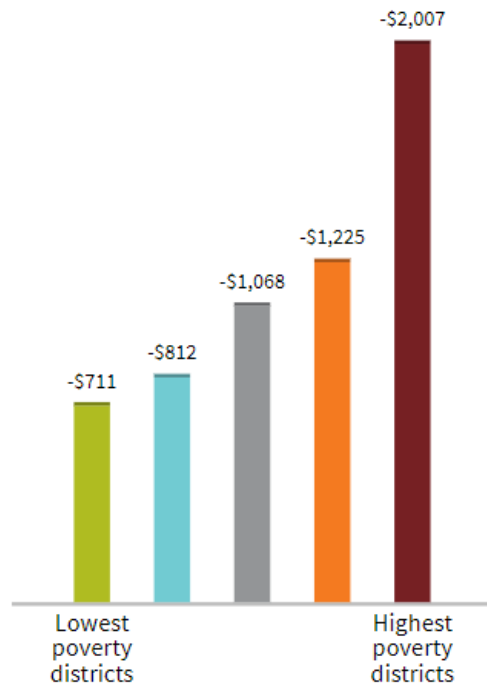
How Connecticut funds schools



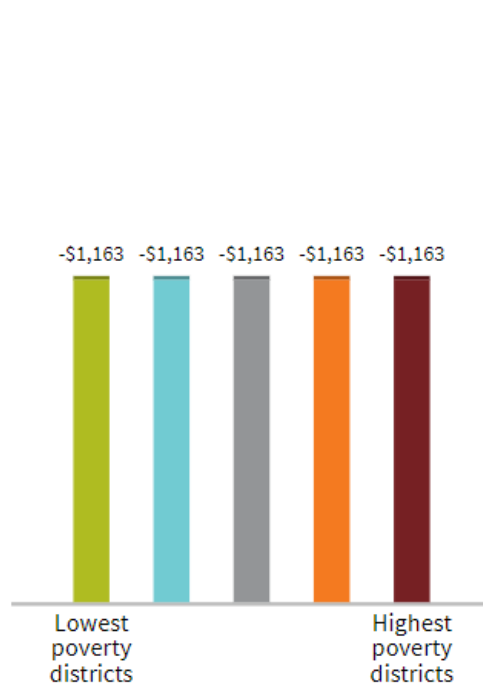
Potential funding gap if Connecticut cuts 15% of education spending: \$614 million

# WHAT ARE THE RISKS OF NOT FOCUSING ON EQUITY IN CONNECTICUT?

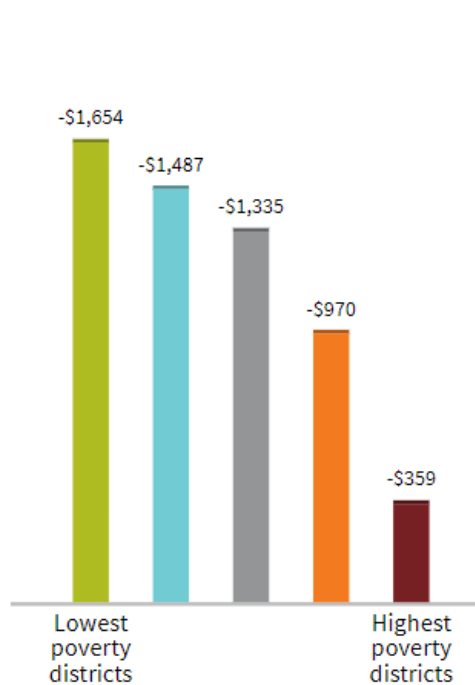
**Inequitable**  
Cut flat percentage from total state aid



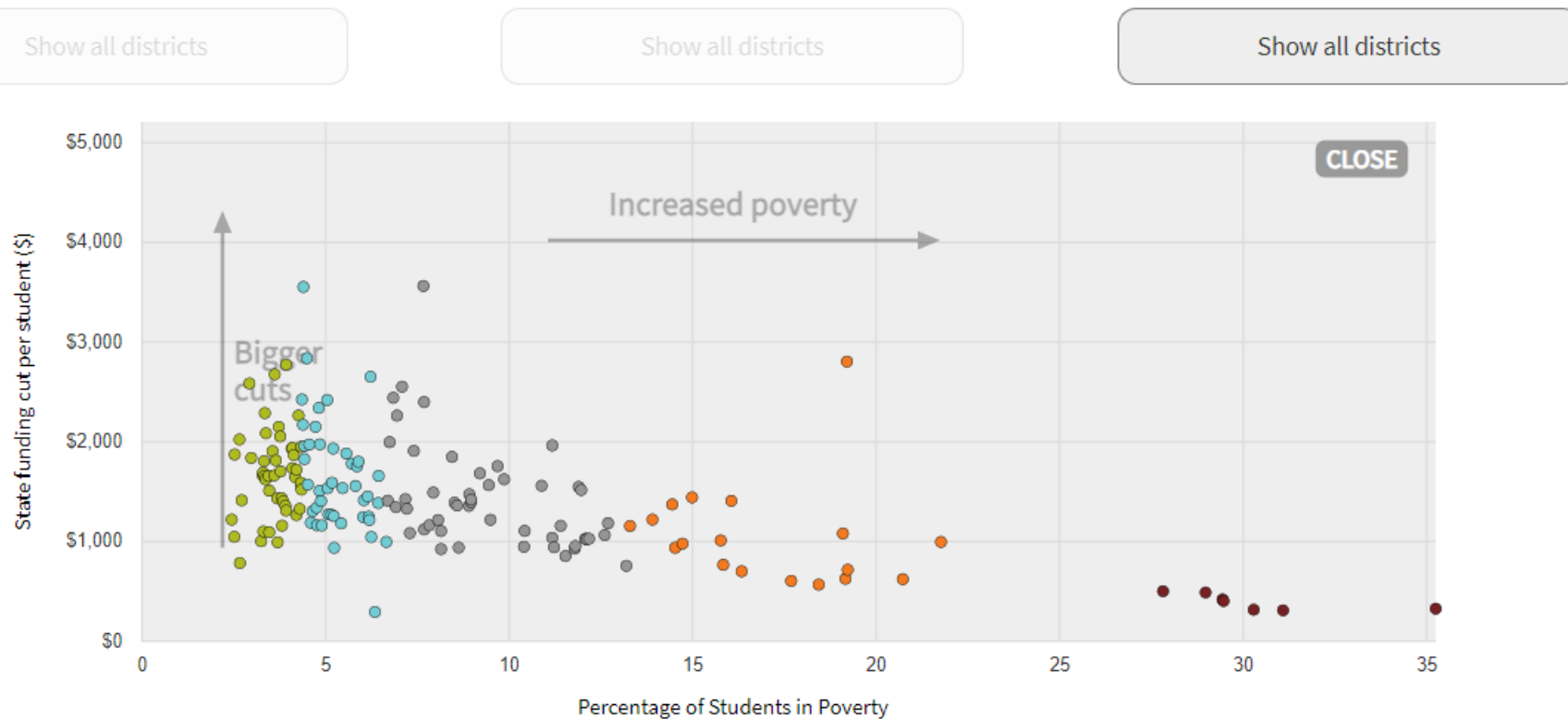
**Equal but Inequitable**  
Even cut for each student



**More Equitable**  
Cut in proportion to local revenue and student poverty



# WHAT ARE THE RISKS OF NOT FOCUSING ON EQUITY IN CONNECTICUT?

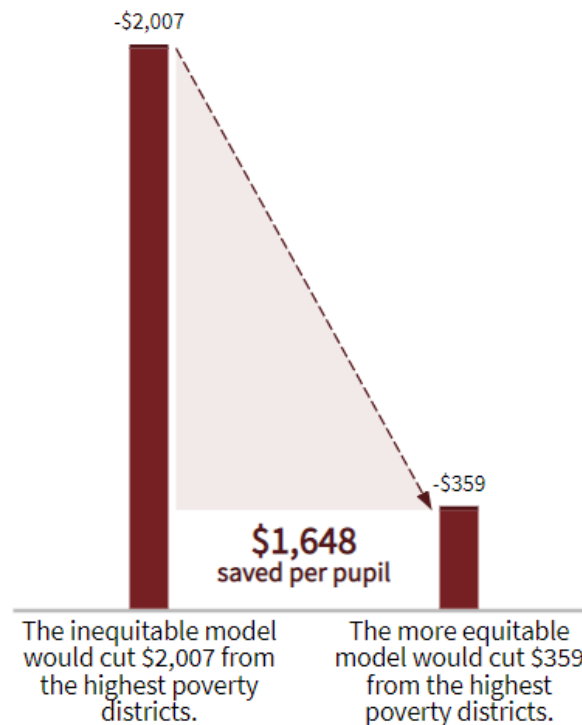




# WHAT ARE THE RISKS OF NOT FOCUSING ON EQUITY IN CONNECTICUT?

## What does this mean for high-poverty districts?

In Connecticut, using the more equitable approach to adjust for a 15% revenue shortfall could shield the highest poverty districts from \$161 million in budget cuts.



# Equity-oriented considerations for state funding cuts

DON'T LET HISTORY REPEAT ITSELF

# Equity-oriented considerations for state funding cuts

1. Protect education budgets
2. Protect their highest need districts from unfair funding cuts
3. Require districts to protect their highest need schools from funding and staffing cuts

# PROTECT EDUCATION BUDGETS

★ Cuts weren't as bad for 2020-21 as we initially expected



To avoid cuts next year, states might have to:

- Identify new revenue streams
- Fix loopholes in existing funding formulas
- Reform funding formulas

# PROTECT HIGHEST-NEED DISTRICTS



## Cut based on district and student need

- Percentage of students from low-income backgrounds, English learners, etc.
- Local wealth



## Measure impact:

- On high-poverty districts
- On a per-student basis

# PROTECT HIGHEST-NEED SCHOOLS




Avoid cuts to funding, staff, and other programs, services and resources



Report school-level data on spending and staffing cuts

# FEDS: MORE FUNDING & “STRINGS”

 Provide additional funding for K-12 and target to the highest-need districts

-  Require states to:
- Maintain education spending
  - Ensure that high-poverty districts see lower cuts
  - Ensure that high-poverty schools will be protected
  - Report data



# QUESTIONS?

Ivy Morgan

Associate Director for P-12  
Data and Analytics

[ismorgan@edtrust.org](mailto:ismorgan@edtrust.org)



December 15, 2020

# Leveraging ESSA's Fiscal Transparency Requirement to Advocate for Fair Funding

Reetchel Presume – P-12 Data & Policy Analyst



The Education Trust

# Our conversation today



- Why school-level per-student spending data matters
- 5 principles for equity-oriented school-level spending reports
- How have states reported spending data?
- Learning from Illinois: A Fireside chat with Sara Shaw
- Conclusion

# ESSA's Requirement

- State and district report cards must annually include **per-pupil expenditures** disaggregated by source of funds
- Must include **actual** personnel and non-personnel expenditures
- Must be reported for the LEA as a whole and **for each school**

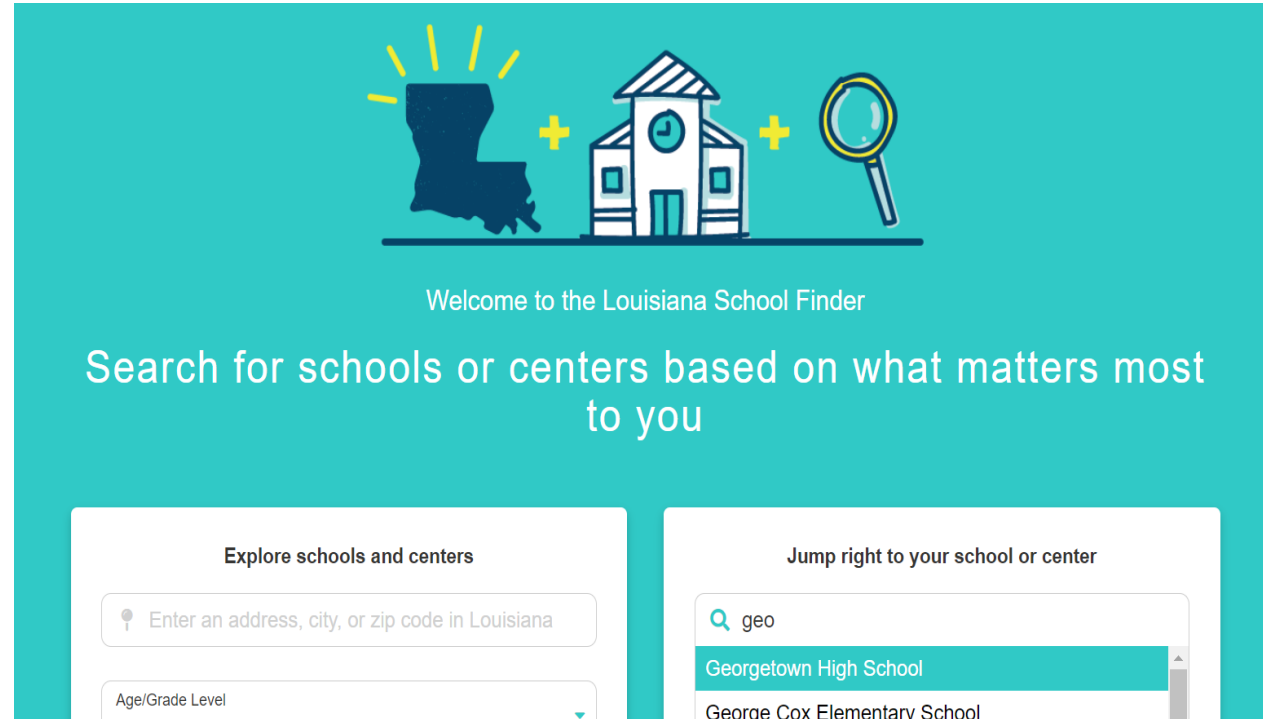
*ESEA section 1111(h)(1)(C)(x), (h)(2)(C)*

Why do we care about school spending now?

States and districts are making important decisions now.

The way states report this ESSA data can drive whether and how the data are used.

# Let's explore Louisiana's spending reports...



1. Go to  
<https://louisianaschools.com/>

2. Search for a school  
(*ex. Georgetown High School or George Cox Elementary*)

3. Click on the "School Spending" tab at the top of the report card

4. Explore and try to answer:  
Is spending in this Louisiana school or district equitable?



# Equity-oriented school spending reports

Turning numbers to insight

# 5 Principles

## 1. Total & Detail

- Provide total per-pupil spending as well as detail by source and location of spending.

## 2. Context

- Provide contextual information to help interpret differences in spending.

## 3. Comparisons

- Provide comparative data on spending and need across districts and schools.

## 4. How Well

- Include additional information on how well non-financial resources are used to impact student experiences to improve student outcomes.

## 5. Accessible

- Be clear and accessible.



# 1. Total and Detail

HOW MUCH FUNDING DOES THIS SCHOOL SPEND ANNUALLY PER STUDENT?

**\$9,743**

What is this measure?

Funding Type	<u>Dollar Amount</u>	<u>Percent of Total</u>
State/Local	\$7,971	
Federal	\$547	
<b>Total</b>	<b>\$8,518</b>	<b>87%</b>

## SCHOOL SHARE OF CENTRAL OFFICE SPENDING

Funding Type	<u>Dollar Amount</u>	<u>Percent of Total</u>
State/Local	\$1,120	
Federal	\$105	
<b>Total</b>	<b>\$1,225</b>	<b>13%</b>
Per student spending	\$9,743	100%

## 2. Context

**What school or district characteristics drive school spending?**

**Grade-span**



**School Size**



**Performance**

**Student Need**

**Program type**

# What are the economic and student characteristics of this school district?



## Student Demographics

Enrollment	BALDWIN UFSD	BALDWIN SENIOR HIGH SCHOOL
All Students	4,509	1,547
Economically Disadvantaged	38%	34%
Students with Disabilities	17%	14%
English Language Learner	6%	4%
∨ Race/Ethnicity		
American Indian or Alaska Native	0%	0%
Black or African American	47%	48%
Hispanic or Latino	31%	28%
Asian or Native Hawaiian/Other Pacific Islander	5%	5%
White	13%	17%
Multiracial	4%	3%

## Report View One: How Much is Being Spent on Instruction and Administration in this School and School District?

### 3. Comparisons

**How does this school's spending compare to other schools?**



## 3. Comparisons

**Is spending across schools in this district or state equitable?**

## 3. Comparisons

### Flat spending patterns

- Is this flat spending meeting the needs of students?

### Progressive spending patterns

- How much more is being spent where there is high need?

Report Card

Diversity Report



**504**

Students Enrolled

**35.7%**

Met ELA Standards

**32.6%**

Met Math Standards

**26.0%**

Met Science Standard



Graduated in 4 Years



**45.1%**

High Math Growth

**50.5%**

High ELA Growth



**80.0%**

Students Regularly Attend



**\$13,961**

Per-pupil Expenditure



**38**

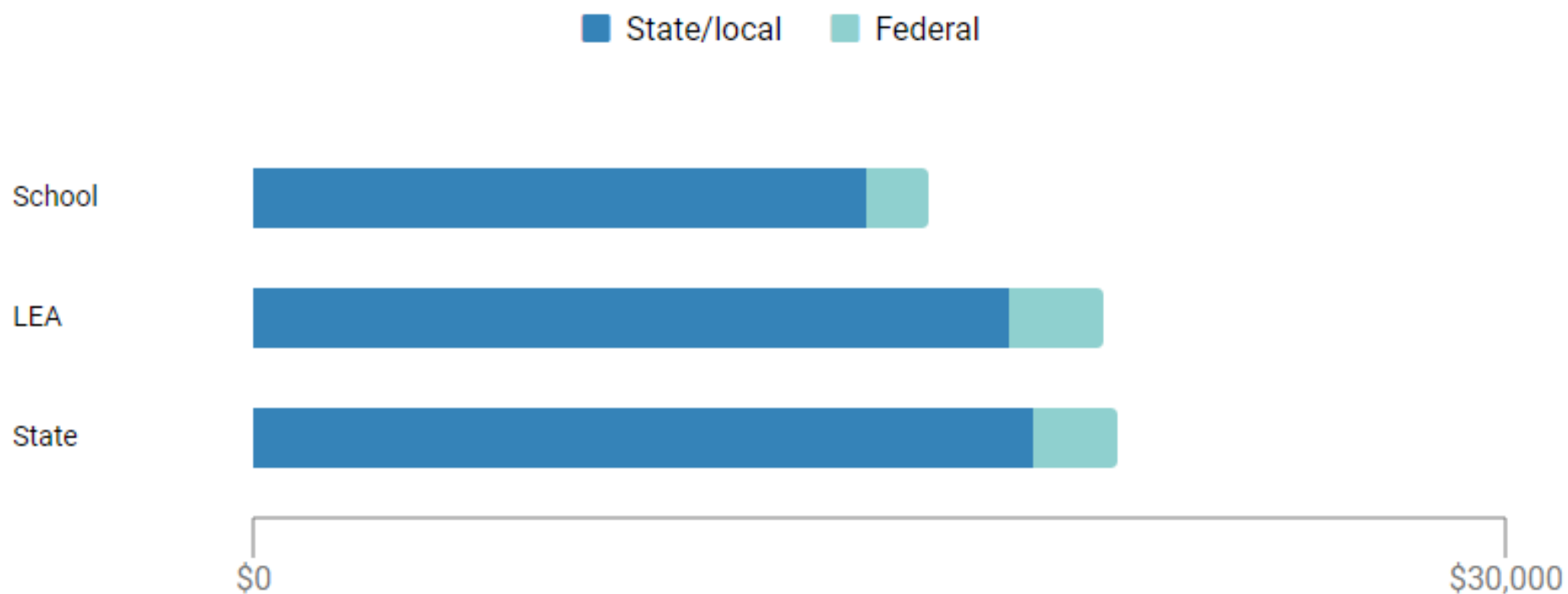
Number of Classroom Teachers



**9.3**

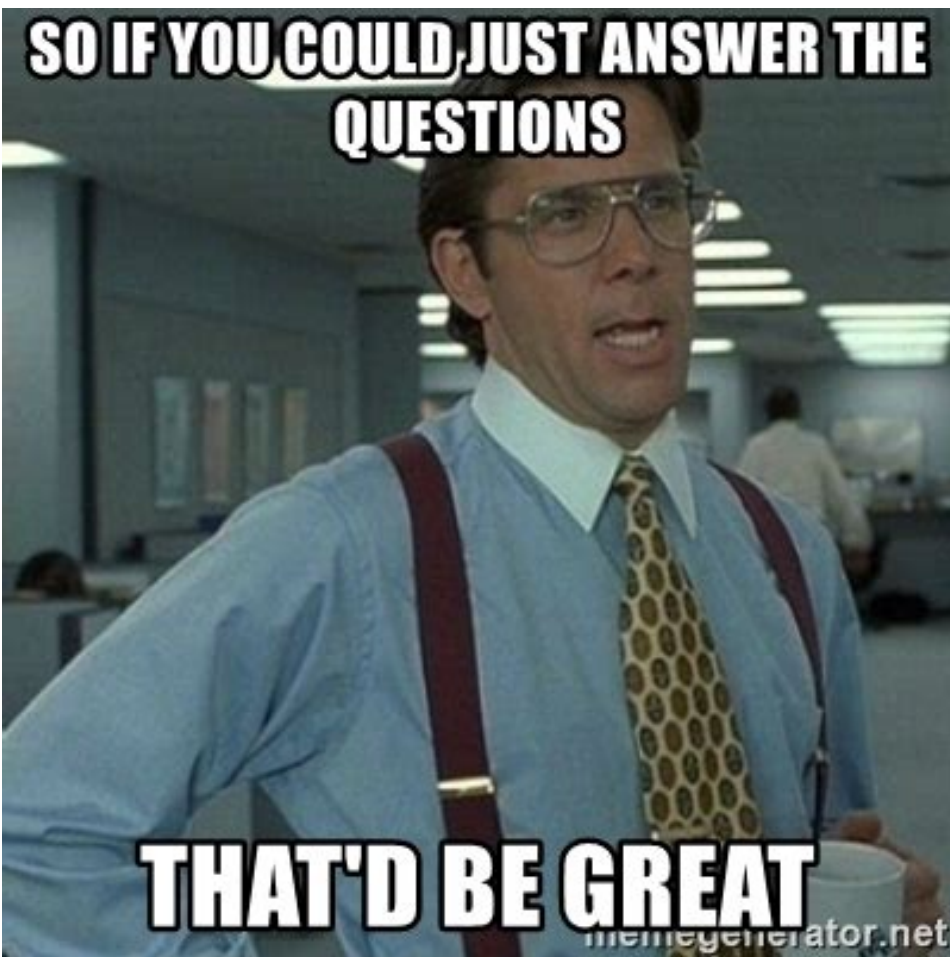
Average Years of Teaching Experience

### Per-pupil expenditures by funding source



	State/local		Federal		Total
School	\$14,656	91%	\$1,520	9%	\$16,176
LEA	\$18,087	89%	\$2,295	11%	\$20,382
State	\$18,683	90%	\$1,992	10%	\$20,675





The data can be a tool to assess school spending equity

*Is spending in this school driven by student need?*

*Is spending in this school's district equitable?*

# 5 Principles

## 1. Total & Detail

- Provide total per-pupil spending as well as detail by source and location of spending.

## 2. Context

- Provide contextual information to help interpret differences in spending.

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- Provide comparative data on spending and need across districts and schools.

## 4. How Well

- Include additional information on how well non-financial resources are used to impact student experiences to improve student outcomes.

## 5. Accessible

- Be clear and accessible.



# How did Illinois do it?

A conversation with Sara Shaw



Senior Manager Fiscal And Academic Solvency  
Illinois State Board of Education

States should **improve their school spending reports**, so that stakeholders can better understand...

- How much is spent at an individual school
- What drives school spending at an individual school
- How spending at a school compares to others in the district or state
- If school spending is equitable
- How well is money used to meet student need

One way to do this is by **adopting the 5 principles**

# QUESTIONS?

**Reetchel Presume**

P-12 Data and Policy Analyst

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**Sara Shaw**

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Academic Solvency

Illinois State Board of Education

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December 15, 2020

# Building a Better School Funding Formula

*Funding Policies for the Long Term*



The Education Trust

# Agenda for this Conversation

- I. Why focus on funding formulas?
- II. Funding formulas, in brief
- III. Notes from the field: a discussion with John Hryhorchuk, Texas 2036
- IV. Introducing *Common Sense and Fairness*
- V. Q&A



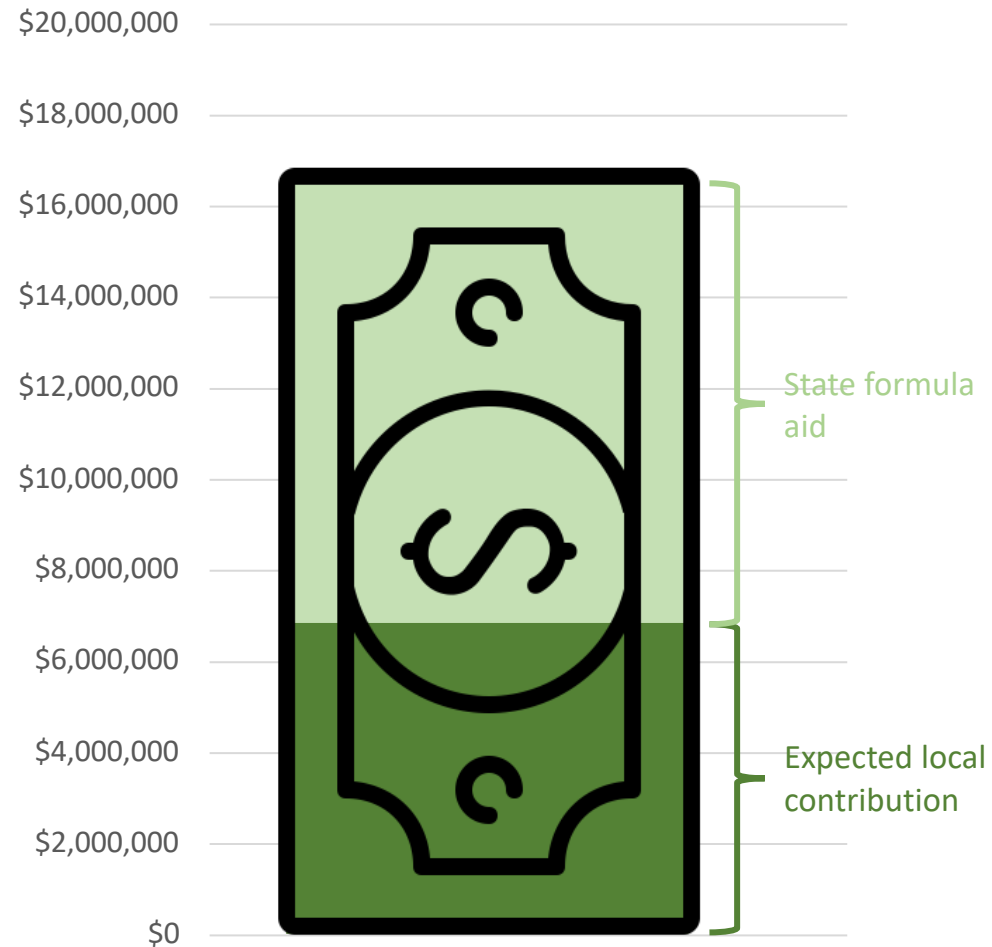
# Education Challenges, Ripped from the Headlines

Delaware	Colorado	Oklahoma	Idaho
80% of students are enrolled in schools without enough counselors.	Suburban districts around Denver are struggling to support an increasingly high-poverty population.	Teachers are leaving the state for better-paying positions in Texas school districts.	Schools are having difficulty serving rising numbers of special education students.
Rigid funding system offers no flexibility to prioritize counselors.	Formula is heavily weighted towards small and rural districts, disadvantaging high-need cities and suburbs.	The formula doesn't allocate much state money per student, and districts are barred from raising extra funds locally.	Special education is funded based on assumed, not actual, counts of students with disabilities.

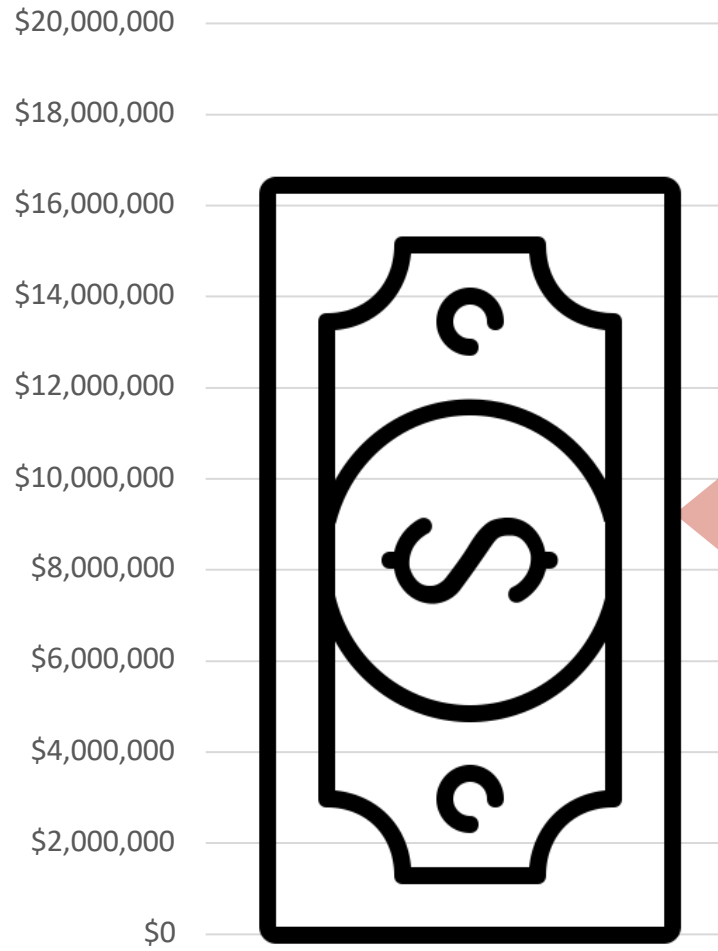
Funding matters. Not  
just how much, but *how*.

# 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.



# Policy Questions: 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, economically disadvantaged, diagnosed disability
- How should the funding system account for geographic/district conditions?  
e.g. transportation challenges, labor market differences, concentrated poverty

# Policy Questions: 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?

## Other considerations:

- What other revenues do districts have access to?  
e.g. local sales taxes, natural resource revenues, utility taxes, vehicle registration fees
- Should there be consideration of differences in local income levels?
- Should there be any minimum or maximum state or local shares?

# Putting it all Together



Image source: IconMark, via Noun Project



Image source: [Boys' Life](#)



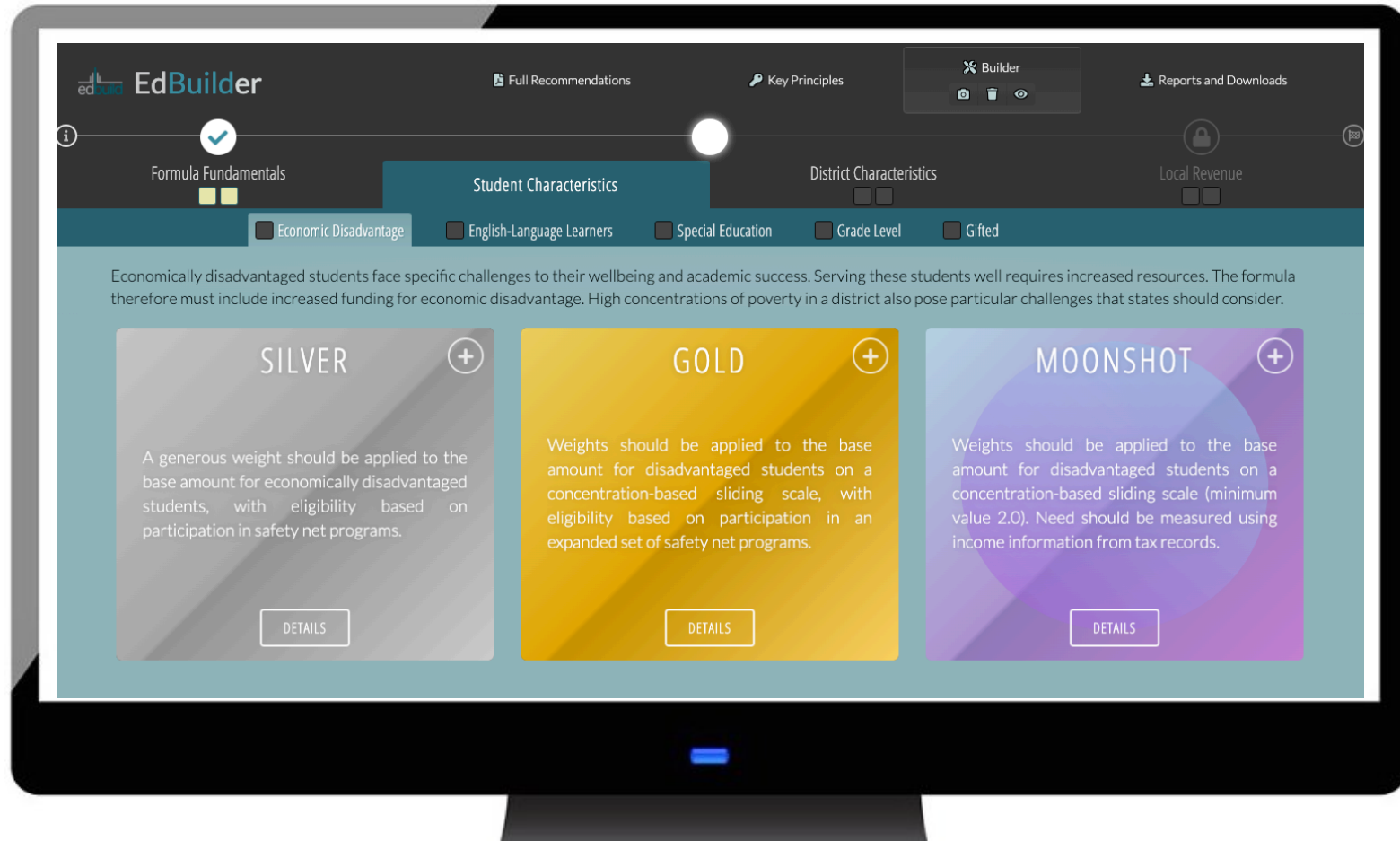
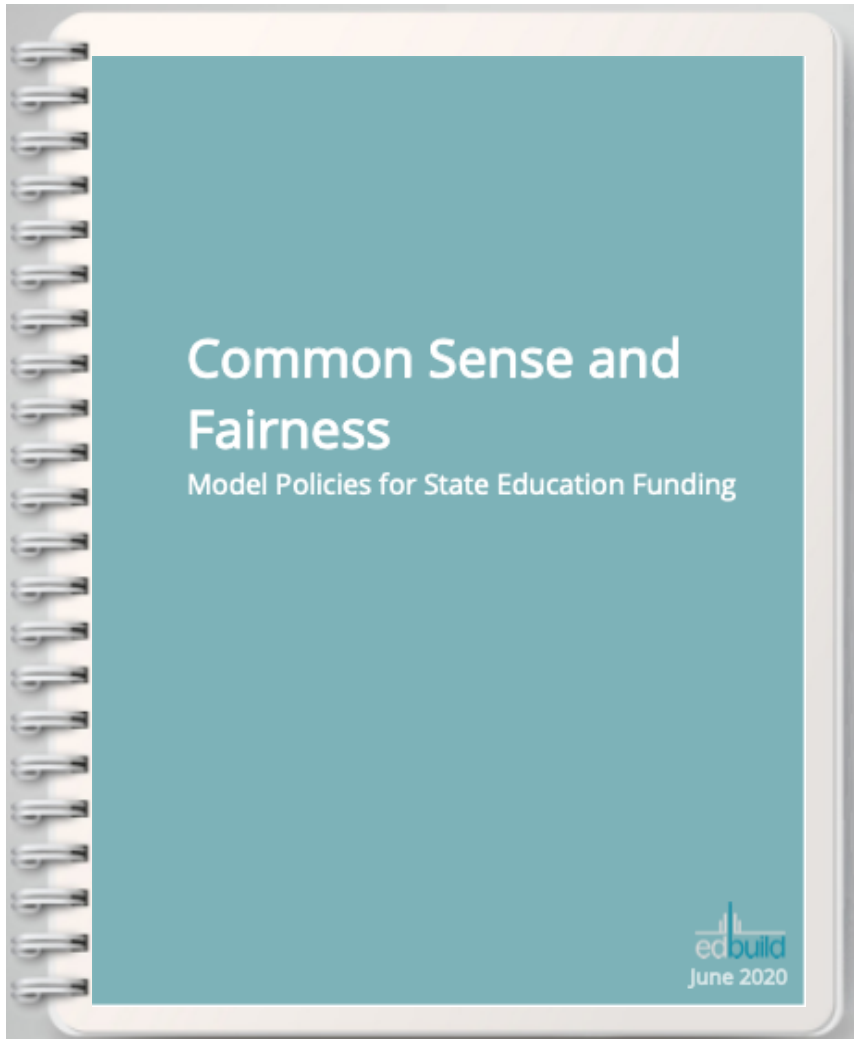


Discussion:  
John Hryhorchuk,  
VP of Policy, Texas  
2036

***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.





# Policy Components Addressed

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

# Recommendation Structure

Recommendations are provided in tiers:

- **Silver:** well-precedented, but still strong enough to advance policy in most states
- **Gold:** strong and ambitious; uncommon, but still precededented 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 ELL.

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

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

# Web Tool:

<https://edbuild.org/content/edbuidler>

# Questions?

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and Policy

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