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A photograph of three young students sitting at a desk in a classroom, focused on reading their books. The student on the right is wearing glasses and a white shirt, while the others are in dark blue shirts. The background is slightly blurred, showing a typical classroom setting.

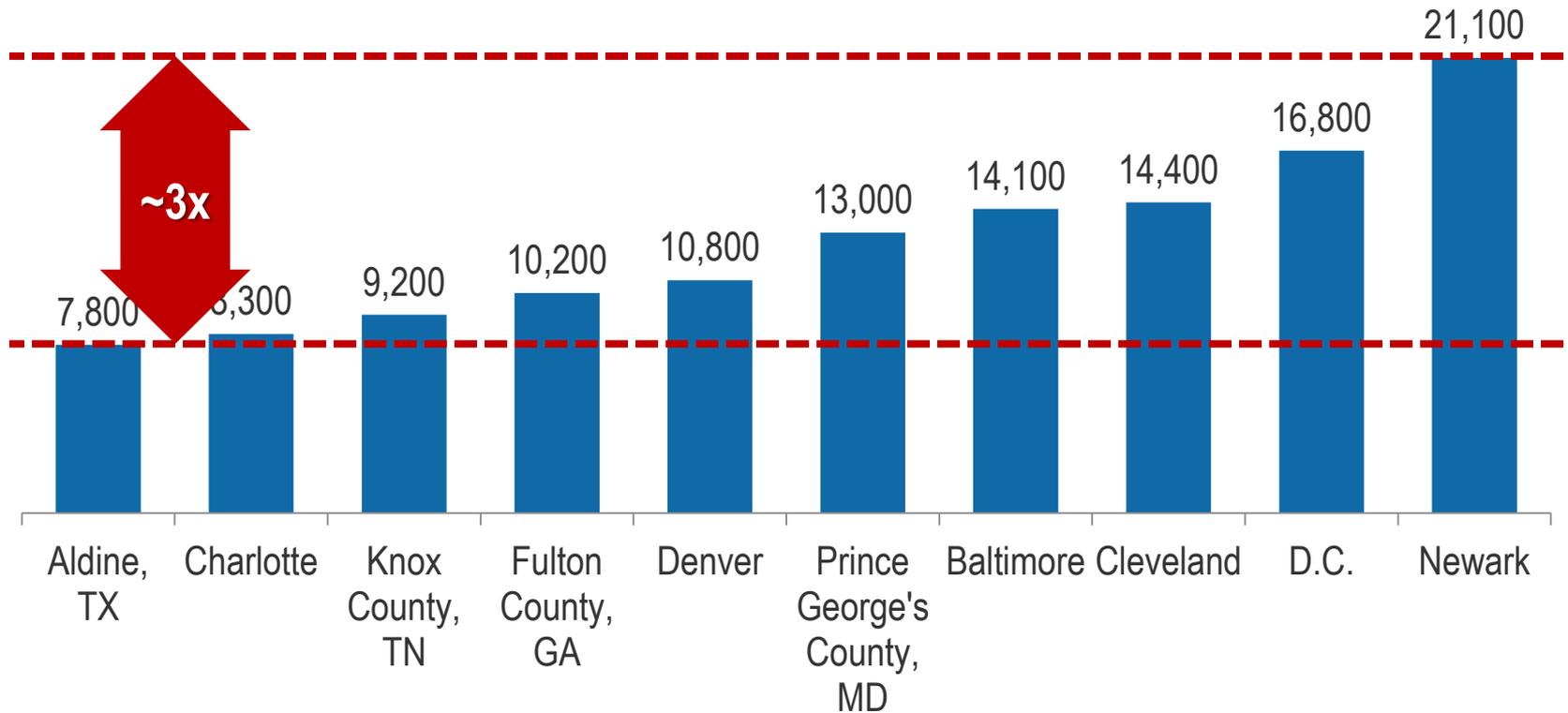
Overview of School Funding

ESSA Negotiated Rulemaking • March 2016

How are districts funded?

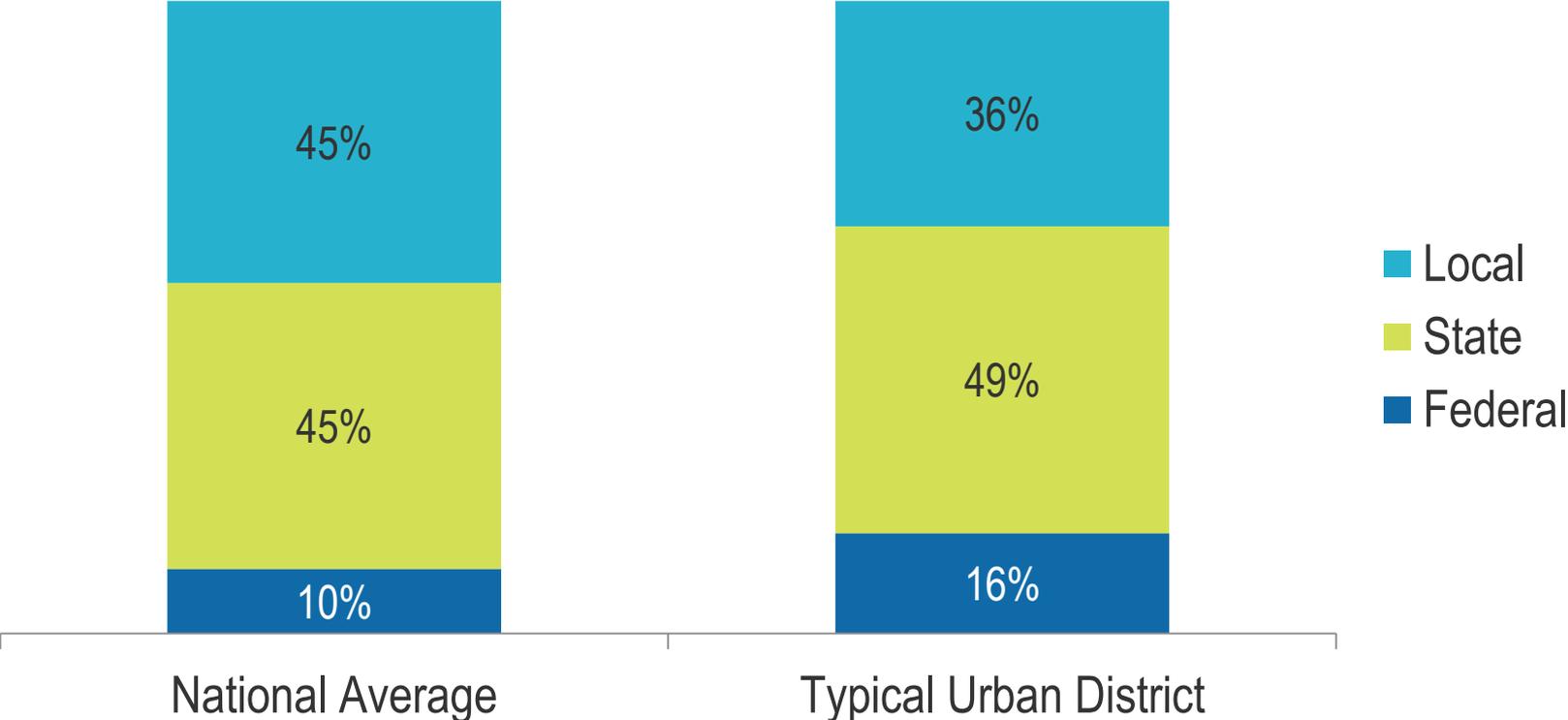
Spending varies widely across districts...

Dollars per pupil spending on education



All levels of government are funding education – Title I is the federal government’s largest contribution

Sources of Education Funding



Source: U.S. Dept. of Education, National Center for Education Statistics, Survey F-33, 2012-13

**How do districts allocate
resources to schools?**

Most districts allocate staff positions to schools but use of weighted student funding is growing

	Traditional	Weighted Student Funding
How resources are allocated	<p>Most staff positions and non-personnel budgets allocated based on enrollment.</p> <p>Some positions allocated based on school size.</p> <p>Staffing ratios vary by:</p> <ul style="list-style-type: none"> -Grade level -Student need -Programs offered 	<p>Schools get a set dollar amount per pupil with additional amounts (weights) linked to student needs such as:</p> <ul style="list-style-type: none"> - Poverty - Special Education - English Language Learner - Grade level
Example	<p>1 principal</p> <p>1 AP if less than 450 students, 2 if greater</p> <p>1 K-3 teacher for each 18 students</p> <p>1 4-5 teacher for each 22 students</p> <p>1 Special Education teacher for 24 students on an IEP receiving supplemental support</p>	<p>\$5,000 per general education pupil</p> <p>Plus \$600 for each low income student</p> <p>Plus \$1,000 for each ELL student (.2 weight)</p>

But, not all positions or spending in schools goes through these formulas

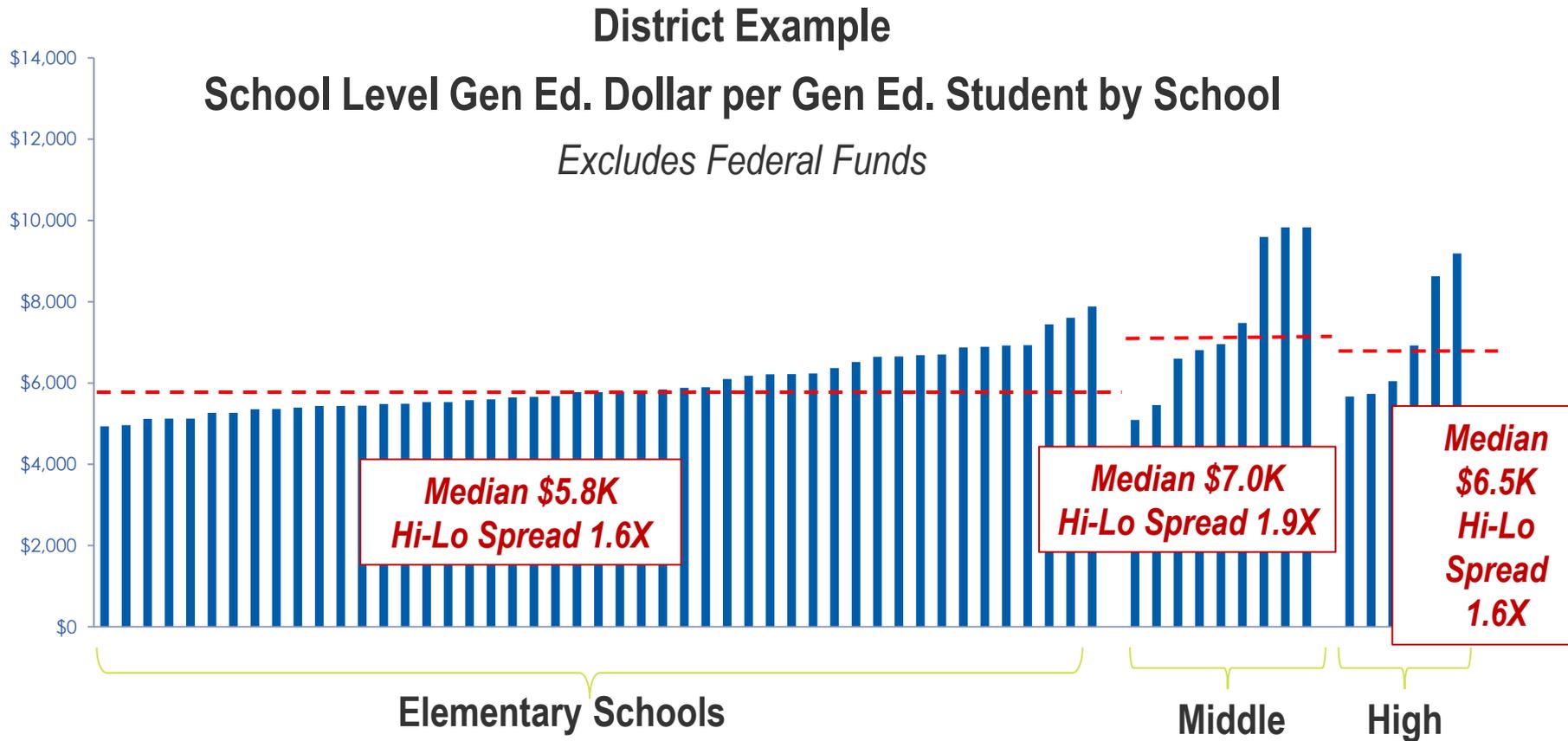
Example positions that might be allocated using different rules:

- Instructional Coaches
- Additional staff or resources for magnet programs
- Staff positions that serve more than 1 school such as a:
 - Nurse
 - Art teacher



Districts vary in how much they keep out of the formula

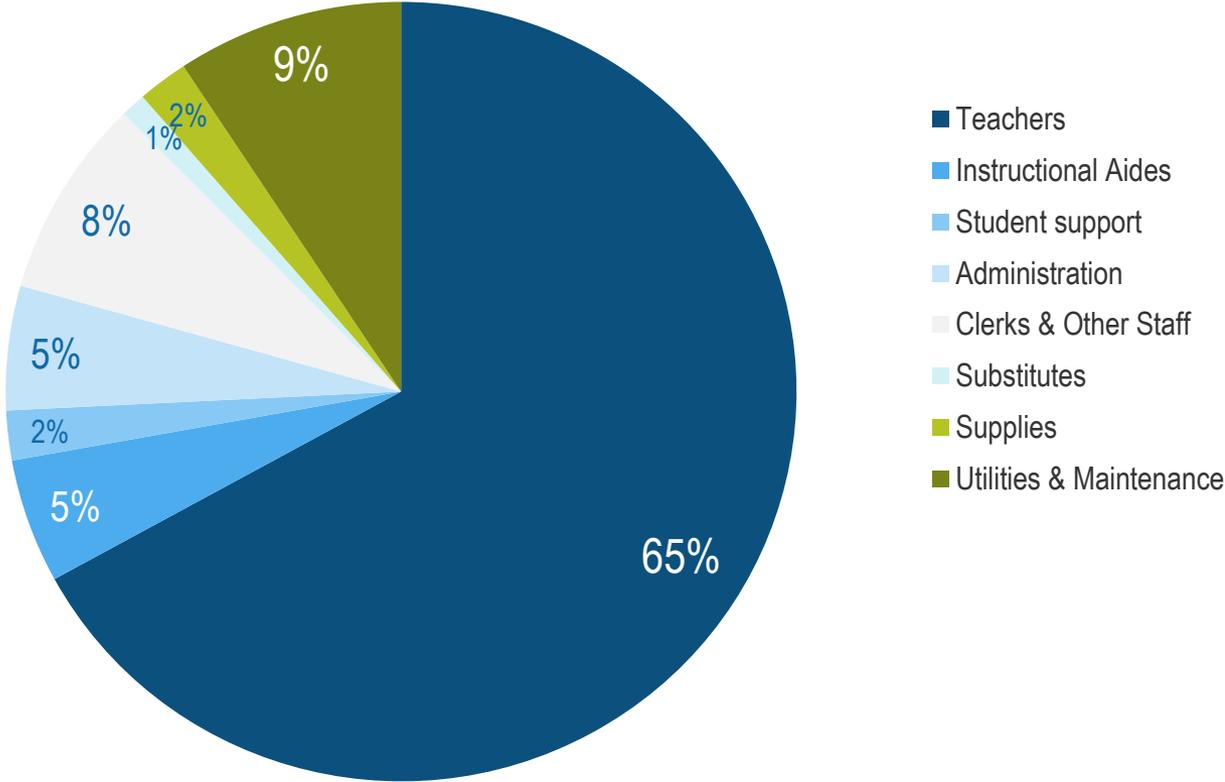
Most districts experience significant funding variation across schools



Secondary schools tend to be higher funded than elementary schools.

80 to 90% of a school's budget is spent on people

Typical school budget



Source: ERS Analysis

Most districts use average (as opposed to actual) teacher salary for budgeting which disguises inequity

Using <u>average</u> salary	School A	School B
District average salary	\$60,000	\$60,000
Number of teachers	10	10
Budgeted for salary	\$600,000	\$600,000

Using <u>actual</u> salary	School A	School B
Novice teachers earning \$30,000 each	5	0
Mid-level teachers earning \$60,000 each	5	5
Experienced teachers earning \$90,000 each	0	5
Actual salary	\$450,000	\$750,000

Though the district would appear to be making an equal investment in these schools on an average salary basis...

...School B actually invests **\$300k more** than School A

Novice teachers tend to be placed disproportionately into high-need schools

Novice Teachers by School Need Quartile

