



RELEVANT RESOURCES & RESEARCH



Desired Features of a State Funding System

Resource: Roza, M. (2019). [Funding for students' sake: How to stop financing tomorrow's schools based on yesterday's priorities](#). Edunomics Lab.

Summary: Challenges states face in their education funding formulas can be addressed using student-based allocation, but several common policy barriers to student-based allocation often undermine states' ability to get results for their dollars.

How to Structure Allocations

Resource: EdBuild. (n.d.). [FundEd: National policy maps. A national overview of state education funding](#).

Summary: EdBuild's map offers an overview of the national landscape of state funding policy, including how allocations are structured. It also provides information about adjustments to allocation by student and district types as well as information on the local funding landscape.

Adjustments to Allocations

Resource: Rafa, A., Erwin, B., Brixley, E., McCann, M., & Perez Jr., Z. (2020). [50 state comparison: K12 funding](#). Education Commission of the States.

Summary: Education Commission of the States provides a 50-state tool with summaries of funding formula adjustments for student populations (including students with disabilities, English learners, students experiencing poverty, gifted and talented students) and for district types, such as small and isolated districts.

Resource: Roza, M. (2017). [Funding student types: How states can mine their own data to guide finance policy on high-needs students](#). Edunomics Lab.

Summary: Education leaders can examine spending and outcomes together to understand how to leverage dollars to do the most for students and build information systems that allow a continuous feedback loop on how spending changes impact outcomes. There is no universal "right" amount of funding for each student type.

Resource: Rafa, A., Erwin, B., Kelley, B., & Wixom, M.A (2019). [50 state comparison: Charter school policies](#). Education Commission of the States.

Summary: Individual state profiles provide information on charter school policies across all 50 states, including funding policies.

Resource: Erwin, B. (2019). [Virtual school policies](#). Education Commission of the States.

Summary: A summary of recent state legislation around virtual schools and districts provides examples of virtual school funding policies.



Resource: Jarmolowski, H., & Roza, M. (2021). [Proceed with caution: With enrollment drops, states are looking to hold district budgets harmless](#). Edunomics Lab.

Summary: This brief describes what states need to consider before implementing a hold harmless or declining enrollment policy and catalogs both pandemic-era and pre-existing provisions.

How and Whether to Involve Local Revenue

Resource: Chingos, M. M., & Blagg, K. (2017). [Making sense of state funding policy](#). Urban Institute.

Summary: A primer on state funding formulas explains three different models states can use to balance state and local money.

Resource: Corcoran, S. P. (2012). The role of local revenues in funding disparities across school districts. In Baker, B. D., & Corcoran, S. P., [The stealth inequities of school funding: How state and local school finance systems perpetuate inequitable student spending](#). (Chapter 2). Center for American Progress.

Summary: This chapter describes how local revenue can contribute to resource inequities and provides examples from six states.

Constraints and Accountability

Resource: Buerger, C., Lee, S. H., & Singleton, J. D. (2020). [Test-based accountability and the effectiveness of school finance reforms](#). (EdWorkingPaper: 20-277). Annenberg Institute at Brown University.

Summary: The research here finds that school finance reform-induced increases in student performance are driven by those states that had test-based accountability policies in place at the time. Accountability systems may raise the efficiency with which additional school funding gets spent.

Data Systems, Tools, and Training

Resource: Edunomics Lab. (n.d.). [Tracking the utility and usefulness of ESSA school-by-school spending data](#).

Summary: By measuring whether states are meeting four ESSA requirements for reporting school-by-school spending data as well as other benchmarks, this tool assesses whether these data are complete, useful, and usable in all 50 states.

Resource: Roza, M. (2014). [A state information system to support improvements in productivity](#). In Gross, B., & Jochim, A. (Eds.), *The SEA of the future: Building the productivity infrastructure* (pp. 40-47). Building State Capacity & Productivity Center at Edvance Research, Inc.

Summary: This piece outlines the new state education agency role in building data systems to incorporate spending and measure productivity, as well as providing the necessary training on using the data and creating a culture of leveraging dollars to do the most for students.

Resource: Buerger, C., Lee, S. H., & Singleton, J. D. (2020). [Test-based accountability and the effectiveness of school finance reforms](#). (EdWorkingPaper: 20-277). Annenberg Institute at Brown University.

Summary: The research here finds that school finance reform-induced increases in student performance are driven by those states that had test-based accountability policies in place at the time. Accountability systems may raise the efficiency with which additional school funding gets spent.



Other Resources on State Funding

Resource: Brixley, E., & Syverson, E. (2020). [State information request: School finance equalization](#). Education Commission of the States.

Summary: This memo addresses questions and research around school finance equalization (SFE), a policy tool used to redistribute financial resources across school districts in a state, and provides state examples.

Resource: Chingos, M. M., & Blagg, K. (2017). [How has education funding changed over time?](#) Urban Institute.

Summary: Urban Institute's tool measures changes in funding over time: both how progressivity (how much more is spent on educating students from families living in poverty relative to students from families not living in poverty) and overall funding levels have changed in each state from 1995 to 2015.

Resource: Chingos, M. M., & Blagg, K. (2017). [School funding: Do poor kids get their fair share?](#) Urban Institute.

Summary: An analysis examines the progressivity (how much more is spent on educating students from families living in poverty relative to students from families not living in poverty) of local funding and state funding in each state, with examples.

Resource: Duncombe, W., & Yinger, J. (2007). [Understanding the Incentives in California's education finance system](#). Institute for Research on Education Policy and Practice, Stanford University.

Summary: California education funding research finds that categorical funding inhibits organizational efficiency and that a district's level of categorical funding is inversely related to student achievement.

Resource: EdBuild. (2020). [Common sense and fairness: Model policies for state education funding](#).

Summary: This report provides principles and policy recommendations to guide states in structuring their funding formulas, including the fundamentals of the formula, supporting high-need student populations, funding different district types, and using local revenue, with examples of each suggested policy.

Resource: EdBuild (2020). [EdBuilder](#).

Summary: An interactive step-by-step formula-building tool, modeled on EdBuild's report "Common sense and fairness: Model policies for state education funding," provides a guide for states re-thinking their funding formulas.

Resource: Hoxby, C. M. and Kuziemko, I. (2004). [Robin Hood and his not-so-merry plan: capitalization and the self-destruction of Texas' school finance equalization plan](#). NBER Working Paper No. w10722.

Summary: Due to problems created by Texas' local revenue recapture policy, this piece suggests that such a policy is not an efficient way to equalize spending across districts.

Resource: Jackson, C. K., Johnson, R. C., & Persico, C. (2015). ["The effects of school spending on educational and economic outcomes: Evidence from school finance reforms."](#) *Quarterly Journal of Economics* 131(1): 157- 218.

Summary: According to this study, increasing per-pupil spending improves outcomes, such as educational attainment and wages, for children from low-income families.

Resource: Smith, J., Gasparian, H., Perry, N., & Capinpin, F. (2013). [Categorical funds: The intersection of school finance and governance](#). Center for American Progress.

Summary: This brief describes the national landscape of categorical funding and four case study states, as well as the possible benefits and drawbacks of categorical funding and reduction in the use of categorical funds in recent years.