



Advocating for Equity Across All Levels of Government

DIMENSION 1:
SCHOOL FUNDING



**ALLIANCE FOR
RESOURCE
EQUITY**

Uniting advocates and education leaders
to unlock excellence for every student



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SCHOOL FUNDING

THE VISION: Each student — including students of color and students with higher needs — attends school in a district that distributes funding based on the needs of its students, by way of flexible and transparent funding systems, so all students can reach high standards and thrive.

KEY QUESTION

1.1

Does the funding system distribute adequate funding based on student needs and enable flexible use of funds in ways that are clearly understood?

Federal

- **Congress** authorizes, oversees, and sets distribution formulas for programs that support students with greater needs, including:
 - Title I of the Every Student Succeeds Act (ESSA) to support students from low-income backgrounds
 - ESSA Title III to support English learners
 - Individuals with Disabilities Education Act (IDEA) to support students with disabilities
 - Impact aid for federally connected students
- **The US Department of Education:**
 - Distributes federal education funding to states and monitors disbursements to school districts
 - Provides guidance and technical assistance, primarily to state education agencies, about how federal funds can and should be used
 - Can encourage states to design their funding formulas to prioritize students with the highest needs

- Works with the Census Bureau to collect and publicly report data on school system finances and school-level spending data as required by ESSA (This data is vital for transparency and for equity analyses)

State

- **State legislatures and governors** establish state education budgets, decide how to allocate state funding among school districts, and set spending rules. State lawmakers can use their authority to advance equity by:
 - Designing funding formulas to allocate more resources to students and school communities with higher needs and ensuring those formulas are adequately funded
 - Dedicating funding for particular groups of students
 - Devising rules for county and municipal tax authorities around education tax rates to limit inequity in the amounts of local funds that different school districts raise and spend
 - Drawing or requiring school district boundaries that reduce inequity in local tax bases and, by extension, local school funding



- Establishing and funding categorical and competitive grant programs to support priority education initiatives, especially those that support students with higher needs
- Setting rules that require districts to use funding that is meant to support specific student populations in ways that benefit those students

- **State education agencies:**

- Distribute federal and state funding to school districts according to state and federal directives
- Issue guidance, best practices and priorities to districts regarding how state funds can and should be used to support students with higher needs
- Structure accounting and reporting rules and procedures for both district- and school-level budgets and spending to improve transparency and create visibility into funding decisions across and within districts

School District

- Depending on the state, **local governments** (school boards, county governments, or municipal governments) set and/or ask voters to approve property tax rates, which are the primary source of local education budgets and impact equity in access to local funds
- **Local school boards and/or school district administrators:**
 - Establish systems for distributing local funds and can use student-based approaches that direct funding where it will help most by allocating resources based on student needs rather than factors such as staff size, which are less connected to student success
 - Make spending decisions for district-level initiatives and decide whether to prioritize resource equity in those initiatives

- **School district administrators:**

- Carry out the district's school funding formula/distribution system
- Publicly report district budgets and/or funding distributions, which is vital for transparency and for equity analyses

School

- **School leaders** allocate funding and staff for programs and purposes within schools, and they can do so with the principles and priorities of resource equity in mind
- **Parent boards:**
 - May raise and spend supplementary funds, which can affect the equity of the school's overall funding and programming relative to other schools in the district and state
 - May advise school leaders and leadership teams on decisions regarding use of funds, especially funds used for programming