

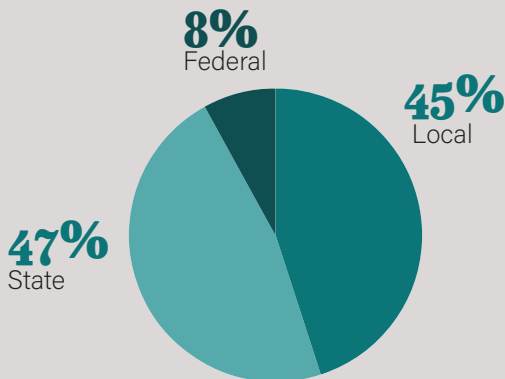
# Fiscal Equity: Closing the School Funding Gap



## Not only is school funding insufficient overall, but it is also highly regressive.

Though students experiencing poverty require additional resources for their success, they are often provided with significantly less than their more affluent peers due to discrepancies in state wealth and excessive reliance on property taxes for school funding.<sup>1</sup>

### Who's Paying?



81% of local revenue used for school funding comes from property taxes.<sup>7</sup>

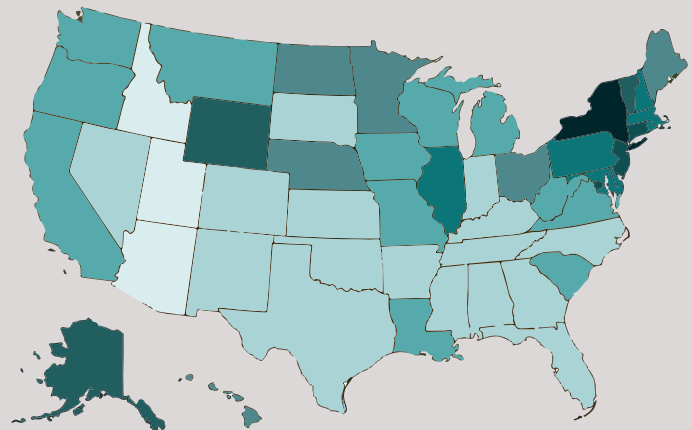
### What's The Big Deal?

- Reliance on property taxes for funding creates vast inequities between and within districts.<sup>1</sup>
- Interstate funding gaps account for 2/3 of funding inequities. As shown in the map below, some states provide an average of 3 times as much funding per student as others.<sup>6</sup>
- Greater school funding is strongly correlated with positive outcomes such as higher test scores and graduation rates. **Evidently, equitable school funding is a critical component of achieving the American promise of universal education.**<sup>4</sup>

“An educated citizenry is a vital requisite for our survival as a free people”

Thomas Jefferson<sup>4</sup>

### Average Per-Pupil Spending<sup>7</sup>



\$6,000-8,000

>\$20,000

# Myths & Misconceptions

## **Funding doesn't matter:**

There have been many faulty studies that have perpetuated the idea that funding is not a significant factor in the effectiveness of a school. Most notably, the Coleman report was deeply flawed, from the procedural methods to the measurement of key variables, yet it was largely cited by conservative policymakers to fuel their neglect for equitable education.<sup>1</sup>

## **The American education system is great regardless:**

The best American school districts earn achievement scores comparable to top-ranking countries, such as Hong Kong and Japan. However, the worst school districts in America – those which typically reside in poor, urban areas with high levels of minority students – earn achievement scores comparable to the lowest-ranking countries, such as Turkey, Jordan, and Iran. The disparities within the American education system invalidate any holistic international comparisons.<sup>1</sup>



## Potential Solutions:

### **Student Weighted Allocation:**

#### **Closing the Gap Between Districts**

Student Weighted Allocation (SWA) **bases per-pupil funding on individual student need** rather than using a one-size-fits-all model. It has been successfully implemented in Denmark as well as in several urban American districts, including Seattle, Houston, San Francisco, Cincinnati, and Boston.<sup>2</sup> SWA weights student funding based on factors such as special education, poverty, and limited English proficiency, allowing students who need additional services to have the funding to obtain them. SWA also gives principals more discretion over how funding is spent, allowing them to build a faculty and program base best suited to serve their specific student bodies.<sup>5</sup>

### **Federal Education Assistance:**

#### **Closing the Gap Between States**

Federal education assistance **varies federal educational spending based on each state's relative fiscal capacity**, providing more funding to high-need states. This seeks to acquire widespread support and mitigate white flight, as the federal government is still providing additional funding to all states, merely altering the amount per state. This plan requires that the federal government sets a minimum tax effort for states to acquire additional federal funding in order to prevent states from replacing their own funding with the federal government's. A similar solution was proposed by the United States Committee on Education Finance.<sup>6</sup>

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