



How Can School Finance Systems Support Students With Additional Learning Needs?

Students with disabilities, English language learners, and economically disadvantaged students need additional resources and support to succeed in school. State school funding formulas should account for those additional needs so that every school can educate all its students.

Weighted, student-based funding formulas are one of the most effective ways for states to direct funds to districts serving students with additional learning needs.

In a weighted, student-based funding formula, all students generate a base amount of funding that is determined by the state. Then, school districts receive additional funding per enrolled student in a specific category so that the district has the resources to meet those additional learning needs.

Example Maryland's base funding is \$7,244 per student.¹ English language learners are weighted 1.99. This means that for each English language learner enrolled, a district receives an additional 99% of the base funding amount for a total of \$14,416 per enrolled English language learner student.²

Weighted, student-based formulas most often feature one or more of the following four student groups:³

WEIGHT	NUMBER OF STATES (Including D.C. and Puerto Rico)
English language learners	35
Students with disabilities	27
Economically disadvantaged students	39
Gifted and talented students	12

There are a few additional considerations for equity in weighted student-based funding formulas:

- Weights, like 1.99, are preferable to a flat per-pupil allocation, like \$500 additional dollars, because they allow for states to easily adjust based on changing needs and additional information about the cost of supporting the educational need the weight addresses.
- Weights should be based on data sources that are reliable and publicly available to ensure greater transparency into and accountability for how funding is allocated.⁴
- Students in multiple categories, such as an English language learner with a disability, should generate full funding for all relevant categories to ensure both kinds of learning needs are fully met.
- Some states create tiers within student groups. For example, students with more severe disabilities or newly identified English language learners might receive a higher funding weight. This can make sense, but states should analyze the impact of a tiered approach against the complexity it adds to a formula.
- States should approach gifted and talented weights with caution. This weight can increase inequity because students in wealthier schools are more likely to participate in gifted and talented programs compared to students in high-poverty schools.⁵ Black and Hispanic students are also less likely to be represented in gifted and talented programs.⁶ If states choose to prioritize this group in a weighted formula, the formula should assume equal giftedness across schools. As a more general principle, weights based on something a school controls, such as elective program enrollment, could create unintended consequences.

Some formulas may also include adjustments to account for district characteristics, such as geographic sparsity or concentrated poverty, but these adjustments are not as common. The rationales are that far-flung rural districts might have higher fixed costs for transportation or facilities maintenance, and districts with higher levels of concentrated poverty might need to meet additional needs among their student and family communities.

Weighted funding formulas are not the only way to direct funding toward students with additional learning needs. Several states use a combination of policy approaches, but too many funding streams outside the main formula can muddy understanding of how funding is actually allocated and jeopardize equity.

Alternative funding mechanisms to weighted funding formulas:⁷

KEY TERM	OVERVIEW
Categorical grant programs	Grants for a specific purpose are distributed either through a formula or a competitive process. For example, Utah funds special education primarily through a block grant, where each school district's grant amount is based on allocations from the previous year. ⁸
Cost reimbursement	The state reimburses districts for actual additional costs associated with providing services to students, such as the actual cost of a paraprofessional salary for a student with a disability. Funding is based on district expenditures rather than a predetermined amount.
Resource-based funding	States allocate resources or inputs such as teacher aides or translators based on the number of students with additional needs, such as English language learners.



QUESTIONS FOR ADVOCATES

- Does your state formula allocate additional funding based on students' needs?
- If your state includes weights in its funding formula, how are those weights structured and determined?
- If a student is eligible to receive multiple weights, does your state's funding formula provide for that?

Splitting the Bill is a crash course in the essentials of school finance equity for advocates and others interested in reforming state education finance systems. Learn more and read the other briefs in this nine-part series at www.bellwethereducation.org/publication/splitting-the-bill.

Endnotes

- 1 William E. Kirwan and Rachel Hise, “Overview of the Maryland Commission on Innovations and Excellence in Education Final Recommendations,” Maryland Department of Legislative Services, Office of Policy Analysis, January 2020, <https://msa.maryland.gov/megafile/msa/speccol/sc5300/sc5339/000113/024200/024233/20200029e.pdf>.
- 2 Maria Millard, “State Funding Mechanisms for English Language Learners, Education Commission of the States, January 2015, <http://www.ecs.org/clearinghouse/01/16/94/11694.pdf>.
- 3 “50-State Comparison—K-12 Funding: Funding Mechanism,” <https://reports.ecs.org/comparisons/k-12-funding-all>.
- 4 “Transforming School Funding for Equity, Transparency, and Flexibility: A Nuts-and-Bolts Guide to Implementing Student-Based Budgeting,” Education Resource Strategies, August 2018, <https://www.erstrategies.org/cms/files/4007-transforming-school-funding-for-equity-transparency-and-flexibility-a-nuts-and-bolts-guide-to-implementing-student-based-budgeting.pdf>.
- 5 Christopher B. Yaluma and Adam Tyner, “Are U.S. Schools Closing the ‘Gifted Gap’? Analyzing Elementary and Middle Schools’ Gifted Participation and Representation Trends (2012-2016),” *Journal of Advanced Academics* 32, no. 1 (February 1, 2021): 28-53, <https://journals.sagepub.com/doi/abs/10.1177/1932202X20937633>.
- 6 Jason A. Grissom and Christopher Redding, “Discretion and Disproportionality: Explaining the Underrepresentation of High-Achieving Students of Color in Gifted Programs,” *AERA Open* 2, no. 1 (January 1, 2016), <https://journals.sagepub.com/doi/full/10.1177/2332858415622175>.
- 7 Tammy Kolbe, Drew Atchison, Caitlin Kearns, and Jesse Levin, “Policy Brief: State Funding Formulas—A National Review,” American Institutes for Research, June 2020, https://carsey.unh.edu/sites/default/files/media/2020/06/20-11882_7_primer_policyscan_v3.pdf.
- 8 “FundEd: State Policy Analysis: A Detailed Look at Each State’s Funding Policies—Utah,” EdBuild, accessed September 15, 2021, <http://funded.edbuild.org/state/UT>.

Acknowledgments

Thank you to the Bill & Melinda Gates Foundation for their financial support of this project, to Super Copy Editors, and to Five Line Creative for graphic design. Any errors in fact or analysis are the responsibility of the authors alone.

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About Bellwether Education Partners

Bellwether Education Partners is a national nonprofit focused on dramatically changing education and life outcomes for underserved children. We do this by helping education organizations accelerate their impact and by working to improve policy and practice. Bellwether envisions a world in which race, ethnicity, and income no longer predict opportunities for students, and the American education system affords all individuals the ability to determine their own path and lead a productive and fulfilling life.

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