

EDUCATION FUNDING

When There's More Money for Schools, Is There an 'Objective' Way to Hand It Out?



By [Mark Lieberman](#) — April 17, 2024 ⌚ 7 min read



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Tyler Hansford served as superintendent of the Union school district in Mississippi from 2018 to 2022. Year after year, the 1,000-student district received half a million dollars less from the state than it needed to cover all of its expenses, which total roughly \$6 million. Property tax collections from the rural district couldn't make up the difference.

As a result, he often had to make hard choices.

“You’ve got to make sure you’ve got teachers in front of the students,” said Hansford, who now serves as superintendent of the adjacent Newton County district. “Sometimes that means the roof probably doesn’t get replaced when it should, or maybe the windows are a little older than they should be.”

Both of Hansford’s rural districts have been among the victims of the state’s funding formula, which has been in place since 1997. On average, the formula sends roughly equivalent per-pupil amounts to high- and low-poverty districts, despite the consensus among researchers that high-poverty school districts benefit from having substantially more resources than their low-poverty counterparts.

The formula targets aid to districts based on calculations of staffing needs that rely on spending data from previous years in average schools.

Critics argue it gives wealthy districts an unfair advantage and doesn’t provide enough financial relief to the districts and students that need it most. State lawmakers have also rarely allocated as much money as the formula dictates.

Now Mississippi lawmakers are scrambling to replace the formula with something more equitable and less complicated. Similar efforts to fix school funding inequities are underway in Alabama, Colorado, Georgia, and Virginia.

Dueling versions of a funding formula revamp

Even by the standards of typical fights over fixing school funding at the state level, the situation in Mississippi is messy and tense.

Each house of the Mississippi legislature has put forward a plan to revamp the state’s school funding formula, which has been in place since 1997 and has long drawn criticism from politicians and school district leaders. Republicans have comfortable control of both legislative chambers.

The Senate’s proposal makes modest changes to the current approach but keeps its underlying structure.

The House, meanwhile, has crafted a substantially different model, centered around weighted funding for high-need students rather than allocating resources based on staffing levels.

Gov. Tate Reeves, a Republican, has said he supports the House plan. But on April 9, a Senate committee voted down the House plan. In response, House Speaker Jason White has signaled that he may refuse to proceed with the state's annual allocation of K-12 school funding if the Senate doesn't agree to the new formula in the coming days.



Fair's a hard word. What's fair to you and fair to me and fair to the next person can get twisted.

Tyler Hansford, superintendent, Newton County School District, Mississippi

Lawmakers and advocates in the state broadly agree that schools need more resources. But figuring out how to allocate them, Hansford said, has been a particular challenge ever since Mississippi voters [rejected a 2015 ballot measure](#) that would have pushed the state to dramatically increase school funding.

“I think the formula that they've been working on is trying to take into account what local places can contribute and what's fair. But fair's a hard word,” Hansford said. “What's fair to you and fair to me and fair to the next person can get twisted.”

Mississippi isn't alone in the quest for a more equitable school funding approach

The standoff highlights several trends that are playing out in Mississippi as well as across the country.

Two competing approaches to funding schools are squaring off in the political arena. But unlike with some neatly partisan issues, neither proposal has won over all the lawmakers from either party.

Meanwhile, regular state aid that schools are anticipating for next school year, much less an increase, could be in jeopardy if lawmakers don't resolve their differences soon. This prospect echoes the recent legislative fight over private school choice in Texas, which culminated in

lawmakers adjourning a special session last year without providing any new funding for the state's public schools—and without passing a school choice bill.

The possibility of a funding shortfall comes as schools are also bracing for the expiration of federal COVID relief funds, which have provided a financial cushion in recent years following pandemic-related turbulence.

Plus, the state has garnered national praise for crafting a set of reading programs in schools, coupled with targeted funding, that have significantly raised student achievement.

Those efforts are “going to do nothing if the dollars don't align behind the kids who need it,” said Rebecca Sibia, executive director of [EdFund](#), a new nonprofit organization that focuses on school finance research.

Policymakers want 'objective' criteria to guide school funding

Sibia previously served as founder and CEO of EdBuild, a now-defunct school funding nonprofit that was heavily involved in a previous effort to revise Mississippi's school funding formula.

This latest push for a new formula is building on the plan Sibia's team helped craft, and on one that was implemented a few years ago in Tennessee.

Mississippi law currently says state and federal sources must cover no less than 73 percent of a district's annual operating budget.

However, districts with greater property wealth can raise substantially more than the remaining 27 percent by taxing their residents, while districts like Newton struggle to even meet their 27 percent obligation.

When the Newton County schools raise one mill's worth of property taxes, the system receives roughly \$62,000, Hansford said. In some of the state's urban districts, meanwhile, 1 mill is worth nearly a million dollars, as they can draw from so much more property wealth. (Each mill is \$1 in property tax levied per \$1,000 of assessed value.)

The Senate proposal would increase the maximum local contribution to 29.5 percent and make adjustments for inflation. But otherwise, the 1997 law would remain intact.

The House proposal, meanwhile, would retain the 27 percent rule. But it would add weights for students in high-need categories like low-income students and English learners, sending more state funding to districts with larger high-need populations. It would also determine funding amounts based on enrollment rather than attendance, ensuring that schools aren't fiscally penalized when students miss school.

Those changes would result in a \$250 million overall increase in funding for the state's K-12 schools in the law's first year of implementation. The Senate's version would result in a \$200 million increase.

The House's INSPIRE Act would also require the state to incorporate feedback every two years from school superintendents in each of the state's congressional districts.

The current system, by contrast, derives its base aid calculation from the average per-pupil amount a district with a "C" grade from the state spent during the previous year.

Critics of the proposed new formula, have zeroed in on the role superintendents will play, raising concerns that letting individual school leaders weigh in could crowd out more "objective" criteria to guide funding allocations.

"I think an objective funding formula is reliable. That is why I am pursuing it," Sen. Dennis DeBar, chair of the Senate's education committee, told Mississippi Today in February.

Sibilia thinks those concerns are overblown, given lawmakers' history of subjective decisions about how much money to put into the current formula.

"I don't think that anyone aspires to be a C-rated school district," Sibilia said. "That alone is, maybe it's objective, but it's objective based on mediocrity."

Objective measures of student need and educational costs are hard to come by.

Nevada, for instance, has recently tried using a machine-learning tool to refine its definition of "at-risk students," but some district leaders believe the new system is undercounting the number of students who benefit from additional funding.

Other states devote extra dollars to students eligible for free and reduced-price meals, even though some low-income students haven't filled out paperwork to demonstrate eligibility and

lunch eligibility has become a less reliable barometer of poverty over time as universally free meals become more common.

These issues perennially cause headaches for lawmakers, who often aren't well-versed in the particulars of education funding formulas or school budgets.

“I truly have not seen a showdown like this when it comes to school funding,” said Sabilia, whose previous organization maintained a comprehensive database of states' wildly varied approaches to school finance. “Both sides believe the stakes are very high.”



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