

# How Districts Allocate Funds to Schools

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# How districts fund schools (and create inequities)



Step 1: Districts “staff” schools: assign base FTEs to each school using staffing formulas

=> *Higher priced teachers drive more funds to less needy schools*

Step 2: Districts allocate extra (“non-formula”) FTEs and funds for non-staffing purposes.

=> *Wealthier schools receive more staff FTEs outside the staffing formula*

# The Evidence:

**Table 2: Unrestricted spending per elementary pupil across sampled California Districts**

Category	Low Poverty	High Poverty
Unrestricted Teacher Expenditures	\$2,570	\$1,973
Teachers per 1000 students	44.9	41.5
Average teacher salary	\$57,242	\$47,545
Unrestricted Other Expenditures	\$1,839	\$1,648
<b>Total Unrestricted</b>	<b>\$4,409</b>	<b>\$3,621</b>

Source: Rose, et. al School resources and academic standards. PPIC (2006).<sup>i</sup>

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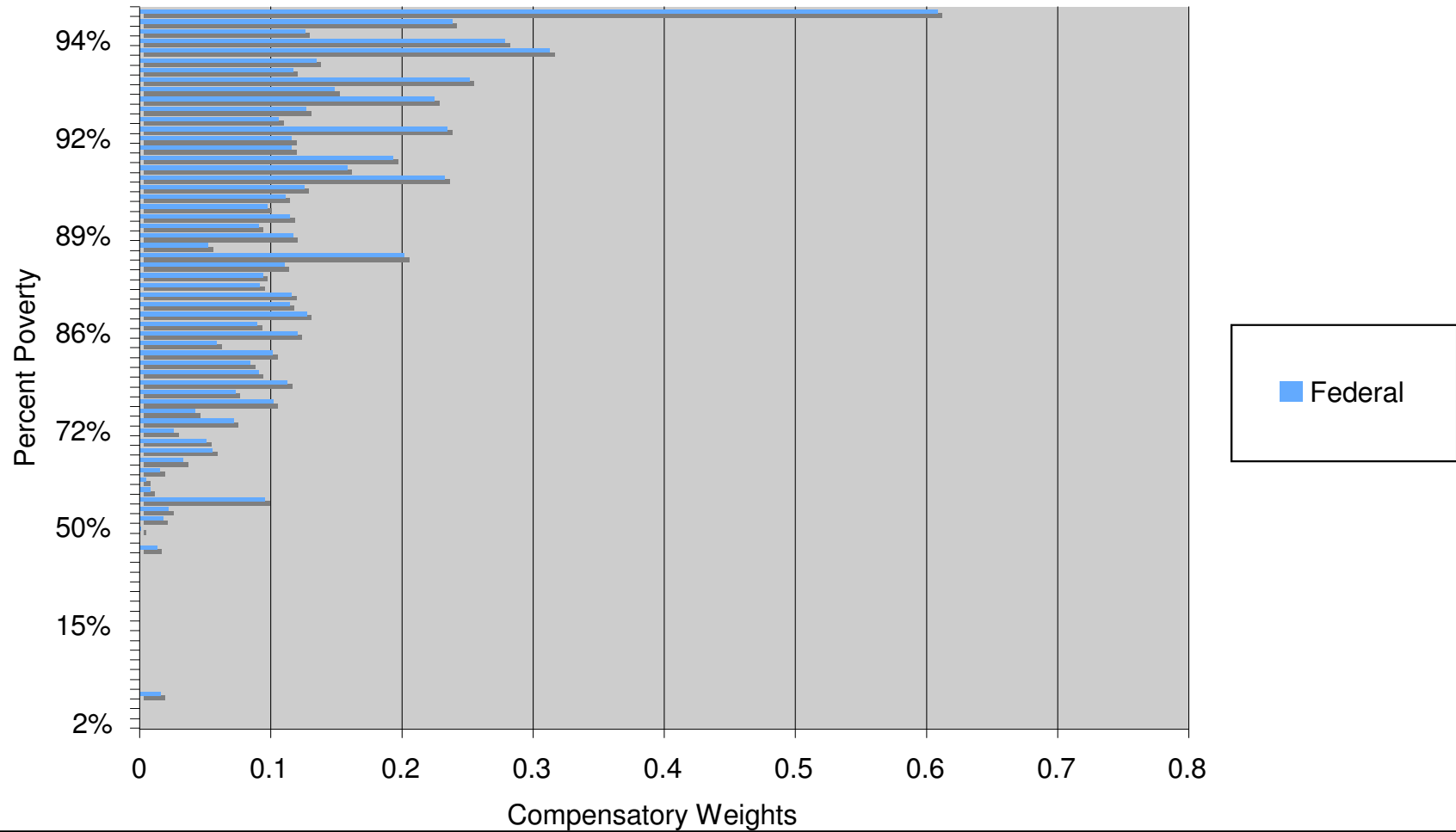
Step 3: Districts allocate “targeted” funds to high needs students

=> *State targeted funds can be used to offset federally targeted funds*

# State categoricals can also be a problem



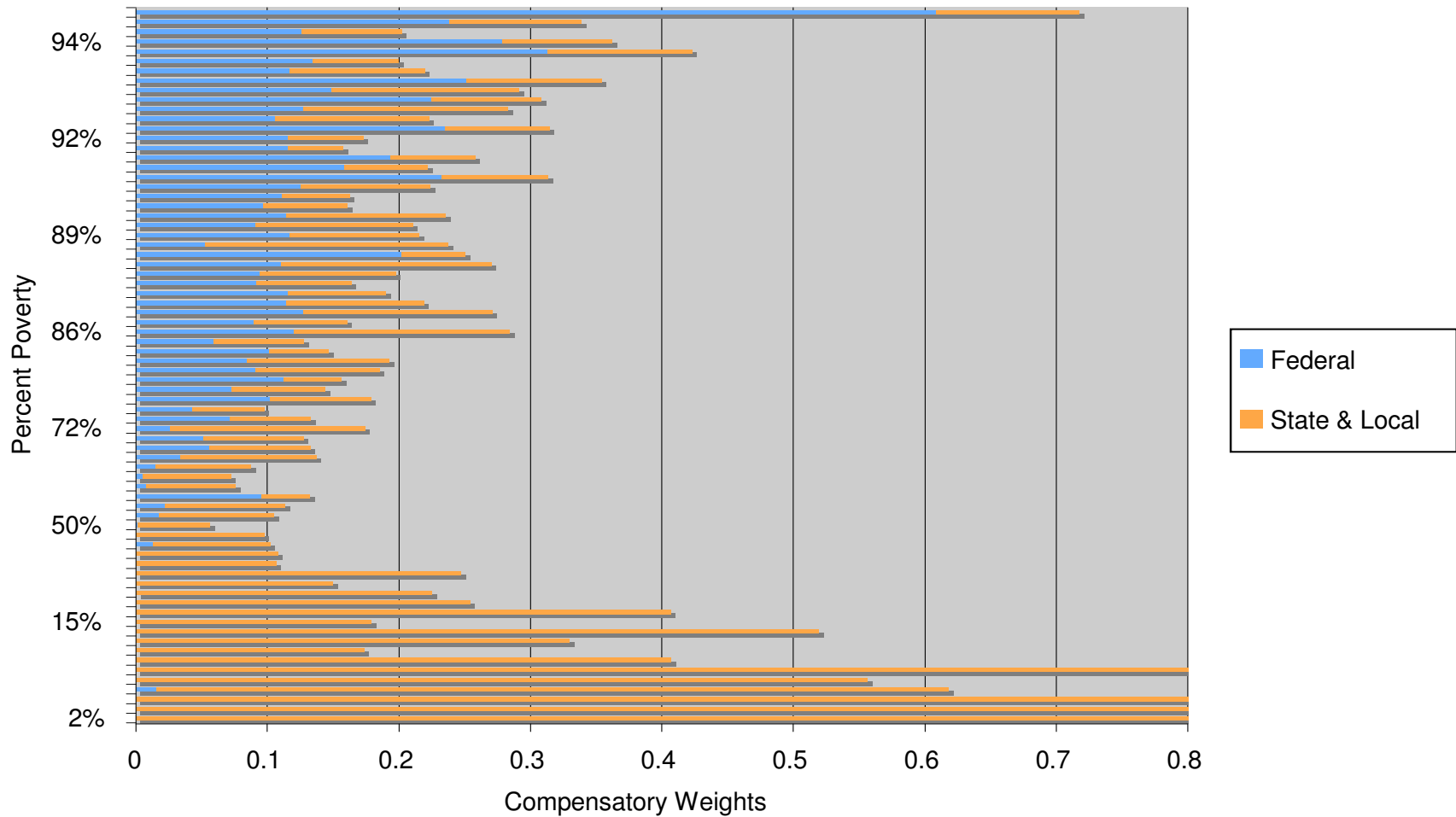
## Title I dollars reach high poverty schools... but...



# State categoricals can also be a problem



# State targeted funds can offset Title I

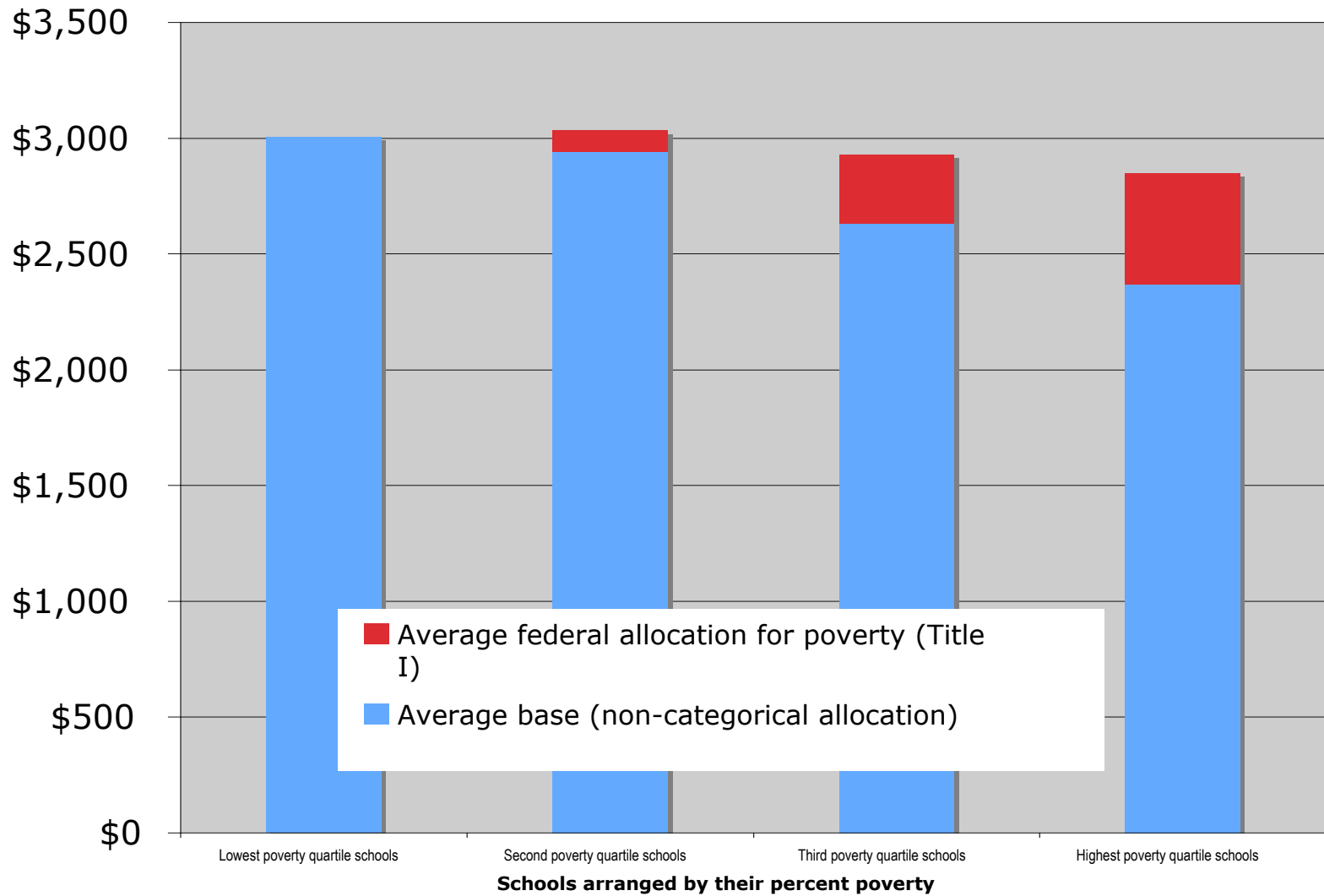


**Purpose:** Federal Title I program now brings some \$14 billion to high poverty districts with the intention of boosting spending on high poverty students above that for other students.

## **Comparability Provision:**

- Districts must equalize services to high and low poverty students before using Title I funds
- Federal Title I dollars must be used to augment services for poor students.

# But Title I comparability is not working



## Flaw in “Equivalence Test”

Three-part “Equivalence Test” promotes problematic district budget practices and misses inequities.

Districts are compliant if they have:

- a) Salary Schedule
- b) Staffing formula
- c) Formula for allocating curriculum supplies, etc.

## Flaw in “Equivalence Test”

### Equivalence test has the effect of:

Step 1: Districts “staff” schools: assign base FTEs to each school using staffing formulas

=> *Higher priced teachers drive more funds to less needy schools*

Endorse

Step 2: Districts allocate extra (“non-formula”) FTEs and funds for non-staffing purposes.

=> *Wealthier schools receive more staff FTEs outside the staffing formula*

Ignore

Step 3: Districts allocate “targeted” funds to high needs students

=> *State targeted funds can be used to offset federally targeted funds*

Ignore