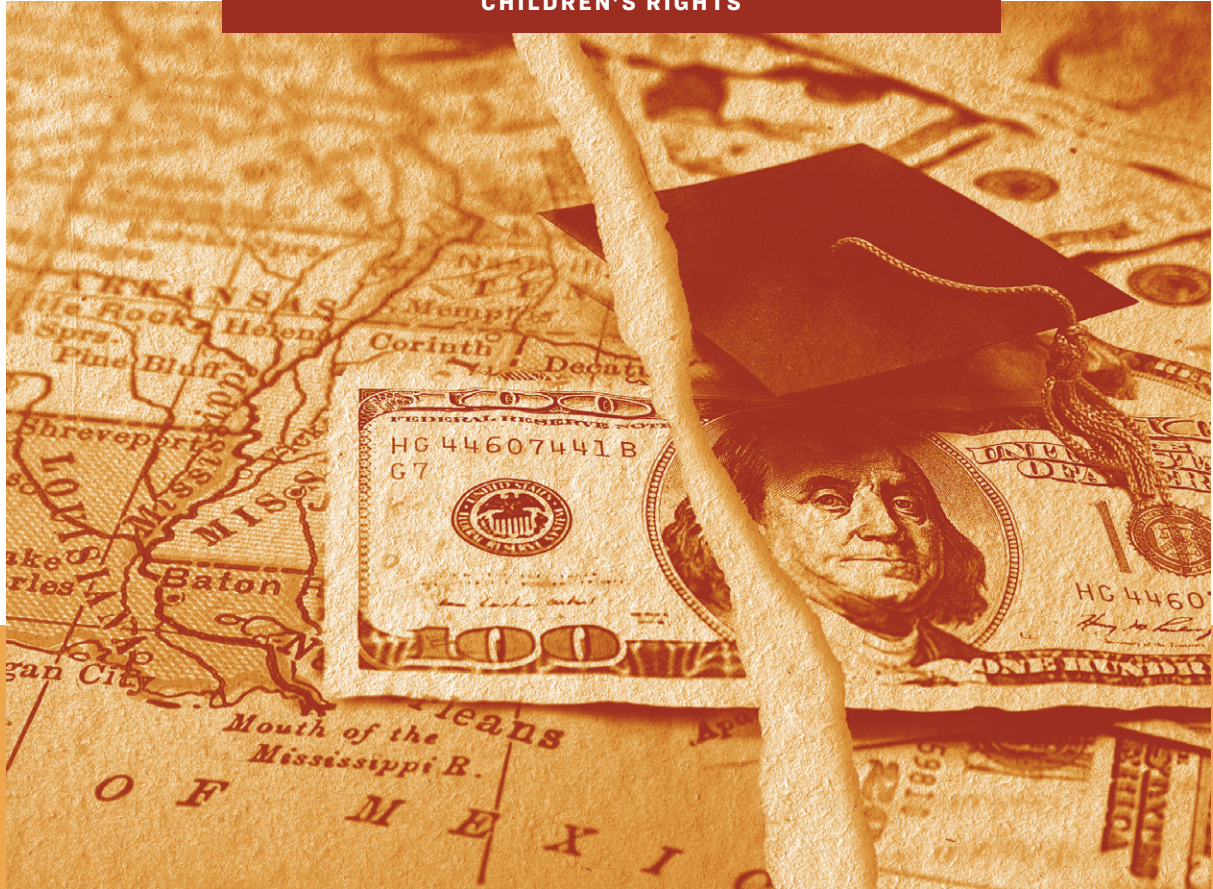


CHILDREN'S RIGHTS



# INEQUITY / IN SCHOOL FUNDING

Southern States Must Prioritize Fair Public School Spending

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ON THE COVER SPLC CONTRIBUTED

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## Introduction

Education Law Center’s annual [Making the Grade](#) report analyzes the condition of public school funding in all 50 states and the District of Columbia.<sup>1</sup> The report ranks and grades each state on three measures:

- Funding level – the cost-adjusted, per-pupil revenue from state and local sources (*Fig. 1*);
- Funding distribution – the extent to which additional funds are distributed to school districts with high levels of student poverty (*Fig. 2*);
- Funding effort – the funding allocated to support PK-12 public education as a percentage of the state’s economic activity (GDP) (*Fig. 3*).

Drawing on the data from [Making the Grade 2021](#), this brief provides a summary of the condition of school funding in eight Southern states: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Tennessee and Texas. The grades and rankings presented below are national in scope, reflecting how the Southern states perform relative to the rest of the country.

The bottom line is that students in the South are being denied access to well-funded, well-resourced schools that are key to providing them with the skills and opportunities needed to thrive academically, socially and as engaged members of our democracy. Southern states have failed to prioritize adequate and equitable public education funding, relegating their students to some of the most underfunded schools in the nation. Overall funding levels in these states are woefully insufficient. Moreover, they fail to target funds towards those students who need additional supports. At the same time these states are failing to adequately resource their public schools, almost all of them are funneling scarce education funding to private schools through voucher programs and otherwise engaging in “culture wars” that seek to undermine public education.

## What Is Fair School Funding and Why Does it Matter?

We define fair school funding as the funding needed in each state to provide qualified teachers, support staff, programs, services and other resources essential for all students to have a meaningful opportunity to achieve the state’s academic standards and graduate high school prepared for citizenship, post-secondary education and the workforce. A fair funding system is the foundational building block for high-performing, effective PK-12 public schools. Fair funding has two basic components: a sufficient level of funding for all students and increased funding for high-poverty districts to address the additional costs associated with student poverty. These two components are dependent on a third: the effort made by state legislatures to provide sufficient revenue to support the public school system.

A strong funding foundation is especially critical for low-income students, students of color, English learners, students with disabilities and students facing homelessness, trauma and other challenges. These students and the schools that serve them need additional staff, programs and supports to put them on the same footing as their peers. The research on the needs of vulnerable student populations for extra academic and academically related programs and services is compelling, as is the growing evidence that increasing investments in these students improves their achievement and other outcomes.<sup>2</sup>

Fair school funding has particular significance in the South because the historical context of racial segregation and resistance to integration still permeates education politics and policymaking. The segregation academies designed to evade school integration, which flourished in the post-Brown v. Board of Education era, have left an undeniable legacy. Public schools today enroll a disproportionate number of Black and Latinx students, while white students are overrepresented in private schools. As Southern states dramatically increase funding for



**Fair school funding has particular significance in the South because the historical context of racial segregation and resistance to integration still permeates education politics and policymaking.**

**The SPLC’s five focus states (Alabama, Florida, Georgia, Louisiana and Mississippi) educate 14% of the nation’s students but are home to a disproportionate share of the country’s poor and Black schoolchildren. One in five students in these states is poor, while one in three is Black. Inadequate and inequitable public school funding both perpetuates and exacerbates pervasive racial and economic injustices in these states.**

voucher programs, public schools remain drastically underfunded.

The inadequate funding of public schools in the South, along with the failure to provide the additional resources needed to support low-income students, has an outsize impact on students of color. The poverty rate among Black and Latinx families in the South is double that of white families, meaning they are more likely to bear the brunt of inequitable school funding. For too long, disparities in public education funding have contributed to the systemic barriers faced by students from families living in or near poverty and students of color. Improving school funding is an integral part of economic and racial justice movements seeking to break down these structural barriers and improve opportunities for all students.

### **Funding Level**

A state’s funding level is measured by analyzing the combined state and local revenues provided through each state’s school finance formula, adjusted to account for regional variations in labor market costs.

A state’s funding level grade is determined by ranking its position relative to other states; the grade does not measure whether a state meets any particular threshold of funding level based on the actual cost of education resources necessary to achieve state or national academic standards.<sup>11</sup>

Even after adjusting for regional cost differences, all eight Southern states score in the bottom third of states nationwide, and four are in the bottom 10. All states earn Ds or Fs, with funding

## **FAIR FUNDING FOR RACIAL AND ECONOMIC JUSTICE**

Improving public school funding to ensure all students can access high-quality educational opportunities is essential to advancing racial justice, fighting poverty, decreasing criminalization of marginalized youth and promoting civic engagement. Without adequate resources, schools are unable to implement many of the research-proven interventions that improve performance and close economic and racial achievement gaps. For example, schools need adequate and fairly distributed funding to provide small class sizes<sup>3</sup> instructional coaching<sup>4</sup> functioning libraries<sup>5</sup> and a culturally appropriate and challenging curriculum.<sup>6</sup> Well-funded schools can attract and retain a high-quality and competitively compensated workforce that reflects the composition of the student body. Proper funding can provide access to high-quality early education programs that reduce grade retention and special education classification, while improving test scores.<sup>7</sup> Schools also need resources to focus on social and emotional learning, which has myriad benefits including disruption of the school-to-prison pipeline.<sup>8</sup>

The benefits of well-funded schools extend beyond the formative education years into adulthood. Research shows that increasing school funding not only raises high school graduation rates, but also leads to higher adult wages and a lower likelihood of adult poverty, with the biggest benefits for students from low-income families.<sup>9</sup> Quality preschool programs can significantly reduce arrests and incarceration in adulthood.<sup>10</sup> And high-quality education fundamentally strengthens democracy by preparing students to be active and informed citizens.

levels that are significantly below the national average. For example, Florida and Mississippi, ranking 45th and 46th, have per-pupil funding levels that are more than \$4,000 below the national average (\$15,114).

### Funding Distribution

The hallmark of a fair school funding system is that it delivers more funding to educate students in high-poverty districts. This means states providing equal or less funding to high-poverty districts as compared to low-poverty districts are shortchanging the students most in need of additional academic and social-emotional support.

Figure 2 depicts funding distribution in each state as measured by the funding allocated to high-poverty districts relative to low-poverty districts.<sup>12</sup> States allocating more per-pupil funds to high-poverty districts have a “progressive” distribution system, resulting in a higher grade on the funding distribution measure. States that do the opposite – where high-poverty districts receive less funding – have a

“regressive” distribution system and earn a lower grade. States with similar funding levels in high- and low-poverty districts have “flat” distribution systems, clustered in the “C” grade range.

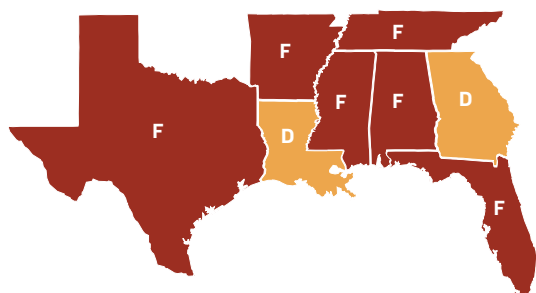
Georgia just meets the report’s conservative definition of progressivity, with high-poverty districts, on average, receiving 8% higher per-pupil funding than low-poverty districts.

Alabama, Florida and Texas have regressive funding, with high-poverty districts, on average, receiving less per-pupil funding than low-poverty districts. Florida and Alabama both have an average funding disadvantage of 12% in high-poverty districts. On average, high-poverty districts in Florida and Alabama receive about \$1,500 less than low-poverty districts.

In Arkansas, Louisiana, Mississippi and Tennessee there is no clear variation in funding relative to student poverty. These “flat” funding distributions disadvantage students in high-poverty districts by failing to deliver the additional resources they need to close persistent achievement gaps.

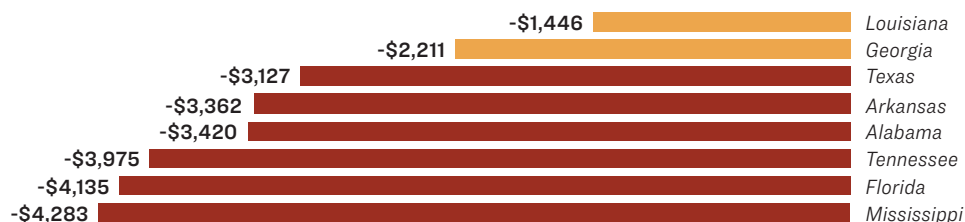
**FIGURE 1. FUNDING LEVEL** (State and local funding adjusted for regional cost differences)

#### FUNDING LEVEL GRADES



STATE	RANK	FUNDING LEVEL
Louisiana	34	\$13,668
Georgia	38	\$12,903
Texas	40	\$11,987
Arkansas	41	\$11,752
Alabama	42	\$11,694
Tennessee	44	\$11,139
Florida	45	\$10,979
Mississippi	46	\$10,831

#### FUNDING LEVEL RELATIVE TO NATIONAL AVERAGE (\$15,114)



### Funding Effort

Figure 3 ranks states on funding effort, as measured by the percentage of the state’s economic activity or gross domestic product (GDP) allocated to support the PK-12 school system.<sup>13</sup> The effort index is an important indicator of how a state prioritizes education spending relative to its economic capacity. But it is important to remember that there is no common benchmark for funding effort. Having above-average effort does not mean that a state is raising enough revenue for schools.

Florida, Louisiana, Tennessee and Texas make a lower-than-average effort to fund schools; Alabama and Georgia make average effort; and Arkansas and Mississippi make above-average effort. All the Southern states except Texas have lower-than-average fiscal capacity – measured as state GDP per capita. This means that with less economic activity from which to generate revenue, even a high degree of effort will generate lower-than-average funding levels. In Mississippi, like many other states, even

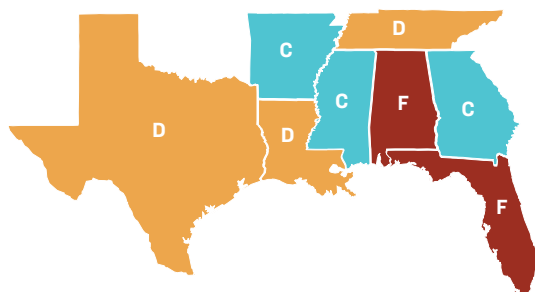
higher-than-average effort is inadequate to fund its existing school funding formula, which has only been fully funded twice since its implementation in 1997. A low-capacity state that also makes low effort, like Florida, is doubly disadvantaged.

### State Disinvestment in Education Following the Great Recession

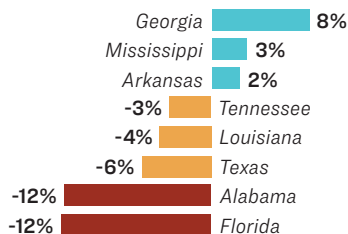
In the decade following the Great Recession, the United States experienced widespread disinvestment in public schools. Even as the recession ebbed and states’ economies rebounded, most states did not fully reinvest in their public schools. Nationwide, public schools would have had over half a trillion dollars more in state and local revenue if states had maintained their pre-recession fiscal effort towards PK-12 education between 2009 and 2018.<sup>14</sup>

All of the Southern states profiled here except Louisiana reduced their effort between 2008 and 2019, with GDP growth outpacing state and local revenue growth (see Figure 4). The result of these

**FIGURE 2. FUNDING DISTRIBUTION** (Difference in per pupil funding in high-poverty and low-poverty districts)



#### ADVANTAGE (+)/DISADVANTAGE (-) IN HIGH POVERTY DISTRICTS



STATE	RANK	LOW POVERTY DISTRICTS	HIGH POVERTY DISTRICTS
Georgia	13	\$12,615	\$13,639
Mississippi	20	\$10,499	\$10,815
Arkansas	22	\$11,285	\$11,553
Tennessee	29	\$11,508	\$11,119
Louisiana	32	\$13,530	\$12,951
Texas	34	\$12,431	\$11,720
Alabama	39	\$12,729	\$11,180
Florida	40	\$12,042	\$10,551

SOURCE: ELC ANALYSIS OF U.S. CENSUS ANNUAL SURVEY OF SCHOOL SYSTEM FINANCES, 2019; U.S. CENSUS SMALL AREA INCOME AND POVERTY ESTIMATES, 2019.  
NOTE: FUNDING DISTRIBUTION RANKS 47 STATES. HAWAII AND D.C. ARE EXCLUDED BECAUSE THEY ARE SINGLE DISTRICT SYSTEMS. MASSACHUSETTS AND VERMONT ARE EXCLUDED DUE TO REPORTING INCONSISTENCIES.

states' lagging investments in education: a combined loss of \$189 billion in state and local revenue over those 11 years. Florida and Georgia had among the steepest declines in the country. If these states had maintained a consistent fiscal effort, average per-pupil funding in 2019 would have been \$4,368 higher in Florida and \$3,193 higher in Georgia (see Figure 5).

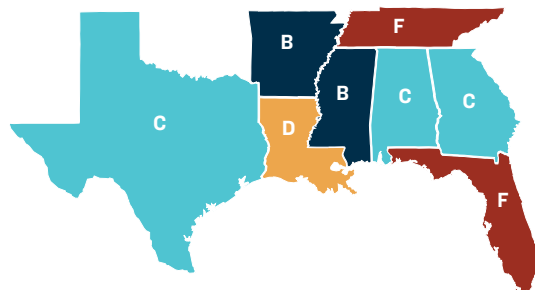
### Conclusion

The data are clear: School finance in the Southern states is in drastic need of improvement. However, a number of challenges threaten to derail attention from the core issue of fair school funding. Many Southern states are facing the expansion of school voucher programs that divert scarce public funds to unaccountable and discriminatory private institutions. At the same time, political leaders are using divisive issues to undermine the viability of public

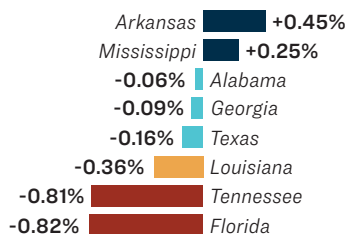
schools and, in some cases, force parents to leave their local public schools (e.g., imposing bans on mask mandates and inclusive, culturally responsive curricula). Such tactics should be called out for what they are: mere distractions that seek to undermine the critical role public schools play in shaping the economic and social health of the region.

These distractions make it even more important for advocates to focus on improving school funding and demanding that policymakers address the structural flaws with school finance policies in their states. State leaders must be put on notice that citizens will no longer tolerate inadequate funding and the troubling disinvestment in public education that increases inequity and threatens the foundations of our democracy. It is past time for political leaders in the Southern states to prioritize public education and demonstrate a true commitment to adequate and equitable funding for all students.

**FIGURE 3. FUNDING EFFORT** (PK-12 revenue as a percentage of state GDP)



#### EFFORT ABOVE/BELOW THE NATIONAL AVERAGE

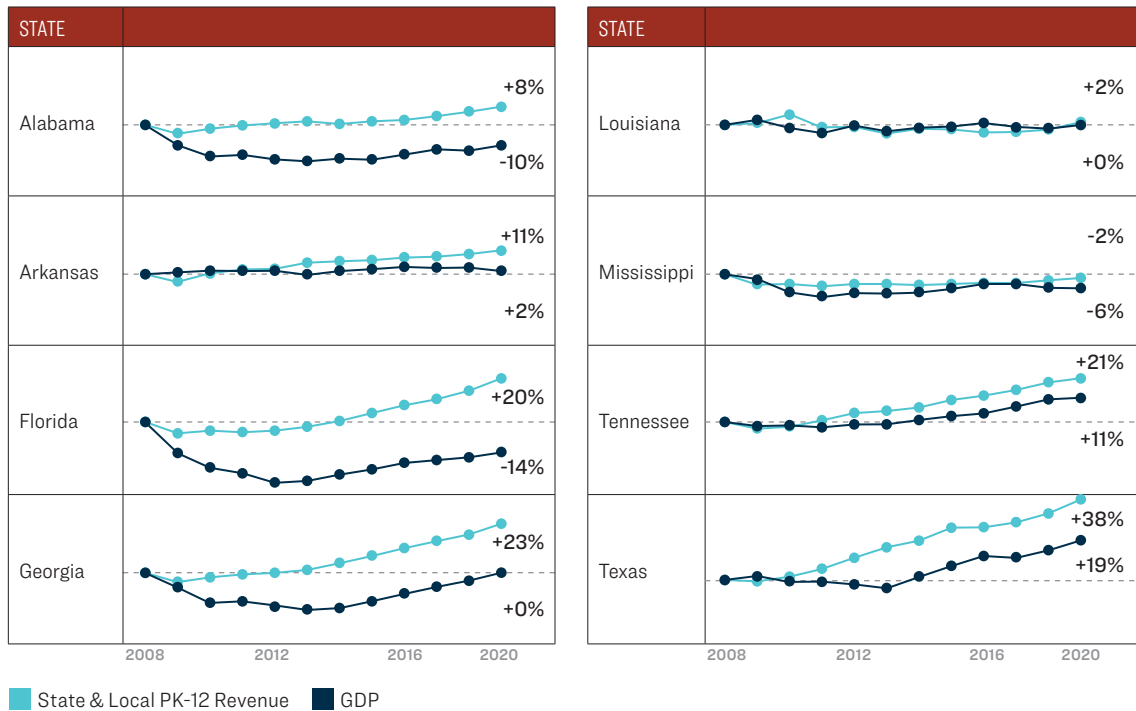


STATE	RANK	PER-CAPITA GDP V. NAT'L AVERAGE (\$56,830)	EFFORT INDEX
Arkansas	13	-\$17,953	3.82%
Mississippi	18	-\$22,361	3.62%
Alabama	27	-\$15,911	3.31%
Georgia	29	-\$5,323	3.29%
Texas	32	+\$4,038	3.22%
Louisiana	35	-\$5,316	3.02%
Tennessee	47	-\$8,749	2.56%
Florida	48	+\$12,011	2.55%

SOURCE: ELC ANALYSIS OF U.S. BUREAU OF ECONOMIC ANALYSIS STATE GDP 2019; U.S. CENSUS ANNUAL SURVEY OF SCHOOL SYSTEM FINANCE, 2019.



**FIGURE 4. INFLATION-ADJUSTED GDP AND PK-12 REVENUE GROWTH, 2008-2019**



SOURCE: ELC ANALYSIS OF U.S. BUREAU OF ECONOMIC ANALYSIS STATE GDP 2019; U.S. CENSUS ANNUAL SURVEY OF SCHOOL SYSTEM FINANCE, 2019.

**FIGURE 5. LOST PK-12 REVENUE FROM REDUCED EFFORT**

STATE	TOTAL LOST REVENUE 2008-19	PERCENTAGE CHANGE IN EFFORT v 2008	PER PUPIL FUNDING DEFICIT IN 2019 BASED ON PRE-RECESSION EFFORT LEVELS
Florida	\$88.5B	-30%	-\$4,368
Georgia	\$41.1B	-21%	-\$3,193
Alabama	\$14.3B	-18%	-\$2,311
Tennessee	\$7.4B	-11%	-\$1,186
Arkansas	\$2.1B	-8%	-\$937
Mississippi	\$1.9B	-6%	-\$595
Texas	\$32.7B	-5%	-\$566
Louisiana	\$1.0B	0%	

SOURCE: ELC ANALYSIS OF U.S. BUREAU OF ECONOMIC ANALYSIS STATE GDP 2019; U.S. CENSUS ANNUAL SURVEY OF SCHOOL SYSTEM FINANCE, 2019.

# Endnotes

- 1 The data presented in this report are from the forthcoming *Making the Grade 2021*. Prior editions are available at <https://edlawcenter.org/research/making-the-grade/>
- 2 McKillip, M. and Luhm, T. (2020). *Investing Additional Resources in Schools Serving Low-Income Students: Evidence for Advocates*. Education Law Center [https://edlawcenter.org/assets/files/pdfs/publications/Investing\\_in\\_Students\\_Policy\\_Bri.pdf](https://edlawcenter.org/assets/files/pdfs/publications/Investing_in_Students_Policy_Bri.pdf).
- 3 Schanzenbach, D.W. (2014). *Does Class Size Matter?* National Education Policy Center <https://secureservercdn.net/198.71.233.31/3zn.338.myftpupload.com/wp-content/uploads/2014/02/207632499-Pb-Class-Size.pdf>
- 4 Kraft, M.A., Blazar, D., Hogan, D. (2018). *The effect of teaching coaching on instruction and achievement: A meta-analysis of the causal evidence*. *Review of Educational Research*, 88(4), 547-588.
- 5 *Strong School Libraries Build Strong Students*. American Association of School Librarians [https://www.ala.org/aasl/sites/ala.org/aasl/files/content/aaslissues/advocacy/AASL\\_infographic.pdf](https://www.ala.org/aasl/sites/ala.org/aasl/files/content/aaslissues/advocacy/AASL_infographic.pdf)
- 6 Washington, S. (2018). *Diversity in Schools Must Include Curriculum*. The Century Foundation <https://tcf.org/content/commentary/diversity-schools-must-include-curriculum/>
- 7 *New Jersey Abbott Preschool Program Longitudinal Effects Study through Grade 10*. (2021). National Institute for Early Education Research [https://nieer.org/wp-content/uploads/2021/05/Abbott\\_Fact\\_Sheet.pdf](https://nieer.org/wp-content/uploads/2021/05/Abbott_Fact_Sheet.pdf)
- 8 *Counselors Not Cops: Ending the Regular Presence of Law Enforcement in Schools*. (2016). Dignity in Schools Campaign [http://dignityinschools.org/wp-content/uploads/2017/10/DSC\\_Counselors\\_Not\\_Cops\\_Recommendations-1.pdf](http://dignityinschools.org/wp-content/uploads/2017/10/DSC_Counselors_Not_Cops_Recommendations-1.pdf)
- 9 *The Benefits of Increased School Spending*. (2017). Northwestern Institute for Policy Research <https://www.ipr.northwestern.edu/documents/policy-briefs/school-spending-policy-research-brief-Jackson.pdf>
- 10 Nelson, L. (2014). *The biggest benefit of pre-K might not be education*. Vox <https://www.vox.com/2014/7/30/5952739/the-research-on-how-pre-k-could-reduce-crime>
- 11 The United States has no established “opportunity to learn” standards that define the resources needed to ensure students have the opportunity to achieve common outcomes. It is, therefore, not feasible to determine the cost of those resources and funding levels across states.
- 12 Poverty is measured using the Census definition due to reporting inconsistencies for the National School Lunch Program, the more commonly used metric of school poverty. Census poverty is a more severe measure than either free lunch (130% of Census poverty) or reduced lunch (185% eligibility). We define high-poverty districts as having a 30% Census poverty rate among school-aged children and low-poverty districts having a 5% poverty rate. For more detail, see the Technical Appendix.
- 13 Gross domestic product (GDP) is the value of all goods and services produced by each state’s economy. In this report it serves as a measure of each state’s capacity to raise revenue to fund schools.
- 14 Farrie D. and Sciarra D. 2020. *\$600 Billion Lost: State Disinvestment in Education Following the Great Recession*. Education Law Center [https://edlawcenter.org/research/\\$600-billion-lost.html](https://edlawcenter.org/research/$600-billion-lost.html)



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