



Every Child

Alabama Coalition

POWERED BY A+ EDUCATION PARTNERSHIP



Every Dollar Counts

LEARNING SERIES

Session 1: School Funding 101

Speaker Introductions



Mark Dixon
A+ President



Jason Meadows
A+ Advocacy &
Partnership
Director



**Qubilah
Huddleston**
Ed Trust Policy Lead,
Equitable School
Funding

A+ Education Partnership is building an Alabama where every child has access to a world-class education, regardless of circumstance.



With one foot in the statehouse and one foot in the schoolhouse and communities, we partner with families, educators, state leaders, and our community to advocate on behalf of **ALL** Alabama public school students.





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LEARNING SERIES

Seven-part virtual learning series from 3-4 pm

Thursday, May 2
Thursday, May 16
Thursday, May 30
Thursday June 13
Thursday, June 27
Thursday, July 11

Today's Objectives

Participants will:

- Understand the fundamentals of school finance – revenue, spending, & reporting.



Questions

This series is all about **learning**.

Please submit any questions that come up as we go.



The background is a solid dark blue color. In the four corners, there are decorative, light blue, hand-drawn style lines that curve and loop around the edges of the page.

Modernizing Alabama's School Funding Policy: Why now?

Alabama is Making Progress Nationally

Reading

49th

2019 Alabama
4th Grade Reading

39th

2022 Alabama
4th Grade Reading

Alabama was **1 of only 3 states** to
make gains in our scores

Math

52nd

2019 Alabama
4th Grade Math

40th

2022 Alabama
4th Grade Math

Alabama was **1 of only 2 states** to **hold steady** in our scores

But We Still Have a Lot of Work to Do

ELA on State ACAP Assessment

Only

49%

of all **Alabama students** were
proficient in ELA

Only

35%

of **students in poverty** were
proficient in ELA

Only

32%

of **Black students** were
proficient in ELA

Math on State ACAP Assessment

Only

30%

of all **Alabama students** were
proficient in math

Only

17%

of **students in poverty** were
proficient in math

Only

13%

of **Black students** were
proficient in math

In 2023, there were **19 Alabama schools** with **0%** of their students **proficient in math**.

Funding is the one thing that **impacts everything**.

If we don't address school funding, we are **treating symptoms and not the root cause of opportunity gaps**.

Why modernize?



More money makes a difference, especially for economically disadvantaged students.



Our education system will not truly improve until all students have the resources they need to be successful.



And, Alabama voters overwhelmingly want to see this happen.

With strong leadership, Alabama has laid a great foundation with the Alabama Literacy Act and the Alabama Numeracy Act. [Modernizing our funding formula will transform the system for the next generation.](#)



Every Child

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Every Child Alabama

Every Child Alabama will be a coalition of organizations and individuals working to ensure every child in Alabama has access to a world-class education to reach their full potential.

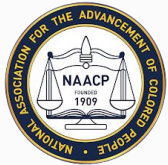
This includes **community leaders, business leaders,** and **non-profit organizations** across the state.

We are advocating to modernize Alabama's school funding policy to a model that is **driven by student needs.**

In order to accomplish this once-in-a-generation feat, **we must come together** to demand more for students.



We have 26 coalition partners!





SOUTHERNERS
FOR FAIR SCHOOL FUNDING
POWERED BY THE EDUCATION TRUST—TENNESSEE

How Schools are Funded: Policy Fundamentals

**Presentation for Every Child Alabama School
Funding Academy**

By Qubilah Huddleston, Funding Policy Lead, Ed Trust





Schedule

Breakfast/morning

Morning Meeting

Phonics

Math

Shared Reading

Lunch Recess

Beekeeper Experts

Daily 5

Spanish

Art

Snack

Closing

tough
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Farmers
being



Session Agenda

- What Goes In? (Revenue)
- What Comes Out? (Spending)
- How Do We Know? (Reporting)
- Q&A

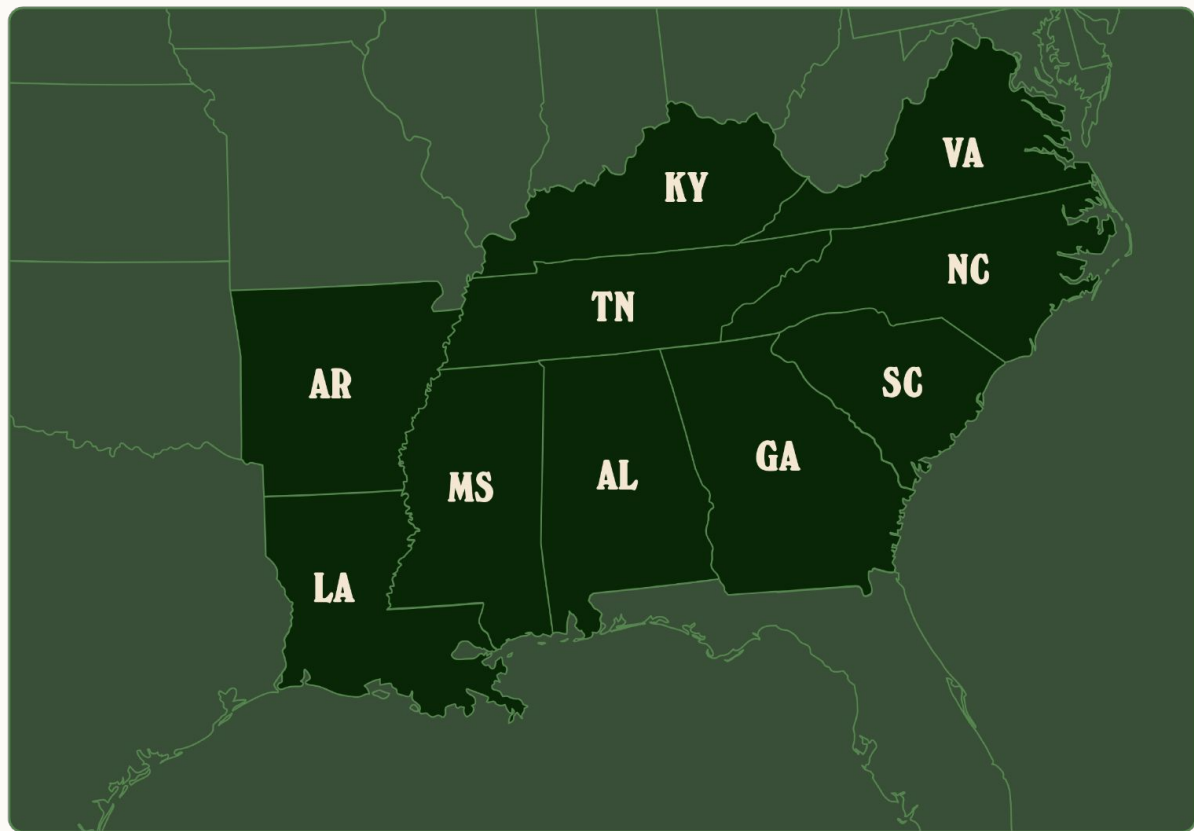




SOUTHERNERS FOR FAIR SCHOOL FUNDING

POWERED BY THE EDUCATION TRUST-TENNESSEE

Why the South?

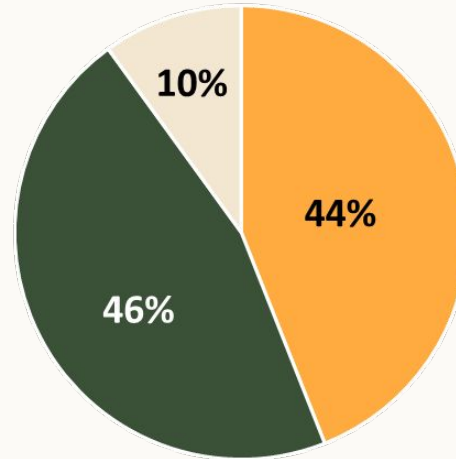


School Funding: What Goes In?

State and local revenue make up equal shares of total public school funding

Public School Revenue by Source

Fiscal Year 2021

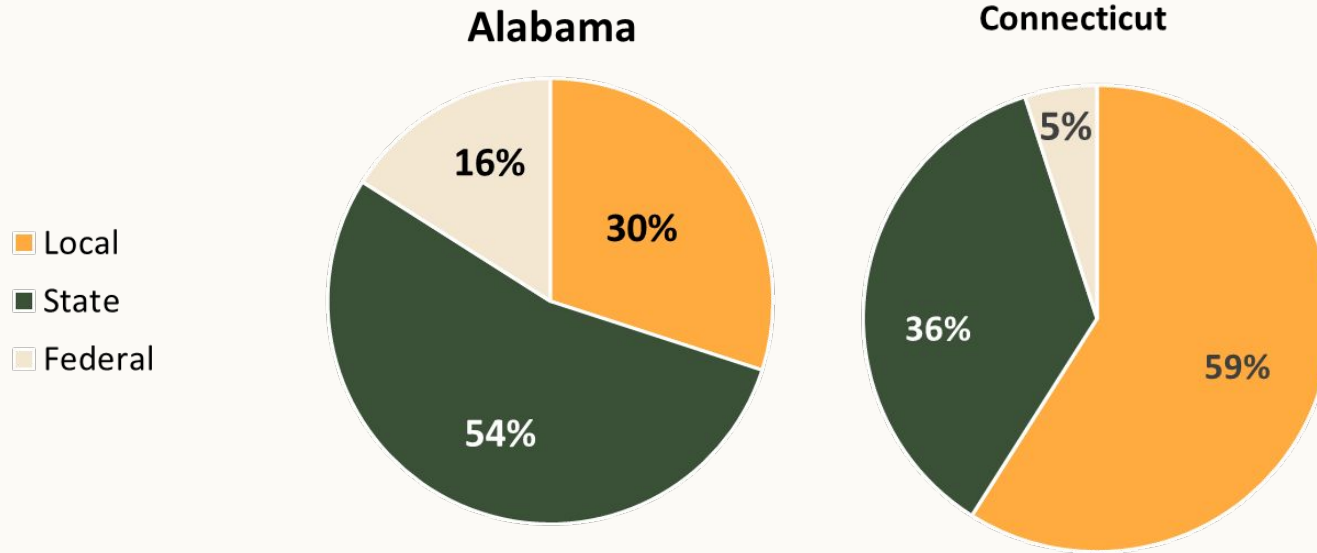


Local State Federal

Source: [National Center for Educational Statistics at IES, Revenues and Expenditures for Public Elementary and Secondary Education: FY 21](#)

What Goes In: State Comparison

Revenue sources for public schools vary widely across states
Fiscal Year 2021



Source: *National Center for Educational Statistics at IES, Revenues and Expenditures for Public Elementary and Secondary Education: FY 21;*

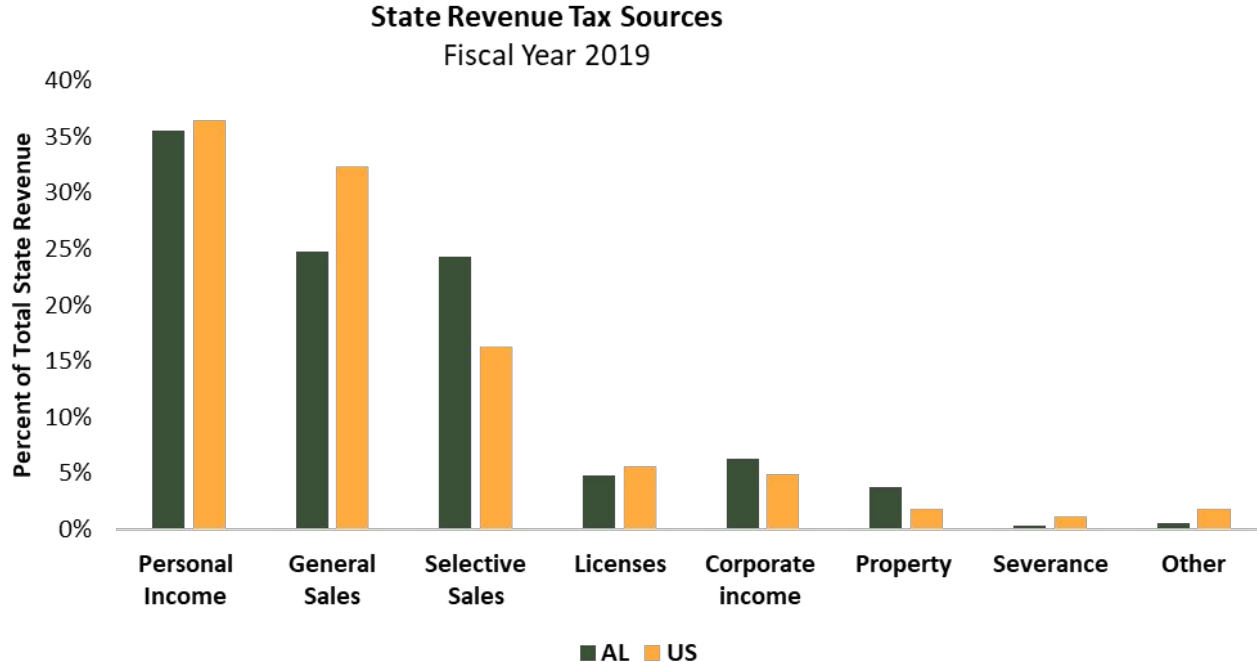
State Revenue Sources

State education dollars are drawn from a diversity of tax sources that vary by state



Source: [Pew Charitable Trusts, How States Raise Their Tax Dollars](#)

Alabama relies more heavily on selective sales tax and property taxes than other states.



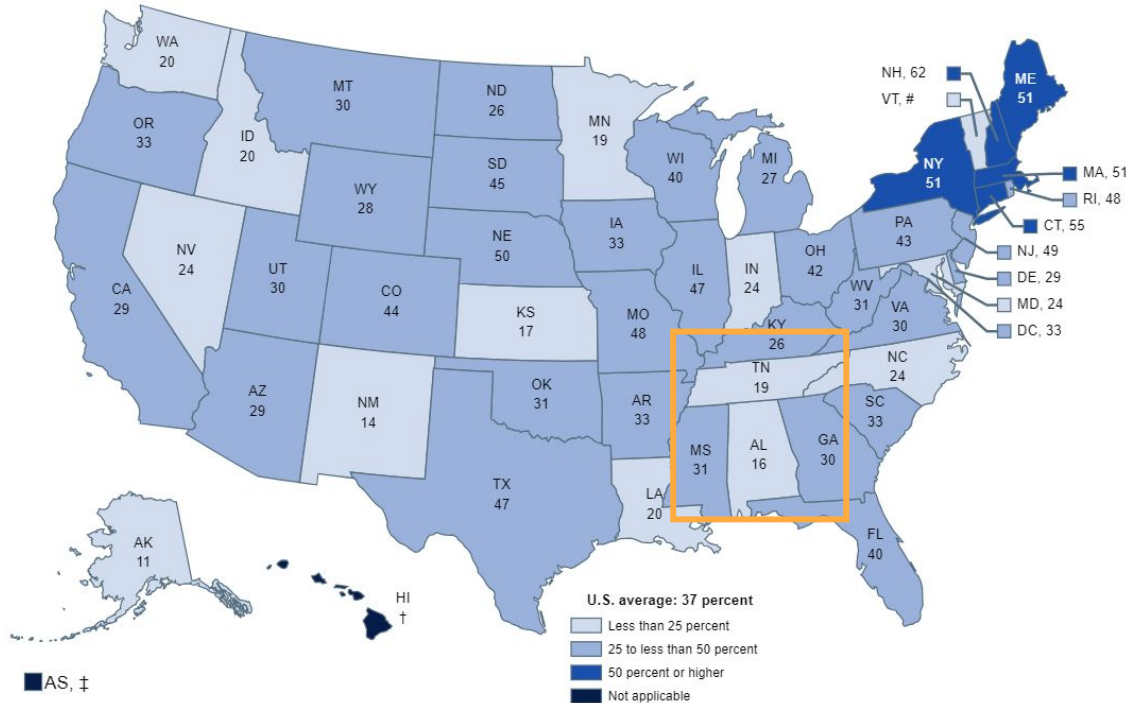
Source: [Pew Charitable Trusts, How States Raise Their Tax Dollars](#)

Local Revenue Sources

The primary source of local revenues for schools is the property tax. A mix of smaller local revenue sources contribute to school funding as well.



Figure 4. Property tax revenues for public elementary and secondary schools as a percentage of total public school revenues, by state: School year 2019–20



In Alabama,
16% of total
 revenues came
 from property
 taxes in School
 Year 2019-20

What Goes In: Summary

- **On average**, U.S. school districts receive 44% of their funds from local sources, 46% from state sources, and 10% from federal sources.
- **State** education dollars come from a broad range of taxes, including income, sales, property, and other taxes. The mix varies a great deal by state.
- **Local** education dollars are drawn mostly from property taxes, supplemented by a mix of smaller revenue sources.



What Goes In: Questions and Discussion

School Funding: What Comes Out?

Federal budget for K-12 in FY 2023 = \$45 billion restricted to:



**\$18.9B to support
students living in
poverty (Title I)**



**\$15.5B to support
students with
disabilities (IDEA)**



**\$215M to support
rural students**

State funding formulas define specific state funding amounts for districts

- States use a formula to determine how much money each district needs for the year
- States calculate how much funding the district is expected to contribute from local sources
- The balance of the formula is provided as state aid

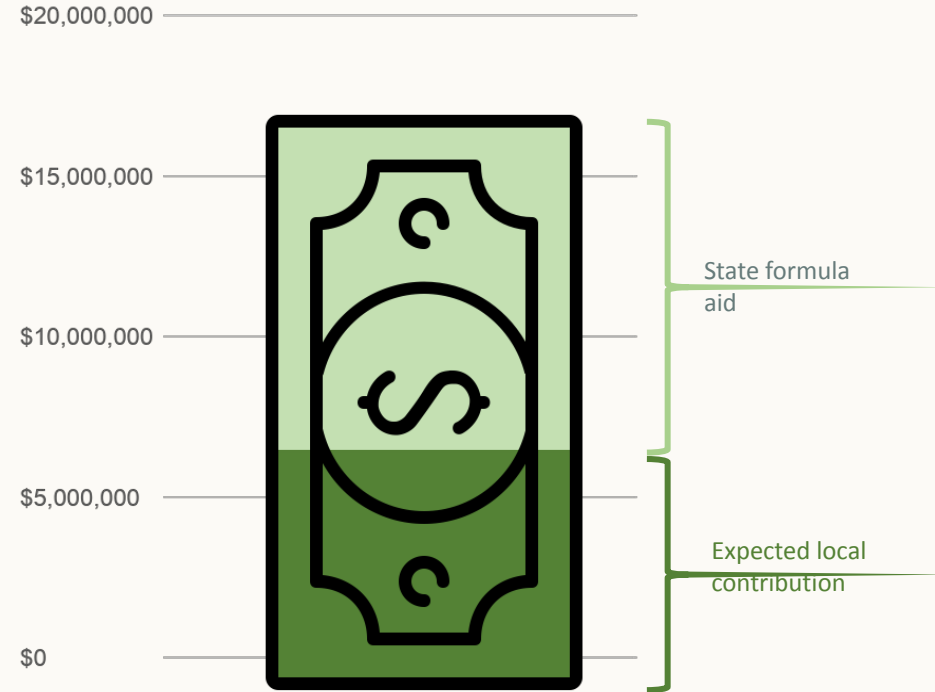


Image source: IconMark, via Noun Project

The majority of states outside of the South have student-based formulas

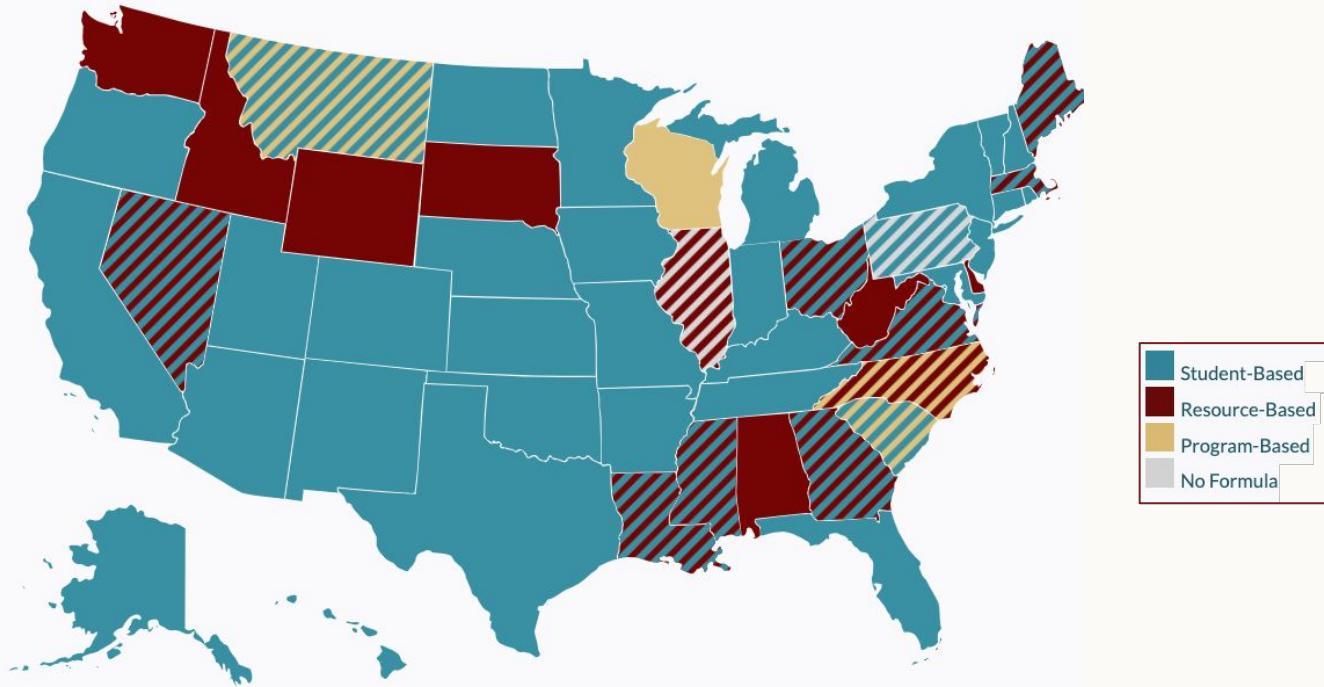
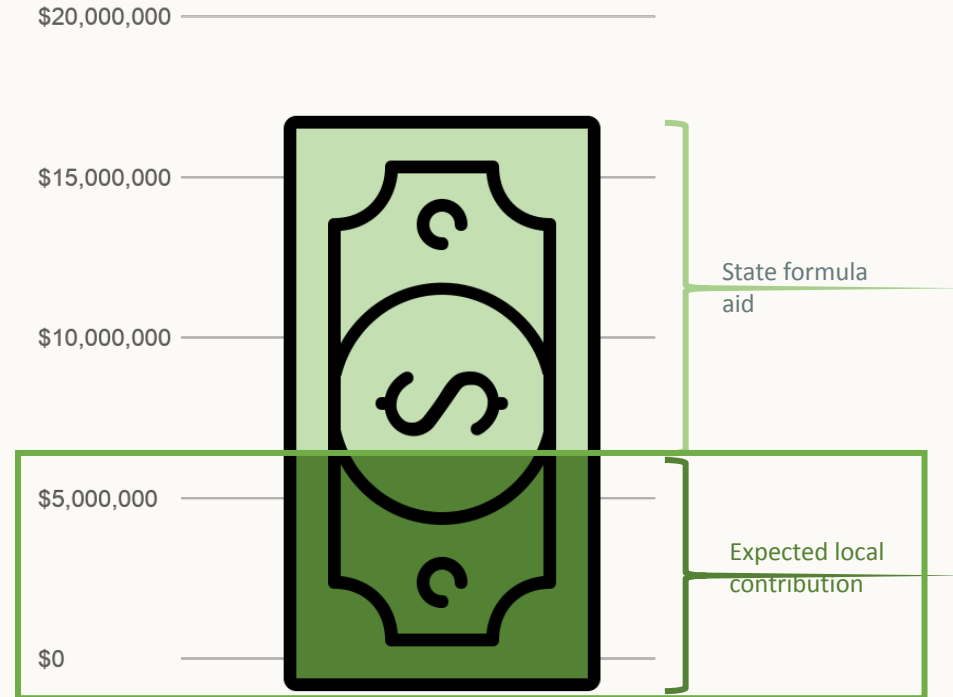


Image source: [EdBuild, FundEd](#)

Local contributions begin with state defined “Expected local contribution”

- The state uses a formula to determine how much money each district needs for the year
- The state calculates how much funding the district is expected to contribute from local sources
- The balance of the formula is provided as state aid

Image source: IconMark, via Noun Project



Local contributions can be more than the state expected contribution

The state calculates how much funding the district is expected to contribute from local sources.

But, the district often may raise more without affecting the state aid amount.

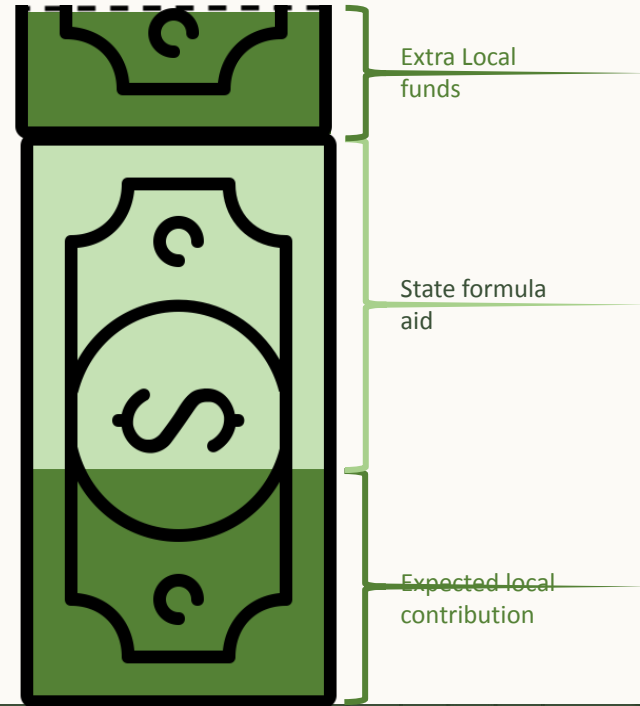


Image source: IconMark, via Noun Project

States define categorical grants in addition to funding formulas

Categorical grant examples:

- Literacy Act and Numeracy Act
- Start-up funds or equipment reimbursements for CTE programs
- School safety initiatives
- Gifted and talented programs
- Transportation funding

Differences between categorical grants and funding formula dollars:

- Flexible use of dollars varies
- Categorical grants are not subject to a local contribution

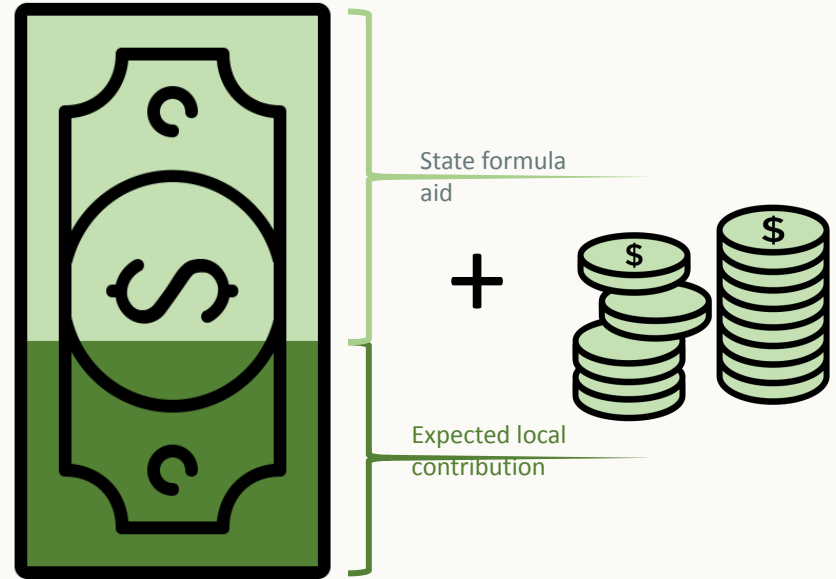


Image sources: IconMark and Vectors Market, via Noun Project

What Comes Out: Summary

- The federal government is designed to supplement, or add to what states and districts spend.
- States distribute most education spending as formula aid; the formula sets a target based on district funding needs and subtracts a local share.
- Local education spending includes districts' contributions towards the formula target, as well as any extra dollars that the district chooses to raise and spend (if allowed by state law).

What Comes Out: Questions to Ask about Your System

- Adequacy:** Is there enough revenue apportioned for each individual district?
- Equity:** Does the allocation vary based on student and community need—between and within districts?
- Equity:** Is the funding responsibility shared fairly between state and local levels?
- Responsibility:** Do districts have flexibility in how they fund schools?
- Responsibility:** Do school leaders have flexibility in how they budget?
- Transparency:** Is it clear *how* allocations are made for different students and communities?



What Comes Out: Questions and Discussion

School Funding: How Do We Know?

Data reporting provides the information we need to understand what's going in and out of school funding systems



Federal and state school finance data can increase transparency and help us identify funding inequities

How Do We Know: Questions to Ask about Your System

- ❑ **Transparency:** Is spending data reported clearly and accessible at the district and school levels, in a way that's useful for different audiences (researchers, advocates, parents, and community members)?
- ❑ **Transparency and Equity:** Is data disaggregated so that links can be made between financial information and school and district demographics?



How Do We Know: Questions and Discussion

Questions to Ask About Your System: Review

- What Goes In**
 - Adequacy:** Is there enough revenue to provide for education in the state?
 - Adequacy and Equity:** Can districts raise and keep extra local dollars? How much?
 - Equity:** Are education dollars drawn from progressive revenue sources?
- What Comes Out**
 - Adequacy:** Is there enough revenue apportioned for each individual district?
 - Equity:** Does the allocation vary based on student and community need—between and within districts?
 - Equity:** Is the funding responsibility shared fairly between state and local levels?
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- How Do We Know?**
 - Transparency:** Is spending data reported clearly and accessibly at the district and school levels, in a way that’s useful for different audiences (researchers, advocates, parents, and community members)?
 - Transparency and Equity:** Is data disaggregated so that links can be made between financial information and school and district demographics?

*Four categories taken from the “key principles” on EdBuild, *Common Sense and Fairness*

Questions and Discussion



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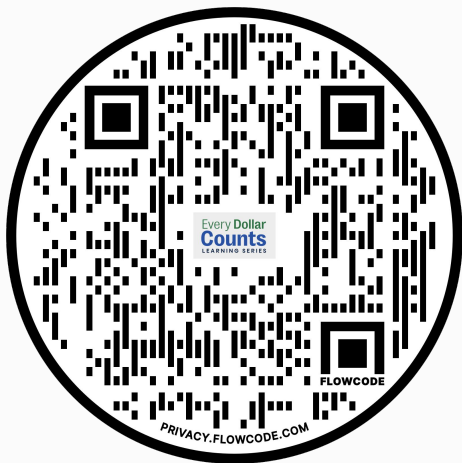
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