

State Funding Models for K-12 Education

Overview of Approaches for Funding
Elementary and Secondary Education



WHO WE ARE.

The essential, indispensable member of any team addressing education policy.



WHAT WE DO.

We believe in the power of learning from experience, and we know informed policymakers create better education policy.



HOW WE DO IT.



Research



Report



Convene



Counsel

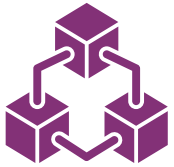
Agenda

- **National Landscape**
- Legislative Trends
- Funding Priorities - Adequacy

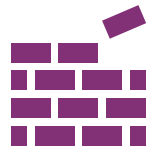


50-State Comparison K-12 Funding

FUNDING MODEL



Primary
Funding Model



Base
Amount



Student
Counts

STUDENT AND DISTRICT CHARACTERISTICS



Special
Education



English
Learners



Gifted and
Talented



Students from
low-income
backgrounds



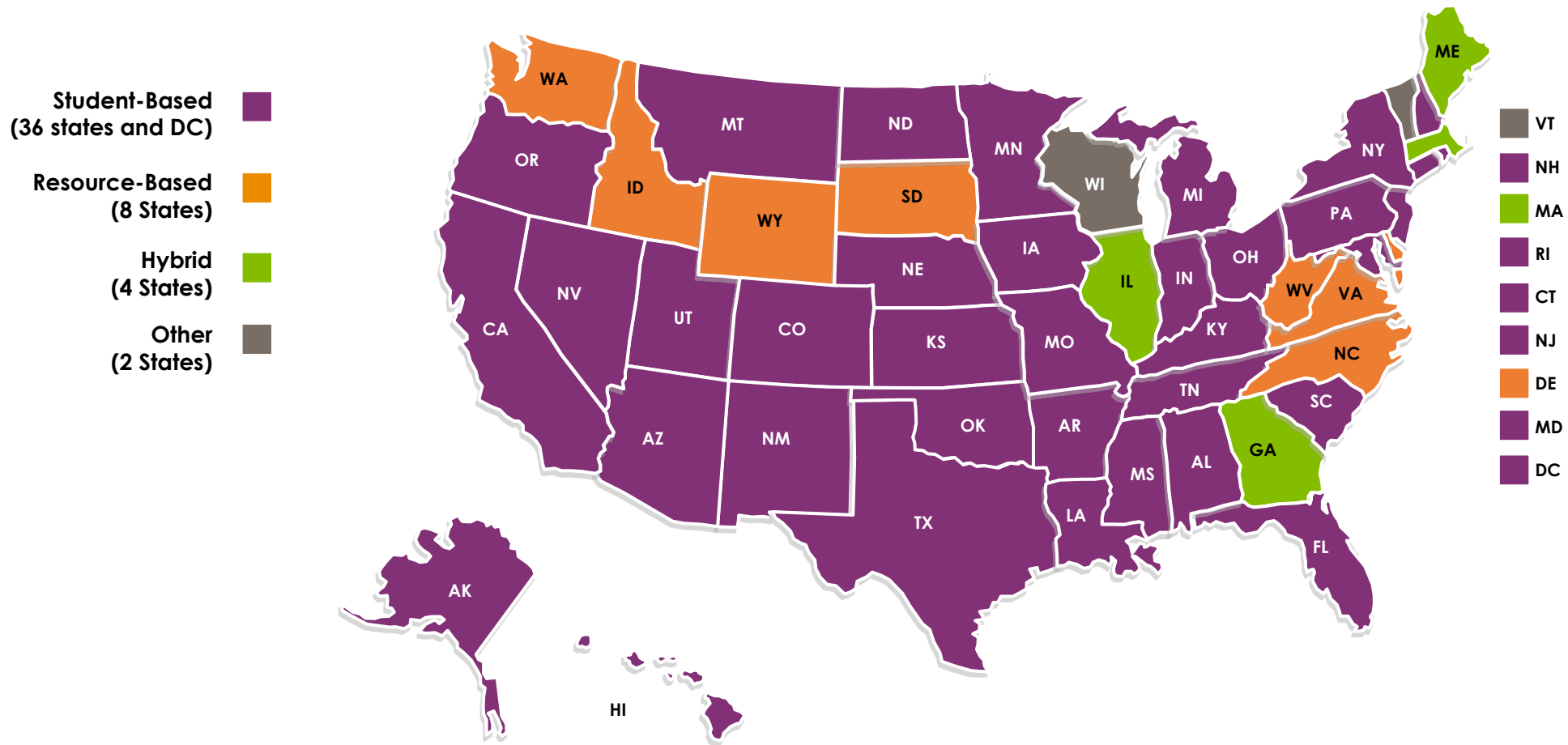
Small or Rural
Districts



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Primary Funding Models



Student and District Characteristics

- Special Education: **50 states & DC.**
- English Language Learners: **49 states & DC.**
- Students from Low-Income Backgrounds: **43 states & DC.**
- Gifted and Talented: **37 states.**
- Small Size or Isolated Funding: **36 states.**



Alaska



Foundation Funding Formula

- Special Education
 - Special Needs Funding (Block Grant)
 - Intensive Services Funding
- English Language Learners
 - Special Needs Funding (Block Grant)
- Students from Low-Income Backgrounds
 - None
- Gifted and Talented
 - Special Needs Funding (Block Grant)
- Small Size or Isolated Funding
 - School Size Factor



Agenda

- National Landscape
- **Legislative Trends**
- Funding Priorities - Adequacy





K-12 Funding Trends

Funding
Formulas

Targeted
Funding for
Certain Students

Teacher
Recruitment





Funding Formula

RAISE Act ([SB 305](#))

Enacts a new student-based formula starting in the 2025-26 fiscal year. Invests \$165 million in additional state funding for new weights.

Establishes two oversight bodies.

- **Accountability and Implementation Board:** monitors district progress in meeting student achievement goals and recommend corrective actions.
- **RAISE Act Review Committee:** to oversee the implementation of the formula and recommend continuous improvement.





New Mexico

Targeted Funding

Family Income Index ([HB 63](#))

Transitions the state to a new measure for identifying students who are identified as academically at-risk.

New Mexico is the first state in the country to use state data from income tax returns to identify students. Partnership between three stage agencies.

- Public Education
- Taxation and Revenue
- Human Services



Teacher Recruitment

STARS Act ([H.B. 252](#))

Establishes the Student and Teacher Advancement for Results and Success Act.

State offers a financial incentive to districts that raise beginning teacher salaries to better align with average teacher pay.

Districts must have a starting teacher salary of 62% the district wide average to be eligible to receive state incentive funds.



Montana



Agenda

- National Landscape
- Legislative Trends
- **Funding Priorities - Adequacy**



K-12 Funding Toolkit



Transparent



Student Centered



Adequate



Fair



Sustainable



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Adequate Base Funding



Research informed base determined by cost estimates for meeting educational goals.

- Education Cost Function
- Professional Judgement Panel
- Successful Schools Model
- Evidence-Based Study



Education Cost Function

Statistical models that estimate the spending required to achieve specific educational outcomes, accounting for factors like student needs, regional costs, and district characteristics.

Reasons for:

- Empirical, data driven analysis.
- Differentiates based on external factors.
- Connects spending to outcomes.

State Examples:

- [Colorado](#) Financial Adequacy Study (2025).
- [Delaware](#) Assessment of Public School Funding (2023).

Professional Judgement Panel

Cost estimates based on a series of expert panels to identify the resources necessary to achieve policy goals. The panels often include educators, other types of education practitioners, researchers.

Reasons for:

- Incorporates experiences of educators and school leaders.
- Can be aligned to state standards.
- Transparent and understandable.

State Examples:

- [Washington D.C.](#) School Funding Study Final Report (2023)
- [Virginia](#) Review of the K–12 Funding Formula (2023)

Successful Schools

Identifies high-performing districts that are meeting state standards to determine desirable funding levels.

Reasons for:

- Uses funding proven to be effective for some districts.
- Can inform district spending choices.

State Examples:

- [Pennsylvania](#) Basic Education Funding Commission Report (2024).
- [Maryland](#) Study of Adequacy of Funding for Education (2016).



Evidence-Based

Research-driven model that identifies educational resources needed to meet academic standards based on a set of prototypical schools.

Reasons for:

- Connects education resources to student achievement.
- Incorporates successful schools model.
- Mixed methods.

State Examples:

- [Vermont](#) Identifying Adequate Spending Level in Vermont (2024)
- [Wyoming](#) Recalibration of Wyoming's Education Resource Block Grant Model (2020)



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Your education policy team.

THANK YOU

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