

WEBINAR SERIES

# 2025 Legislative Prep Session: Education Challenges and Solutions

EMERGING TOPICS IN EDUCATION FINANCE

@LPI\_Learning



Thursday, December 12, 2024

# Opening Remarks and Presentation



**Michael Griffith**

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Learning Policy Institute

@LPI\_Learning

# 2025 Legislative Prep Session: Education Challenges Solutions



## **Building and Retaining the Teacher Workforce**

Tuesday, December 3, 3 – 4 PM ET

## **Long-Term Solutions to Teacher Shortages**

Thursday, December 5, 1 – 2 PM ET

## **Eliminating Chronic Absence**

Tuesday, December 10, 1 – 2 PM ET

## **Emerging Topics in Education Finance**

Thursday, December 12, 3 – 4 PM ET

# Emerging Issues in School Funding

- ▶ School funding topics for 2025
  - Top school funding issues in 2024
  - Emerging issues in 2025
  - States adopting school new school funding formulas
  
- ▶ Panel discussion
  
- ▶ Q & A with panel and presenters

# Top Issues in 2024

- ▶ Declining student enrollment
- ▶ Loss of federal dollars
- ▶ Greater focus on high-need students
  - At-risk
    - How do states count at-risk students
  - English language learners
  - Special Education

# Elementary and Secondary School Emergency Relief Fund (ESSER)

- ▶ All 3 ESSER programs provided **\$189.5 billion** that could be expended from March 2020 to January 2025
- ▶ The majority of ESSER funds were spent **over 3 school years** (2021-22, 2022-23, and 2023-24)
- ▶ ESSER III funds had to be “obligated” by **September 30, 2024** and expended by January 2025 (unless you have applied for an extension)

# ESSER Funding

Some districts could be running into financial difficulty after ESSER funding expires. Districts with the following characteristics are the most likely to face problems:

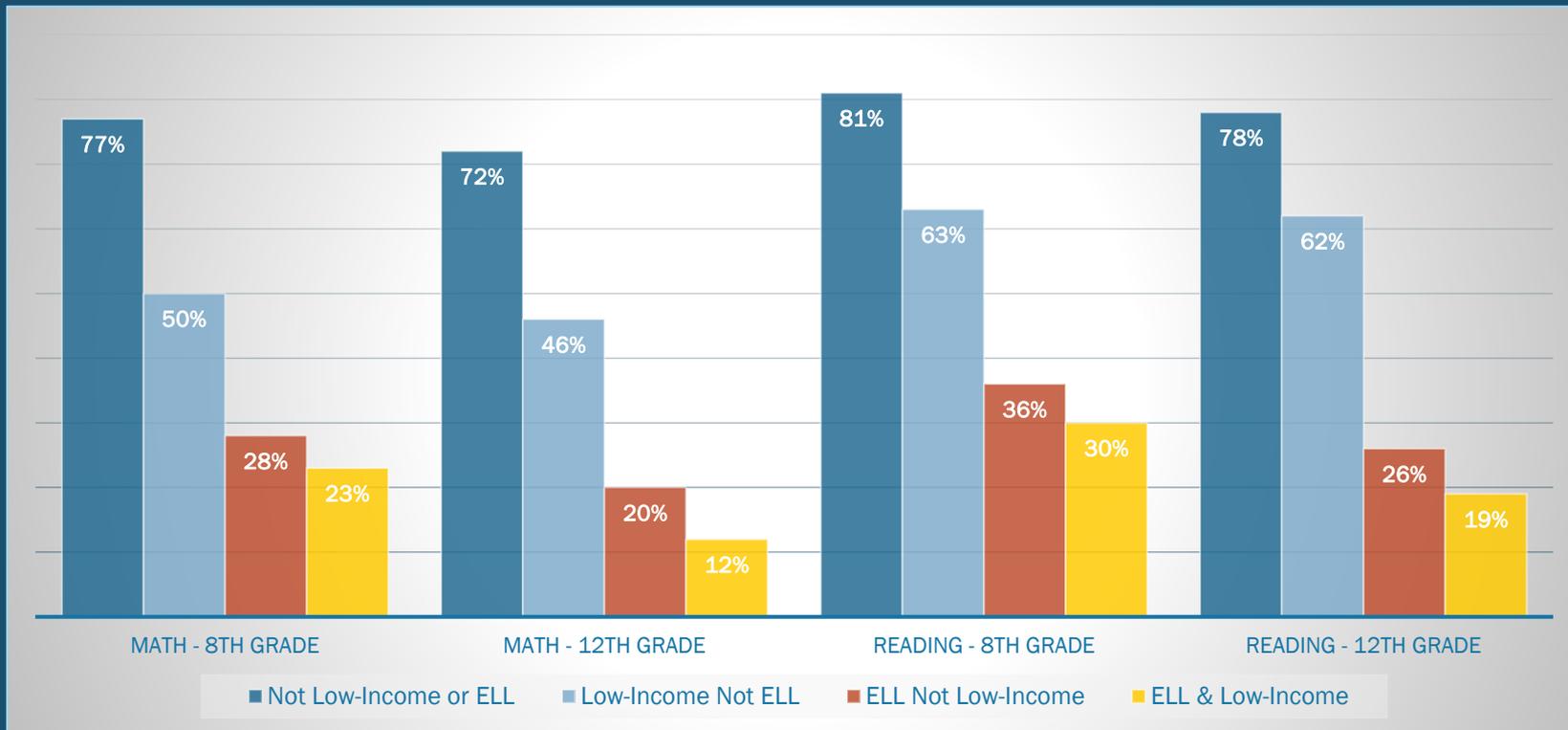
- ▶ An inability to increase local funding
- ▶ A high reliance on Title I funding
- ▶ Located in a state with a flat or decreasing K-12 budget

# What Can Be Done to Off-Set the Loss of ESSER Funds?

- ▶ **Share services** with other districts or local governments
- ▶ **Work with third parties** (Boys & Girls Club, United Way, and others)
- ▶ **Maximize the use of state and federal funding** including Medicaid
- ▶ **Adopt a community school approach** to achieve all of the above

# National Assessment of Educational Progress

## Students Scoring at Basic and Above (2022)



Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2022 Math and Reading Assessments.

# Dual Funding for At-risk and ELL Students

- ▶ **43** states currently provide additional funding for **students from low-income families**
- ▶ **48** states provide additional funding for **students who are English learners**
- ▶ **35** states provide additional, or dual, funding for **students who are both from low-income families and are English learners**

# Students to Think About in 2025

- ▶ Students experiencing homelessness
- ▶ Foster youth
- ▶ Migrant students

# Presentation



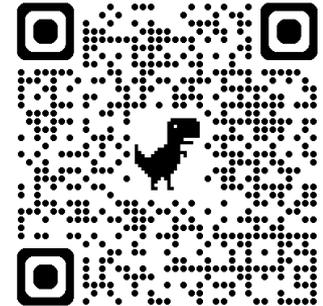
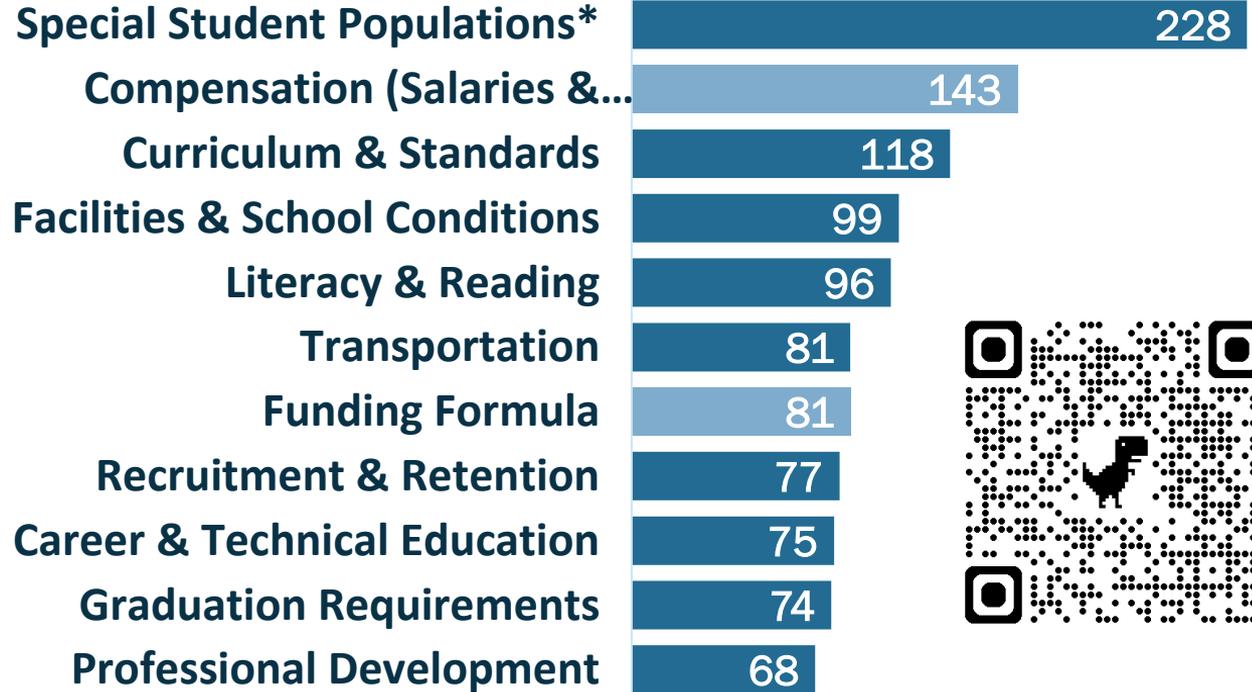
## Daniel Thatcher

Senior Fellow

National Conference of State Legislatures

# Enacted Legislation by Selected Topic

For calendar years 2023 and 2024



\* Includes bills addressing special education, English learners, at-risk and homeless students.

# Proxy Indicators of Poverty in State Public Education

## Funding Formulas: 2024 Update

[View Statutes](#)



- ### Poverty Indicator in Use
- Select all
  - Alternative School Identifier
  - Census Data
  - District Wealth
  - Eligibility for Federal Assistance Programs
  - ELL
  - Even Start
  - Family Income
  - FDPPIR
  - Foster Care
  - FRPL / CEP
  - Head Start

### Direct Certification in Use?

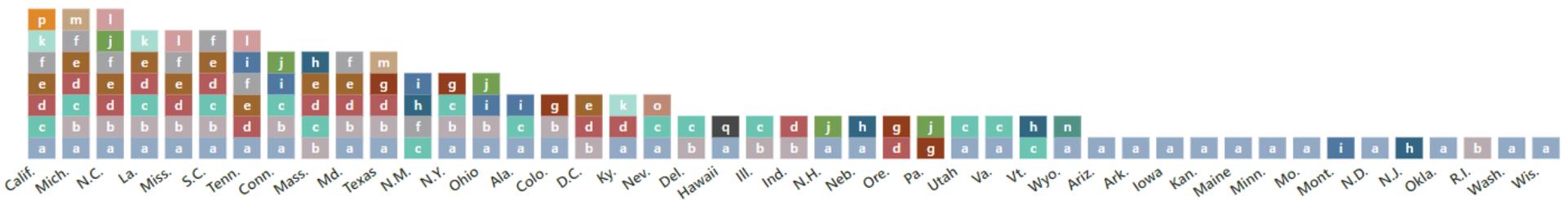
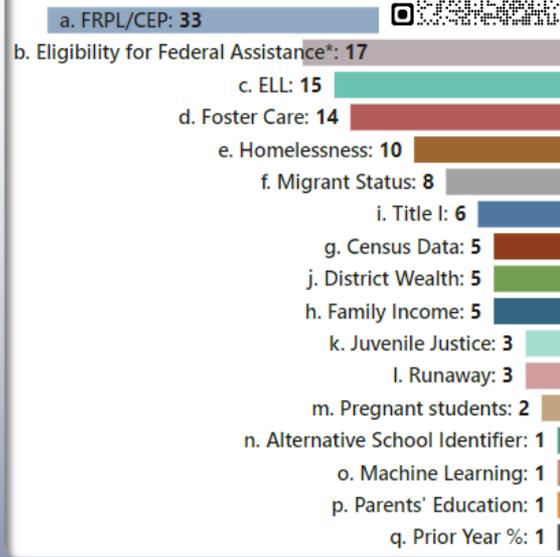
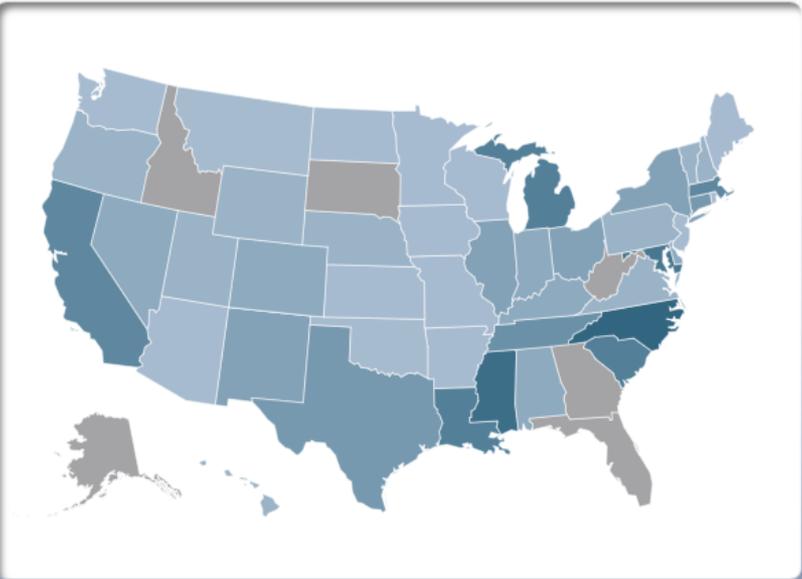
yes

### Concentrated Poverty Funding?

yes

### No. of States w/Poverty Funding

# 45

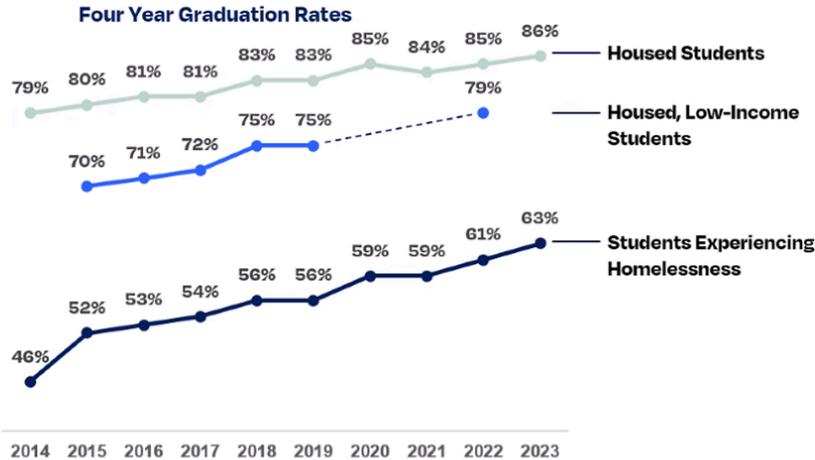


# Strategies to Ensure Funding for At-Risk Student Populations

Targeted, flexible spending tied to accountability

- Of **47.7 million** students in 2022-23:
  - **25.5 million** were eligible for **free or reduced-priced lunch** (53.3%)
  - **7.5 million** received **special education services** (15.2%)
  - **5.3 million** were **English learners** (10.6%)
  - **1.2 million** identified as **experiencing homelessness** (2%)
- States continue trends
  - To better identify students living in poverty and English learners
  - Retool special education allocations to districts
- Newer trend
  - Investments to alleviate student homelessness

>> Washington has the sixth largest number of students experiencing homelessness among the 50 states and the District of Columbia. It also has sixth highest rate of student homelessness in the country.



Source: Washington State Report Card OSPI (2024)

Source: Building Chances "Students Experiencing Homelessness in Washington's K-12 Public Schools" (2023)

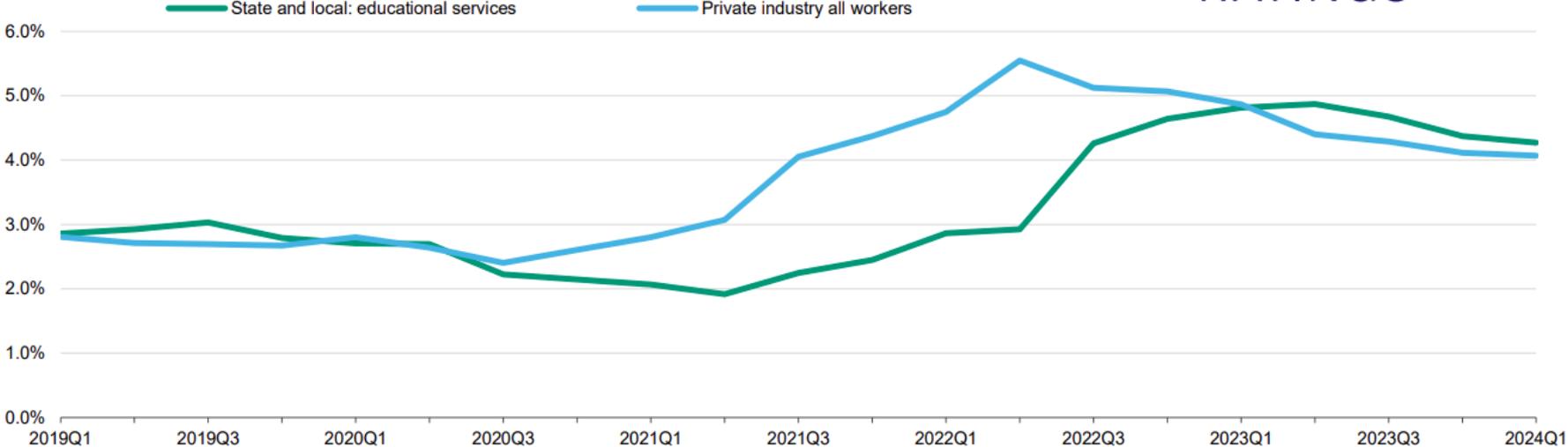
Between 2014 and 2023, while the overall on-time graduation rate for housed students increased seven percentage points, it grew 17 percentage points for students experiencing homelessness in Washington, closing the graduation rate gap by 10 points in 9 years.

Source: Raikes Foundation (2024).

# Teacher Compensation

States used unanticipated revenue growth during the Pandemic for unprecedented investments in teacher salaries

Exhibit 5  
Compensation growth in the education sector has caught up with the private sector  
Employment Cost Index (ECI) in state and local educational services versus the private sector



Includes wages, salaries, and employer costs for employee benefits  
Sources: US Bureau of Labor Statistics (BLS): Employment Cost Index (ECI), and Moody's Ratings

Source: "Public K-12 School Districts – US: Tightening Operating Environment Will Challenge a Growing Minority of Districts." Moody's Ratings, July 23, 2024.

# Elementary & Secondary Education Finance Figures: School Years 2018-19 to 2020-21



School Year: **2021-22** | State: **Colorado**

## Colorado 2021-22 School Year

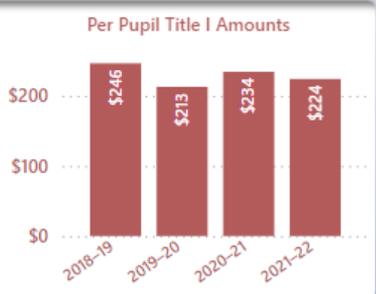
Student Enrollment: **856,061**

Search for school district

Adjust per Pupil:  on  off

Adjust for Inflation:  on  off

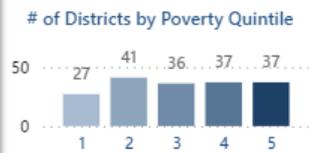
Adjust for Regional Costs:  on  off



### Per Pupil Total Revenue

# \$23,290

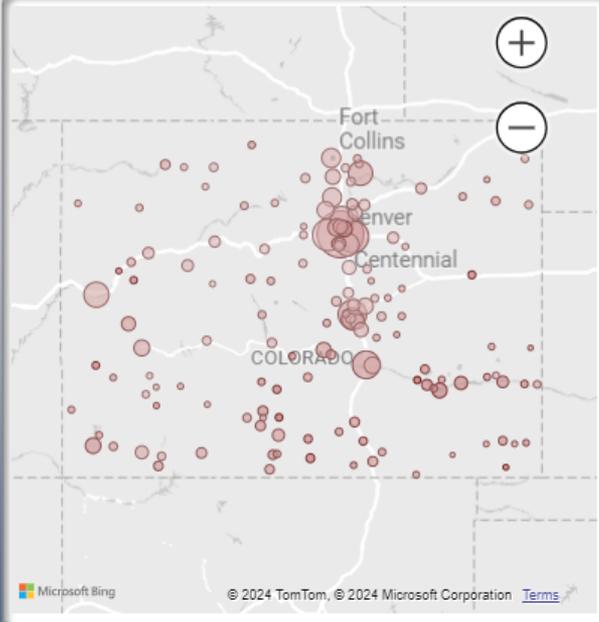
Revenue Source	Amount
Per Pupil Local Revenue	\$9,316
Per Pupil State Revenue	\$11,474
Per Pupil Federal Revenue	\$2,500
<b>Per Pupil Title I Revenue</b>	<b>\$224</b>



Quintile	Quintile Range	Avg Poverty Rate
1	Top 20%	5.7%
2	20th-40th	9.9%
3	40th-60th	14.5%
4	60th-80th	18.6%
5	Bottom 20%	28.6%

Min Student Poverty Rate: **2%**

Max Student Poverty Rate: **46%**

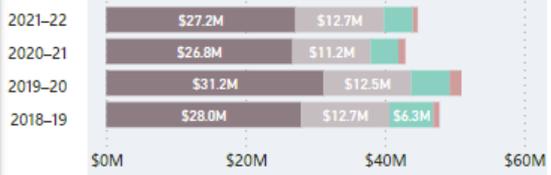


Map bubbles represent local education agencies (or school districts). Bubble size is determined by **Title I revenue** value (larger size = higher value). Bubble color is determined by level of school-age poverty (darker blue = higher rate of poverty).

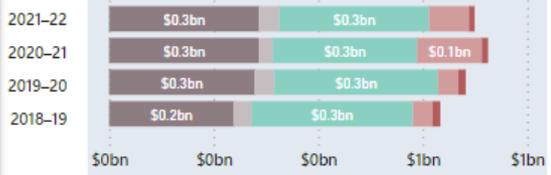
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Sources & Contact Information

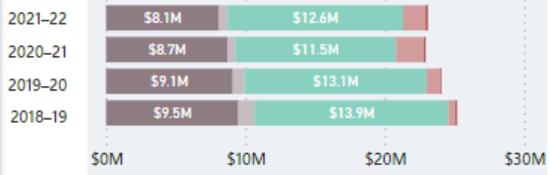
### ASPEN SCHOOL DISTRICT NO. 1 IN THE COUNTY OF PITKIN AND STA



### AURORA JOINT DISTRICT NO. 28 OF THE COUNTIES OF ADAMS AND A



### BAYFIELD SCHOOL DISTRICT NO. 10JT-R



- Local Property Tax Revenue
- Local Non-property Tax Revenue
- State Revenue
- Non-Title 1 Federal Revenue
- Title 1 Amounts

# States Adopting New Funding Formulas – Post 2000

*Arkansas (2002)*

*Litigation*

*California (2013)*

*Governor/voter approved*

*Illinois (2017)*

*Legislative led change*

*Kansas (2017)*

*First litigation then legislative*

*Maryland (2002)*

*Legislative led change*

*Mississippi (2024)*

*Legislative/Gov led change*

*Ohio (2013)*

*First litigation then legislative*

*Pennsylvania (2015)*

*Legislative led change*

*Rhode Island (2010)*

*Legislative led change*

*Tennessee (2021)*

*Legislative/Gov led change*

*Wyoming (2001)*

*Litigation*

# Panel Discussion



**Michael Griffith**

Senior Researcher and  
Policy Analyst  
Learning Policy Institute



**Senator Laura V. Sturgeon**

Chair  
Public Education Funding  
Commission  
Delaware General Assembly



**Lance Evans**

State Superintendent of  
Education  
Mississippi Department of  
Education

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Thank You!



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