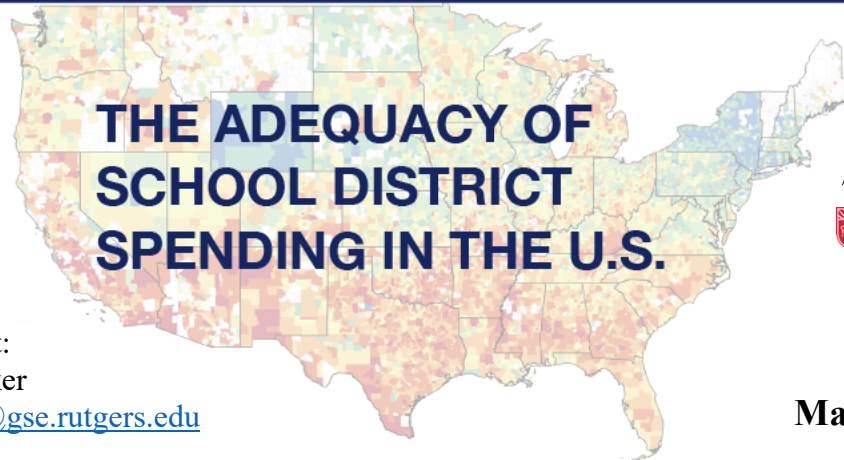


## MEDIA ADVISORY



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### **REPORT: INADEQUATE FUNDING GAPS ACROSS U.S. SCHOOL DISTRICTS TOTAL OVER \$100 BILLION**

WASHINGTON – School districts that spend below estimated adequate levels, often far below, are prevalent in virtually every U.S. state, according to a research brief published today by researchers from the [Albert Shanker Institute](#) and [Rutgers University Graduate School of Education](#).

The report, “[The Adequacy of School District Spending in the U.S.](#),” presents results from a new public database of funding adequacy in over 12,000 public school districts for the 2017-18 school year. The database allows one to compare each district’s actual per-pupil spending with estimates of adequate spending levels—that is, spending levels from models that assess how much would be required to achieve the goal of U.S. average test scores (a common “benchmark” with which the authors assess adequacy).

The brief reports some good news. Thousands of districts across all states enjoy funding levels above and beyond estimated adequate levels. In some cases, funding is two or three times higher than the targets. Even in states such as Arizona and New Mexico, where large majorities of students attend underfunded schools, there are numerous districts in which spending exceeds estimated requirements.

Yet these districts co-exist with thousands of other school systems, some located within driving distance or even in the next town over, where investment is so poorly aligned with costs that spending is a fraction of adequate levels.

Districts with negative funding gaps are especially prevalent throughout the southeast and southwest, but they are a national phenomenon. They are found in rich and poor states, big and small states, and in red and blue states. This includes, for instance, states such as Massachusetts and Connecticut: in both of these states, most districts spend above—typically far above—adequacy targets, but around one in five students still attends school in a district where funding is below the required level.

Nationally, the sum of these negative gaps in 2017-18 (not counting districts with positive gaps) comes to \$104 billion. The average negative gap is \$4,254 per-pupil, or -25.6 percent below the adequate level.

The consequences of these disparities are evident in student outcomes. In general, adequately-funded districts exhibit math/reading test scores above the national average, whereas districts that spend below required levels score below the U.S. mean. State and local investment matters.

Finally, the authors report that funding tends to be more inadequate—or less adequate—in districts with higher Census child poverty rates, as well as in districts serving larger shares of students of color, especially Hispanic/Latinx students. These associations are among the only consistent features underlying the heterogeneity of district funding adequacy. For example, 86 percent of the roughly 1,000 districts in the database with majority Latinx student populations spend below estimated adequate levels.

As a whole, these findings suggest that virtually no states are succeeding in their role of providing equal educational opportunity for all their students, and many are seriously failing, with student outcomes to match. The effort to fill these gaps, the authors suggest, should include a strategic expansion of the federal role in education finance, as well as a fundamental recalibration of how many states fund their schools.

“Our results can help to guide a national effort to rectify these discrepancies by targeting additional federal funding at districts with below-adequate funding and poor student outcomes, particularly those located in states, such as Mississippi and Arkansas, with more limited fiscal capacity to fill these gaps themselves,” explains Rutgers Professor Bruce Baker, one of the brief’s co-authors.

States, however, will have to contribute too, especially those, such as Arizona and Colorado, in which underfunded districts are the norm but which devote relatively small shares of their economies to K-12 schools. Policymakers in these states are effectively tolerating subpar student outcomes.

Baker continues: “School finance in the U.S. is neither a uniform success nor a blanket failure. There are well-funded districts right next to horribly under-funded districts in pretty much every state. The goal must be to make sure that all districts have what they need to educate their students.”

Full brief: <https://www.schoolfinancedata.org/the-adequacy-of-school-district-spending-in-the-u-s/>

View data for individual districts: <http://schoolfinancedata.org/dcdviz1/>

Download the full dataset: <http://schoolfinancedata.org/download-data/>

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“The Adequacy of School District Spending the U.S.” is co-authored by Bruce D. Baker (Rutgers University), Matthew Di Carlo (Albert Shanker Institute), and Mark Weber (New Jersey Policy Perspectives and Rutgers University).

*This research brief and database (the District Cost Database) are products of the School Finance Indicators Database project, a collection of K-12 school funding data and resources published by researchers at the Albert Shanker Institute and Rutgers Graduate School of Education. These products are designed for use not only by researchers, but also by parents, policymakers, journalists, and the general public. For more information, visit the project website: [schoolfinancedata.org](http://schoolfinancedata.org)*

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