STATE SCHOOL FINANCE PROFILE
2019-20 SCHOOL YEAR

DISTRICT OF COLUMBIA

Summary: This 2019-20 profile of District of Columbia's public K-12 school finance system focuses on three core indicators from the School Finance Indicators Database: fiscal effort, statewide adequacy, and equal opportunity. On a weighted average of these three measures (see back), District of Columbia scores out of 100, which ranks out of the 48 states with possible ratings.

FISCAL EFFORT

Fiscal effort is a measure of how much states devote to their schools as a share of their economic capacity (i.e., ability to raise revenue). Effort is calculated by dividing direct state and local K-12 expenditures in each state by its gross state product (GSP).

<table>
<thead>
<tr>
<th>District of Columbia</th>
<th>2.19%</th>
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<tbody>
<tr>
<td>U.S. average</td>
<td>3.61%</td>
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- DC is a low effort state.
- In FY 2020, DC spent 2.19 percent of its economic capacity (GSP) on its K-12 public schools.
- This was 1.42 percentage points lower than the unweighted national average of 3.61 percent.
- DC’s effort level ranks #50 in the nation (out of 50).

STATEWIDE ADEQUACY

Statewide adequacy compares actual per-pupil (PP) spending in each state to district-level cost model estimates of the amount required to achieve the modest goal of U.S. average test scores. The graphs to the right indicate the percentage of students in districts where spending is below adequate and the funding gap (% above/below) in the typical student’s district. The graphs include regional and national averages.

- Overall adequacy in DC is relatively moderate.
- By the modest standard of U.S. average scores, 0.0 percent of DC students attend inadequately funded districts, which ranks #1.5 in the nation (out of 49).
- The typical DC student’s district spends 10.0 percent above adequate levels, which ranks #25 in the nation.

EQUAL OPPORTUNITY

Equal opportunity is the comparison of adequacy between each state’s higher- and lower-poverty districts. The graph to the right presents adequate funding gaps by district poverty quintile (the blue diamonds are U.S. averages). The difference (in pct. points) between the lowest- and highest-poverty groups is a state’s “opportunity gap.”

- Educational opportunity in DC is .
- Spending in DC’s highest-poverty districts is 10.0 percent ($2.082 PP) above the estimated adequate level, compared with percent ($ PP) adequate in the state’s most affluent districts.
- This opportunity gap of percentage points is ranked # in the nation (out of 48).
The data in this state profile are from the School Finance Indicators Database (SFID), a collection of public K-12 school finance and resource allocation indicators published annually by researchers from the Albert Shanker Institute, University of Miami School of Education and Human Development, and Rutgers University Graduate School of Education. The primary product of the SFID is the State Indicators Database (SID), a state-level dataset containing roughly 125 variables. This profile focuses on three types of measures included in the SID: fiscal effort, statewide adequacy, and equal opportunity. The full SID dataset, with accessible documentation of and data sources for all the measures presented in this profile, as well other SFID datasets, tools, and reports, are freely available to download at: schoolfinancedata.org. The following are some general notes about the profiles, followed by descriptions and notes pertaining to the three types of measures they present:

• The years in the profile refer to the spring semester of the school year (e.g., 2022 is 2021-22).
• Estimates may differ slightly from previous profiles, as some measures are changed or improved each year, and all years are recalculated annually with updated data.
• Due to rounding, differences between our estimates from users’ manual calculations may appear.
• The total number of states assigned rankings varies slightly by measure, as not all measures are available in all states.
• Overall state scores: The overall scores reported at the top of the profile provide a very simple summary of states’ combined “performance” on the three core indicators featured in the profiles. They do not represent comprehensive evaluations of states’ school finance systems. Each state is scored entirely relative to other states (i.e., rather than based on some absolute standard of “good” or “bad”), and the selection/weighting of components entails subjective judgments on the part of the SFID research team.
• The scores are calculated as a weighted average of z-scores (final averages expressed as percentile-equivalents, with a score of 50 = z-score of 0) of the following measures (weights in parentheses): 1) percentages of students in districts with adequate funding (22.5%); 2) statewide (% adequacy gap (22.5%); 3) GSP-based fiscal effort (15%); 4) personal income-based fiscal effort (15%); and 5) equal opportunity gap (QS/QI difference in adequacy gap, in percentage points) (25%). State rankings may reflect differences in unrounded scores.

D.O., Hawaii, and Vermont are not assigned scores, as one or more of the measures that constitute the scores cannot be calculated for these states.

• Non-SFID data sources (“Contextual State” table): 1) Child (5-17 year old) poverty (2020) from the U.S. Census Bureau’s Small Area Income and Poverty Estimates (SAIPE) program; 2) see SID documentation for sources used for public school enrollment estimates; 3) percent of total (FY 2020) revenue from state sources from the U.S. Census Bureau Annual Survey of School System Finances; 4) total state personal and secondary school enrollment (Fall 2019) from the 2020 Digest of Education Statistics, published by the National Center for Education Statistics.

Fiscal effort

Fiscal effort indicates how much of a state’s economic capacity goes toward K-12 schools. It is calculated in the SFID by dividing direct state and local K-12 expenditures by either Gross State Product (GSP) or aggregate state personal income. Both of these are measures of a state’s economic capacity. In this sense, effort measures how much each state contributes as a percentage of how much it might contribute. The former denominator (GSP) is used in these profiles, but the two are highly correlated, and the income-based effort indicator is available in the SID. Bear in mind that high-capacity states with larger economies, such as New York and California, can put forth lower effort than lower capacity states, such as Mississippi and Alabama, but provide more resources per student. We also note that the fiscal effort measure is typically defined as the extent to which the amount of funding for schools is sufficient for students to reach a minimum/adequate level of funding (i.e., rather than based on some absolute standard of “good” or “bad”), and the selection/weighting of components entails subjective judgments on the part of the SFID research team.

• U.S. effort averages are unweighted and do not include Vermont in any year (effort not available in 2018-20 due to data irregularities), so as to keep a consistent set of states across all years.
• In the first bullet of the left panel, we characterize each state’s effort level as low, medium, or high by sorting states into three roughly equal groups using terciles.

Statewide adequacy

Adequacy is typically defined as the extent to which the amount of funding for schools is sufficient for students to reach a minimum/acceptable level of educational outcomes. Our adequacy estimates compare each district’s actual spending levels to estimates from cost models of how much that district would have to spend in order to achieve national average test scores (i.e., “required” or “adequate” spending). We express statewide adequacy in terms of either: 1) the proportion of students in each state in districts with actual funding below estimated adequate levels; and 2) the adequacy gap (percentage difference between actual and estimated adequate spending) for the typical student in each state. All these estimates are from the National Education Cost Model (NECM), which is part of the SID. The NECM calculates required spending based on the relationship between outcomes and cost factors such as regional wage variation, district size, and student characteristics. Note that this model and the data it uses are necessarily imperfect, and estimates should be viewed with appropriate caution. For more information about the NECM, see the SID user’s guide. Some of the estimates presented in this section of the profile can be calculated using SID variables, whereas others (e.g., the district-by-district estimates in the right panel) require the use of the SFID Cost Database (CDB); many but not all SID adequacy measures (all of which have variable name beginning with necm,) are aggregations of DCD estimates. The full DCD dataset (going back to 2009) is also publicly available at the SFID website (2020 estimates will be released in early 2023).

In the first bullet of the left panel, we characterize statewide adequacy as follows: high (no less than 20 percent of students in below adequate districts, and also not more than 20 percent below adequate and statewide gap above +50 percent); moderate (between 20 percent below adequate and statewide gap above +50 percent, high (greater than 50 percent in below adequate districts).

The regional comparisons in the graphs in the middle panel present adequacy gaps expressed as percentile equivalents, with a score of 50 = z-score of 0. For example, a hypothetical state in which all districts are below adequate funding levels might still exhibit a high-effort state and vice versa. By looking at the scatterplot in the right panel, it can be seen that the scatterplot in the right panel presents, by district poverty quintile, adequacy gaps expressed as the difference from the national average in standard deviations (vertical axis). The other markers (circles) in the plot are other states’ district poverty groups (color coded in the same manner, but with more transparent markers to allow for clear viewing of this state’s markers). The difference in student outcomes between the highest- (Q5) and lowest-poverty (Q1) estimates is presented in the first bullet, below the plot, and can be interpreted as a poverty-based student achievement gap in this state.