Summary: This 2020-21 profile of Mississippi’s public K-12 school finance system focuses on three core indicators: fiscal effort, statewide adequacy, and equal opportunity. On a weighted average of these three measures, with performance assessed relative to that of other states (see back), Mississippi scores 23 out of 100, which ranks 40th 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).

Rating relative to other states (high I medium I low):
MS is a high effort state.

- MS spends 4.25 percent of its economic capacity (gross state product) on its K-12 public schools.
- This effort level is 0.71 percentage points higher than the unweighted U.S. average of 3.53 percent (rank #4 of 50).

STATEWIDE ADEQUACY

Statewide adequacy compares actual per-pupil (PP) spending in each state to estimates of the amount adequate to achieve the modest goal of U.S. average test scores. The graph to the right compares this state with other states in terms of the percentage of students in below adequate districts (spending is below adequate) and the percentage in chronically below adequate districts (the top 20% largest negative gaps nationally).

Rating relative to other states (high I medium I low):
Statewide adequacy in MS is low.

- The typical MS student’s district spends 52.9% below adequate levels (rank #49).

EQUAL OPPORTUNITY

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

Rating relative to other states (high I medium I low):
Equal opportunity in MS is medium.

- MS’s opportunity gap of -35.8% points is ranked #19 out of 48 (#1=most equal).
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, along 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 notes about the profiles:

### General

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, along 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 notes about the profiles:

- **The measures in this profile are interpreted relatively**—that is, by making comparisons between states (rankings) and within states (e.g., by district poverty or over time).
- **The years in the profile refer to the spring semester of the school year (e.g., 2021 is 2020-21).**
- **Estimates for prior years 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 in the total number of states assigned rankings may vary slightly from year to year.**

### 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. Each state is scored entirely relative to other states, 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 averaged expressed as percentile equivalents, with a score of 50 = z-score of 0) of the following measures (weights in parentheses):** 1) percent of students in districts with above adequate funding (30%); 2) statewide (%) adequacy gap (30%); 3) GSP-based fiscal effort (15%); 4) personal income-based fiscal effort (15%); and 5) equal opportunity gap (Q4/Q vs. Q1/Q2 difference in adequacy gap, in pct. points) (10%). State rankings may reflect differences in unrounded scores.

- **D.C., 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 Stats" table): 1) Child (5-17 year old) poverty from the U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE) program; 2) see SID documentation for school coverage estimates; 3) percent of total (FY 2021) revenue from state sources from the U.S. Census Bureau Annual Survey of School System Finances; 4) total state elementary and secondary school enrollment (Fall 2020) from the Digest of Education Statistics.

### Fiscal effort

Fiscal effort indicates how much of a state's total 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 (API). GSP and API 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. We present GSP-based effort in these profiles, but the two are highly correlated, and the API-based effort indicator is available in the SID. Bear in mind that high-poverty states, such as New York and California, can put forth lower effort than lower capacity states, such as Mississippi and Alabama, but still produce the same funding. We therefore use effort primarily as a means of differentiating between low/inadequate funding states that do and do not have the capacity to increase revenue.

- **U.S. effort averages are unweighted and do not include Vermont in any year (effort not available in 2018-21 due to data irregularities), so as to keep a consistent set of states across years.**
- **We characterize states as having high, medium, and low effort based on their effort levels (using terciles). Note that even seemingly small changes or differences in effort levels represent large revenue amounts, as the denominators are entire state economies.**
- **The trend graph in the right panel presents the average statewide funding gap (the percentage difference between actual and estimated adequate spending) between the typical student in the state and the typical student in all other states, as well as the fact that we set a modest common outcome goal (average test scores), our adequacy estimates are most appropriate when comparing components across states (e.g., how much higher would states have to spend to meet the common outcome goal), and the two are highly correlated, and the API-based effort indicator is available in the SID. Bear in mind that high poverty states, such as New York and California, can put forth lower effort than lower capacity states, such as Mississippi and Alabama, but still produce the same funding. We therefore use effort primarily as a means of differentiating between low/inadequate funding states that do and do not have the capacity to increase revenue.**

### 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 state adequacy in three ways: 1) the proportion of students in each state in districts with actual funding below estimated adequate levels; 2) the proportion of students in chronically below adequate districts (see below); and 3) 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 SFID. The NECM calculates required spending based on the relationship between outcomes and cost factors such as regional wage variation, district size, and student characteristics. Given the imprecision inherent in comparing finance and testing data between districts in all states, as well as the fact that we set a modest common outcome goal (average test scores), our adequacy estimates are most appropriate when comparing components across states (e.g., how much higher would states have to spend to meet the common outcome goal), and the two are highly correlated, and the API-based effort indicator is available in the SID. Bear in mind that high poverty states, such as New York and California, can put forth lower effort than lower capacity states, such as Mississippi and Alabama, but still produce the same funding. We therefore use effort primarily as a means of differentiating between low/inadequate funding states that do and do not have the capacity to increase revenue.

- **The other markers (circles) in the plot are other states' district poverty groups (color coded in the figure).**
- **The regional and state average test scores (normalized within each year (converted to standard scores) are presented in the first bullet, below the plot, and can be interpreted as a poverty-based student achievement gap in this state. Note that this gap compares different groups than does our opportunity gap measure.**

### Equal opportunity

Equal educational opportunity is achieved in a given state when none of that state's districts are substantially further above or below adequate spending levels than are other districts. In the SFID, we measure equal opportunity (EO) with the same NECM estimates used for statewide adequacy (see above), but in this case by comparing adequacy gaps (percentage difference between actual and estimated adequate spending) between the two highest- and the two lowest-poverty districts in each state (i.e., a weighted average of the "highest" and "lowest" poverty quintiles and a weighted average of the "lowest" and "high" poverty quintiles). Each state's "opportunity gap" is the difference (in percentage points) between these two groups. Note that EO is conceptually independent of statewide adequacy—e.g., a hypothetical state in which all districts are below adequate funding levels might still exhibit EO, so long as high- and low-poverty districts are inadequate in the same way. The student outcome data are for 2018-19. The full dataset includes data for 2019-20.

- **EO estimates are not available for Vermont and Hawaii (due to being a geographically isolated, single-district state), and for Vermont between 2017 and 2021 (due to data irregularities). Estimates for D.C. apply to a single school district (District of Columbia Public Schools).**
- **We characterize each state's statewide adequacy as low, medium, or high by averaging within-year z-scores for percent above adequate and average funding gap and dividing states into three groups using these average z-scores (terciles).**
- **"Chronically below adequate" districts are those with funding gaps (percent difference between actual and adequate funding) among the 20 percent largest in the nation.**
- **The regional and U.S. averages in the middle graph (the teal and gold diamonds, respectively) are unweighted—i.e., they represent adequacy in the typical state, not the typical student.**
- **The trend graph in the right panel presents the average statewide funding gap (the percentage difference between actual and estimated adequate funding for the typical student) normalized within each year (converted to standard scores) of the highest- or and the lowest-poverty districts in each state, which fund the same students equally, if high-poverty districts are more adequately funded than lower-poverty districts. Statewide adequacy and equal opportunity as we define them are independent concepts.**

- **EO estimates are not available for Vermont and Hawaii (due to being a geographically isolated, single-district state), and cannot be calculated for D.C. (single-government-run district state).**
- **We characterize each state's degree of equal opportunity as low, medium, or high by sorting states into three groups based on their opportunity gaps (using terciles).**
- **The student outcome data are for 2018-19. The full dataset includes data for 2019-20.**
- **The bar graph in the left panel presents the average per pupil revenue earned by students in each district (using different combinations of gds).**
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