



## What Funding Weights Should States Consider With Caution?

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The majority of states with a weighted, student-based K-12 funding formula include weights that allocate additional funding based on the enrollment of students in poverty, students with special education needs, and English learners (ELs).<sup>1</sup> Research shows that all three of these student groups need additional support and resources to succeed. Many states also include other weights that are not strictly student-based. These might reflect a policy priority or aim to account for different program costs and district context factors.

Weights that go beyond a strict student-based definition are not necessarily a bad idea, but some weights can have unintended consequences for students and overall funding equity, and should be approached with care and caution by policymakers and advocates. States should also consider whether there are other ways to signal policy priorities or support schools in priority areas outside of the funding formula.

### What Are Examples of Weights States Should Consider With Caution?

#### 1. Gifted and Talented

##### What Is It?

Additional funding for students identified as gifted and/or those who are enrolled in gifted and talented programs. About half of states provide dedicated funding for gifted and talented students or programs.<sup>2</sup>

##### Rationale

Many states mandate screening for gifted and talented students and specific forms of gifted and talented education, which could require extra staff, classrooms, professional development, and materials.

##### Cautions and Considerations

Lower-income, Black, and Hispanic students are less likely to have access to gifted and talented programming in their schools and are also less likely to be identified as gifted and talented where programs exist.<sup>3</sup> Without attention to these dynamics, gifted and talented funding will be distributed disproportionately toward schools serving wealthier students and/or more white students.

##### Policy Recommendations

If a state prioritizes funding for gifted and talented programs, it could be a part of base funding calculations or distributed with the assumption that all districts serve roughly equal percentages of gifted and talented students.

#### 2. Grade Level or Grade Band

##### What Is It?

Additional funding for certain grades or grade bands.

##### Rationale

States typically use a grade level or grade band weight to signal support for specific initiatives, or to account for different programmatic and class size expectations across grades. Some states allocate more funding to

high schools to support access to career and technical education (CTE) programs and advanced coursework. Others allocate more to elementary schools or grades K-3 to support smaller class sizes or initiatives emphasizing early literacy.

### **Cautions and Considerations**

When states fund elementary and high schools at a higher weight, the formula is implicitly allocating less for middle schools, which can affect the level of resources that students in those middle school grades receive. Research on specific cost differences in different grades is not especially strong: There are good arguments for the importance and value of additional resources and staffing supports in every grade.

### **Policy Recommendations**

States should avoid this additional complexity unless there is strong state-specific evidence for large cost differences among grades. States might also allocate additional funding for grade-specific initiatives such as increased access to advanced coursework through competitive or categorical grant programs.<sup>4</sup>

## **3. Career and Technical Education**

### **What Is It?**

Additional funding for CTE programs.

### **Rationale**

States provide additional funding for students enrolled in CTE programs to signal a priority for career-readiness pathways and because of additional costs associated with running some of these programs.<sup>5</sup> Examples of these costs include specialized equipment, qualified teachers, professional development, and partnerships with employers, industry, or institutions of higher education.

### **Cautions and Considerations**

Not all CTE programs are high quality, and costs vary substantially among them. Policies should also encourage equitable access to high-quality CTE aligned with well-paying careers. For example, Black and Hispanic students are more likely to be tracked into CTE programs that are not aligned to industry demand.<sup>6</sup>

### **Policy Recommendations**

Funding for CTE enrollment should incentivize equitable access to high-wage pathways that are aligned with industry demand.<sup>7</sup> States might consider specifically funding priority CTE programs aligned with high-wage, high-demand roles within a funding formula, rather than a weight for all CTE programs, and could further incentivize equity and quality with dedicated grant funding.

## **4. Class Size Reductions**

### **What Is It?**

Additional or bonus funding to reduce class sizes.

### **Rationale**

Several states have a policy priority to reduce class sizes because there is a belief that smaller class sizes can lead to improved learning and relationships among students and teachers. Researchers have found that very large class-size reductions can have significant long-term effects on student achievement, especially when introduced in the earliest grades.<sup>8</sup>

### **Cautions and Considerations**

Class size reductions can be expensive to implement because of the costs associated with hiring and paying more teachers.<sup>9</sup> This might tie up funding that could be more targeted toward student needs. Tying funding to class size reductions also may limit districts' abilities to choose among different intervention strategies or staffing models that may better suit their students and schools.

### **Policy Recommendations**

If a state prioritizes smaller class sizes, it could do so through its base funding amount and weights for student need. Districts will have more funding overall and can use it to hire more teachers and reduce class sizes in a more targeted way, as needed.

## 5. Cost of Living Adjustments

### **What Is It?**

Additional funding for districts where the costs of housing, labor, goods, and services are higher.<sup>10</sup>

### **Rationale**

The intended goal of these adjustments is to account for different regional cost drivers and salary expectations, especially between metropolitan and rural areas.

### **Cautions and Considerations**

One of the unintended consequences of cost of living adjustments is that they often drive more funding to areas with higher property tax bases and greater fiscal capacity.<sup>11</sup> Areas with high cost of living also tend to have wealthier residents. Small, rural districts may also be disadvantaged by these policies because of their relatively low cost of living but high costs in other areas. For example, sparsely populated rural districts may have higher per-pupil transportation costs or more difficulty recruiting teachers, but these higher costs are often not considered in cost of living calculations.<sup>12</sup>

### **Policy Recommendations**

States should avoid broad regional cost of living adjustments and instead consider district-specific factors like local fiscal capacity, sparsity, and concentration of student need. If a state prioritizes cost of living adjustments, it should also consider other cost factors in rural areas, as well as variations within regions.

## Questions for Advocates

- *What additional weights (beyond weights for low-income students, EL students, and students with disabilities) does your state use?*
  - *What is the rationale for including these additional weights?*
  - *Which districts benefit most from non-student-based weights or funding streams?*
  - *How well do these additional weights align with student needs?*
- *Are there ways to improve these weights in your state so that they better meet the needs of students?*
- *Are there other policy vehicles that could encourage or support the rationale for these weights in your state, outside the funding formula?*

# Endnotes

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- 9 Ibid.
- 10 “Funding for District Cost of Living,” Colorado General Assembly, [https://leg.colorado.gov/sites/default/files/images/committees/edbuild\\_-\\_cost\\_of\\_living\\_-\\_final.pdf](https://leg.colorado.gov/sites/default/files/images/committees/edbuild_-_cost_of_living_-_final.pdf).
- 11 Ibid.
- 12 Emily Gutierrez and Fanny Terrones, “Small and Sparse: Defining Rural School Districts for K–12 Funding,” Urban Institute, 2023, <https://www.urban.org/sites/default/files/2023-03/Small%20and%20Sparse-Defining%20Rural%20School%20Districts%20for%20K%E2%80%9312%20Funding.pdf>.

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Splitting the Bill is a crash course in the essentials of school finance equity for advocates and others interested in reforming state education finance systems. Learn more and read the other briefs in this series [here](#).

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