



EDUCATION FUNDING FORMULA

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THE PROBLEM: Missouri's school funding formula is outdated. Like most student funding formulas, it uses local property value assessments and tax rates to determine each district's "local effort." State funding is then used to balance resources by giving more funding to districts with lower local effort and less funding to districts with higher local effort. However, the local effort portion of the formula uses property values from 2004, unless property values have decreased since then—so districts with increasing property values get more state aid than they would if current assessed values were used. In addition, while the state can send additional money to districts for students from low-income families, students with disabilities, or students with limited English proficiency, only districts with high concentrations of such students are eligible for the additional funds.

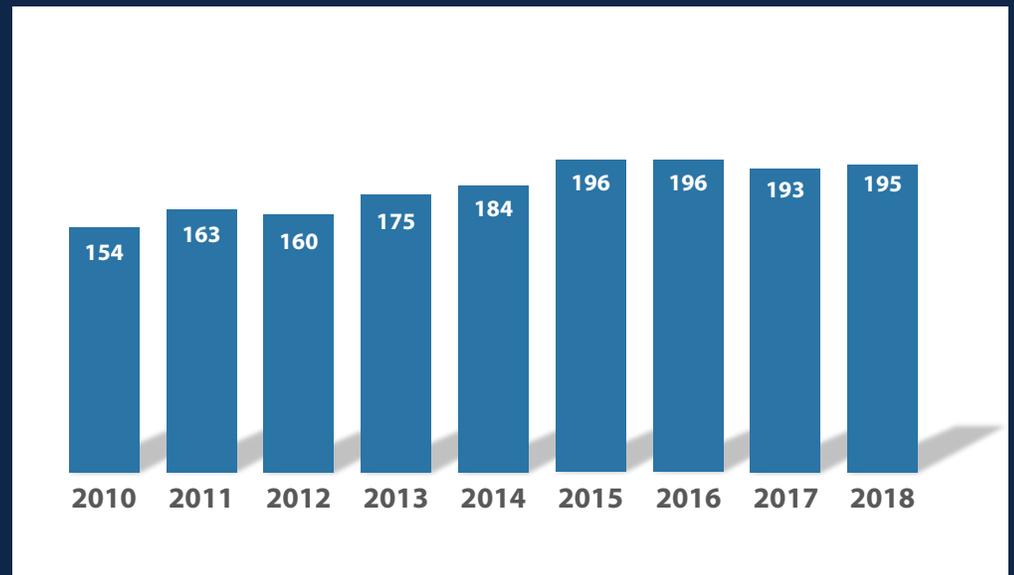
THE SOLUTION: *Revise the school funding formula.*

The formula should adjust for the property value assessments every two years. The weights applied to students with special needs should apply to all students and should reflect the cost differential of serving them, particularly for students with disabilities.

WHO ELSE DOES IT? Ten states use multiple weights for students with disabilities.

THE OPPORTUNITY: Updating the property assessments with current values would ensure that the funding formula accurately accounts for every district's local effort. Applying weights to all students with special needs would result in more equitable funding for all districts that serve such students.

NUMBER OF MISSOURI SCHOOL DISTRICTS USING 2004 PROPERTY VALUES FOR LOCAL EFFORT



KEY POINTS

- A student funding formula based on 2004 property values creates out-of-date and biased state funding patterns.
- Funding that is student-based will encourage districts to adapt to changes in student enrollment.

SHOW-ME INSTITUTE RESOURCES

Policy Study: "A Primer on Missouri's Foundation Formula For K-12 Public Education: 2017 Update"

Blog Post: "The Illusory Goal of a Fully Funded K-12 Formula"