Public Education Finance Systems in the United States and Funding Policies for Populations with Special Educational Needs

Author
Deborah Verstegen, Professor of Education Leadership, University of Nevada, Reno

Purpose
To update previous work and the existing knowledge base in the field as well as to provide a compendium of finance and policy options that are used across the states to finance public elementary and secondary schools.

The Article
The article begins with a review of the evolution of education financing throughout the history of public schooling in the United States. Using survey methodology, this research investigates state finance policies for public education. Data was gathered from all 50 states from the chief state school office and posted on the web for verification. The survey asked for information about public school financing for elementary and secondary schools in FY 2007. The survey had four main sections that asked for the state’s funding formula, particular district funding components, student-based funding components, as well as revenue and expenditure information. Full survey information was obtained from all but 4 states. For the missing states, university professors or state association personnel were queried. Crosscutting themes were developed and refined through analysis and professional feedback. A reanalysis of the data is discussed in this article along with a special review of weighted programs for special needs students. It was found that most states use one of the four traditional finance formulae developed in the early 1900’s including flat grants, foundation programs, district power equalization systems, and full state funding. Seven states were found to implement a combination of these four traditional finance approaches or a tiered system of funding. A discussion about funding allocations for Special Education showed that most states used one of four ways to determine funding which include per pupil or weighting, cost reimbursement, unit funding, and Census funding. Fourteen states used a system other than these four to determine Special Education funding. Other crosscutting themes discussed include funding for English Learner and low income students, funding for capital outlay and debt service, and funding for transportation.

What this means for the field
The data showed that states are changing their funding formulae to provide support for students with special needs. The article calls for future work toward developing new theories and models of funding for public education with special focus on equity and adequacy for all children.

Citation

Contact
Dr. Deborah Verstegen: dav3e@unr.edu; (775) 682-9095; or visit http://www.unr.edu/education/