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Education Funding Equity in Arkansas

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Summary Points

- **Size:** The smallest districts spend ~ \$1,000 more per pupil than largest districts
- **Race:** Districts with the most students of color spend ~\$2,000 more per pupil than districts enrolling the fewest students of color
- **Poverty:** Districts with the most FRLP students spend ~ \$2,500 more per pupil than the lowest FRLP districts
- **Achievement:** Lowest-achieving districts spend ~\$2,500 to \$3,000 more per pupil than highest-achieving districts
- **Wealth:** In a reversal of earlier findings, the wealthiest districts spent ~\$1,000 more per pupil than poorest districts in 2013-14

Education Funding Equity in Arkansas

Thanks to the landmark Lake View case, Arkansas has doubled-down on its commitment to ensuring an equitable education to all students. This brief examines the equity of current education spending in Arkansas.

What Is An “Equitable” Education?

There is no statewide definition of equity, but it is understood here as the guarantee that ALL students have access to the resources and opportunities they need to reach the same levels of educational attainment. **Since all students have different needs, equity doesn’t mean giving everyone the same thing. It means ensuring that every student has an equal shot at success.**

How Do We Measure Equity?

Do all students have access to the resources they need in order to be successful? In order to answer this question, we look at net current per pupil (NCPP) expenditures across groups of districts. Net current expenditures most accurately convey what is spent on a per-pupil basis for the day-to-day operation of a school district. This value excludes certain costs, such as debt service, facility acquisition, and construction.

Does Size Matter?

Yes. Smaller districts spend more per pupil than larger districts. In 2013-14, the smallest districts spent \$908 more per pupil than the largest districts. The gap was greatest in the 2003-04 school year, when the smallest districts outspent the largest districts by \$1,135.

This Brief

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By contrast, **charters consistently spent less than traditional public districts.** In 2013-14, charters spent an average of \$8,136 per pupil, while the smallest traditional districts spent \$10,456, and the largest traditional districts spent \$9,548.

Table 1 shows spending patterns in the smallest and largest districts, as well as all charters.

Table 1: Average Net Current Per Pupil Expenditures by District Size, 2000-2014

	2000-01	2010-11	2013-14
All Charters	NA	\$7,618	\$8,136
Smallest Districts	\$6,324	\$10,224	\$10,456
Largest Districts	\$5,626	\$9,381	\$9,548
State	\$5,531	\$9,292	\$9,429

Does Wealth Matter?

Yes— but not always in the way you would think. In the 2000-01 school year, the poorest districts spent over \$1,000 more per pupil than the wealthiest districts in the state. By the 2013-14 school year, however, that relationship was flipped, with the wealthiest districts spending over

\$1,000 more than the poorest districts. From 2001-02 to 2012-13, the difference was less than \$500. The gap in spending between

wealthy and less-wealthy districts needs to close again to ensure equity.

Table 2 shows spending patterns in the wealthiest and poorest districts in the state.

Table 2: Average Net Current Per Pupil Expenditures by District Wealth, 2000-2014

	2000-01	2010-11	2013-14
Poorest Districts	\$6,709	\$9,176	\$8,356
Wealthiest Districts	\$5,664	\$9,424	\$9,569
State	\$5,531	\$9,292	\$9,429

Do Student Demographics Matter?

Yes— and that’s a good thing. In 2013-14, districts with the highest percent of enrolled students eligible for free / reduced lunch (FRL) spent \$2,464 more per pupil than districts with the lowest percent FRL. Since 2000-01, districts with higher FRL populations have spent increasingly more per pupil compared to lower FRL districts. Part of this increased spending can be attributed to **a statewide commitment to spending more on the students with the greatest needs.**

Table 3 shows district-level net current expenditures per pupil based on the proportion of enrolled students eligible for free or reduced price lunch.

Table 3: Average Net Current Per Pupil Expenditures by Percent of Poverty, 2000-2014

	2000-01	2010-11	2013-14
Least % FRL	\$5,208	\$8,131	\$8,350
Highest % FRL	\$5,895	\$10,904	\$10,814
State	\$5,531	\$9,292	\$9,429

Similarly, districts with the highest percent of students of color consistently spend more per pupil than districts with the fewest students of color. In 2000-01, the difference was \$773, and by 2013-14 the difference had grown to \$1,781.

Table 4 shows district-level net current expenditures per pupil based on the proportion of enrolled students of color.

Table 4: Average Net Current Per Pupil Expenditures by Percent of Students of Color, 2000-2014

	2000-01	2010-11	2013-14
Least % of color	\$5,264	\$8,749	\$8,645
Highest % of color	\$6,037	\$10,571	\$10,426
State	\$5,531	\$9,292	\$9,429

The pattern of spending seen when looking at student demographics is consistent with the concept of vertical equity, which assesses the extent to which students with equal needs are provided equal resources. Thus, the differences we see between districts with different demographics can be chalked up to the state trying to ensure that every student gets what they need to succeed.

Does Achievement Matter?

Unsurprisingly, yes. Districts with lower proportions of students scoring proficient spend more per pupil than districts with higher proportions of students scoring proficient in both math and literacy. In 2013-14, districts with the lowest percent of students scoring at least proficient on math Benchmark exams spent \$2,678 more than the districts with the highest percent of students scoring proficient or advanced.

Table 5: Average Net Current Per Pupil Expenditures by Student Math Performance 2005-2014

	2005-06	2010-11	2013-14
Least % Proficient/ Advanced	\$8,778	\$11,366	\$11,249
Most % Proficient/ Advanced	\$7,233	\$8,249	\$8,571
State	\$5,531	\$9,292	\$9,429

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Table 5 shows district-level net current expenditures per pupil based on the percent of students scoring at least proficient on the Math Benchmark Exam.

We can ask the same question for literacy performance as we did for math performance. We find that the lowest performing districts in literacy outspent the top performing districts by \$2,520.

Table 6 presents district-level net current per pupil spending based on the percent of students scoring at least proficient on the Literacy Benchmark Exam.

Table 6: Average Net Current Per Pupil Expenditures by Student Literacy Performance 2005-2014

	2005-06	2010-11	2013-14
Least % Proficient/Advanced	\$8,822	\$11,313	\$11,177
Most % Proficient/Advanced	\$7,190	\$8,198	\$8,657
State	\$5,531	\$9,292	\$9,429

The question then becomes one of which came first—elevated spending or lower achievement? Our analysis doesn’t speak directly to that question, but it seems likely that lower achievement precedes additional spending. **When a district realizes that students are struggling academically, school and district leaders will invest in additional support for students**—tutors, remediation programs, instructional coaches, or even a school turnaround leader. These resources increase per pupil expenditures.

Is Achievement Equitable?

This report is not a definitive examination of the impact of increased funding, but rather a ‘quick look’ at student performance trends.

Although Arkansas has drastically improved the amount of resources available to districts in the state, students are still not doing as

well as would be hoped on standardized measures of academic achievement. Performance has increased, but continued improvement and persistent achievement gaps should remain a major concern and point of focus for the state until all students in Arkansas are demonstrating proficiency.

Conclusion

Arkansas has consistently increased per pupil spending over the past decade and a half, with funds targeted towards students from low socioeconomic backgrounds, students of color, and students who underperform on standardized assessments.

From this, it seems like the state is working to ensure that resources are equitably distributed around the state in order to meet the needs of students. In the 2013-14 school year, there was a gap in spending between districts in communities with the most wealth and districts in communities with the least wealth. This gap needs to close again, as it was for the prior 13 years, to achieve equity on this measure.

Arkansas has made great strides in ensuring that every student in the state has access to the appropriate resources to support their learning. The work, however, is not yet complete. Not all students leave school ready for college and careers, and there are achievement gaps between students from different geographic, racial, and socioeconomic backgrounds. **The resources are in place, but we all need to continue searching for ways to ensure that those resources are being used effectively to empower every student with the skills they need to be successful in the future.**

Sources and Resources

For more details, read the complete [Arkansas Education Report](#).

Arkansas financial data is taken from the state [Annual Statistical Reports](#).

Demographic and achievement data are from the Office for Education Policy’s [Arkansas School Databases](#).

