


11-11-2015

## Education Funding Adequacy in Arkansas

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### Citation

McKenzie, S. C., & Ritter, G. W. (2015). Education Funding Adequacy in Arkansas. *Policy Briefs*. Retrieved from <https://scholarworks.uark.edu/oepbrief/17>

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**This Brief**

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**Education Funding Adequacy in Arkansas**

*Over the past decade and a half, Arkansas has made enormous strides in ensuring that every child in the state is has access to a quality learning experience. This brief examines the adequacy of current education spending in Arkansas.*

**What Is An “Adequate” Education?**

In 2002, the Arkansas Supreme Court found the education system inadequate, inequitable, and unconstitutional. Huge discrepancies in available resources existed between districts, and students’ educational opportunities were largely determined by the wealth of their community.

In response to the Court’s finding, the Legislature spent five years working to bring Arkansas’ education system up to par. “Adequacy” is now defined as an agreed-upon statewide curriculum, virtually all Arkansas students scoring at least proficient on statewide standardized assessments, and sufficient funding for all students.

**How Much Does Arkansas Spend?**

There are a number of ways to measure how much Arkansas spends per pupil, including how much money a district is provided (revenue) and how much they spend (expenditures). Five measures are presented as per pupil values in Table 1.

- State **foundation amount** is the minimum amount guaranteed for all students by the state.
- **Net current expenditure** represent the per pupil day-to-day cost of operating a school district.
- **State and local revenue** includes all funds received from sources other than restricted federal funds.
- **Total expenditure** represents the annual per pupil cost of, including funds used for acquiring capital assets and debt service
- Federal funds make up approximately 10% of revenue for education, and are included in the **total revenue** provided for per pupil.

Each measure of both revenue and expenditure has increased over the past fourteen years.

**Is State Funding Adequate?**

**Yes.** School districts in Arkansas have consistently received a greater proportion of their revenue from the state than the

**Summary Points**

- Arkansas’ investment in education has increased since 2000-01
- Both education funding and expenditures have increased
- Per Pupil Net Current expenditures have increased 70% since 2001—from \$5,531 to \$9,429 (essentially the day-to-day costs of education)
- Arkansas provides more funding per pupil than neighboring states
- Arkansas provides nearly the same funding per pupil as the national average when cost-of-living is considered
- Education funding accounts for over half of Arkansas’ funded budget

Table 1. Per Pupil Expenditures and Revenues, 2000-2014

Per Pupil Value	2000-01	2009-10	2013-14
Foundation	\$4,562	\$5,940	\$6,393
Net Current Expenditure	\$5,531	\$9,094	\$9,429
State and Local Revenue	\$5,990	\$9,926	\$10,808
Per Pupil Total Expenditure	\$6,945	\$11,660	\$11,598
Total Per Pupil Revenue	\$6,642	\$11,717	\$12,057

For more information about this policy brief and other education issues in Arkansas, contact us:

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average district in the rest of the United States. Every year, about half of Arkansas' general revenue supports K-12 education.

In the 2000-01 school year, districts in Arkansas received 59% of their revenue from the state, while the average district in the country received 50% of its revenue from the state. In 2011-12, Arkansas supplied 52% of its school districts' funding, while the average district in the country received 46% from the state. Districts in Arkansas have access to less revenue from local property taxes. The state government makes up for this by investing heavily in K-12 education.

## Is Education Spending Adequate?

**Yes.** When we consider expenditures, we can see how far Arkansas has come. In the 2000-01 school year, only two states in the country spent less than Arkansas on K-12 education. In 2011-12, Arkansas had shot up to outspend 20 states. Further, those figures do not take into account differences in cost-of-living. When cost-of-living adjustments (COLA) are made, Arkansas outspent all five neighboring states since 2005-06, and virtually matched the national average in the 2011-12 school year. Net current per pupil 2011-12 spending is shown in Table 2 for Arkansas, its neighbors, and the nation as a whole in both actual dollars and cost-of-living adjusted dollars.

Arkansas is investing more per student than its neighbors, and is matching the investment made by the average state in the country. The Legislature deserves significant praise for its commitment to education that has led to this turnaround.

Table 2: *Unadjusted and COLA Adjusted Net Current Per Pupil Spending, 2011-12*

	Unadjusted NCPP	COLA- Adjusted NCPP
Arkansas	\$ 9,618	\$10,558
Oklahoma	\$ 7,565	\$ 8,453
Mississippi	\$ 7,790	\$ 9,341
Missouri	\$ 7,565	\$ 8,453
Texas	\$ 8,341	\$ 9,106
Tennessee	\$ 8,447	\$ 9,375
Louisiana	\$10,741	\$11,549
US	\$10,772	\$10,772
AR-Region	-\$1,341	+\$928
AR-US	-\$ 1,154	-\$214

## Conclusion

In 1979, Arkansas was spending less than \$2,000 per pupil, after adjusting for the cost-of-living. Today, that figure has more than quintupled. This represents an incredible increase in the resources available for Arkansas schools and students, and the Legislature should be recognized for its considerable financial commitment to education. While Arkansas has still not achieved the Legislature's goal of having "all but the most severely disabled perform at or above proficiency on these [state standardized] tests", it has reached the Legislature's goal of "sufficient funding to provide adequate resources."

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 is not yet done, however. 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. The commitment the Legislature has demonstrated to enhancing the quality of the K-12 education system over the past decade and a half is admirable, and ought to be maintained to benefit the students of Arkansas.

## Sources and Resources

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

Arkansas financial data is taken from the state [Annual Statistical Reports](#). For between-state and national data, figures are taken from the [National Center for Education Statistics](#).

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

<sup>1</sup>Bureau of Legislative Research (2013). [Legal Adequacy Overview](#).