

# Arkansas Public School Funding

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Office for Education Policy  
Department of Education Reform  
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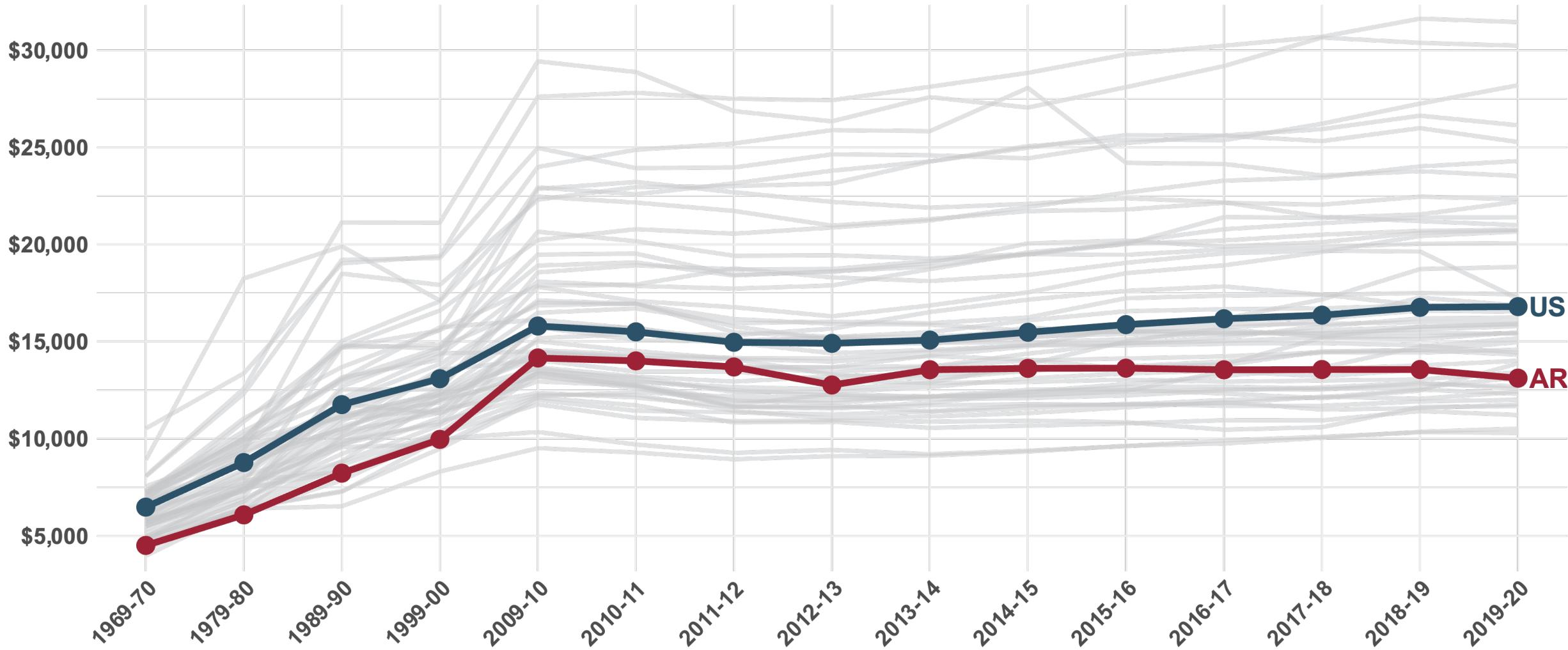


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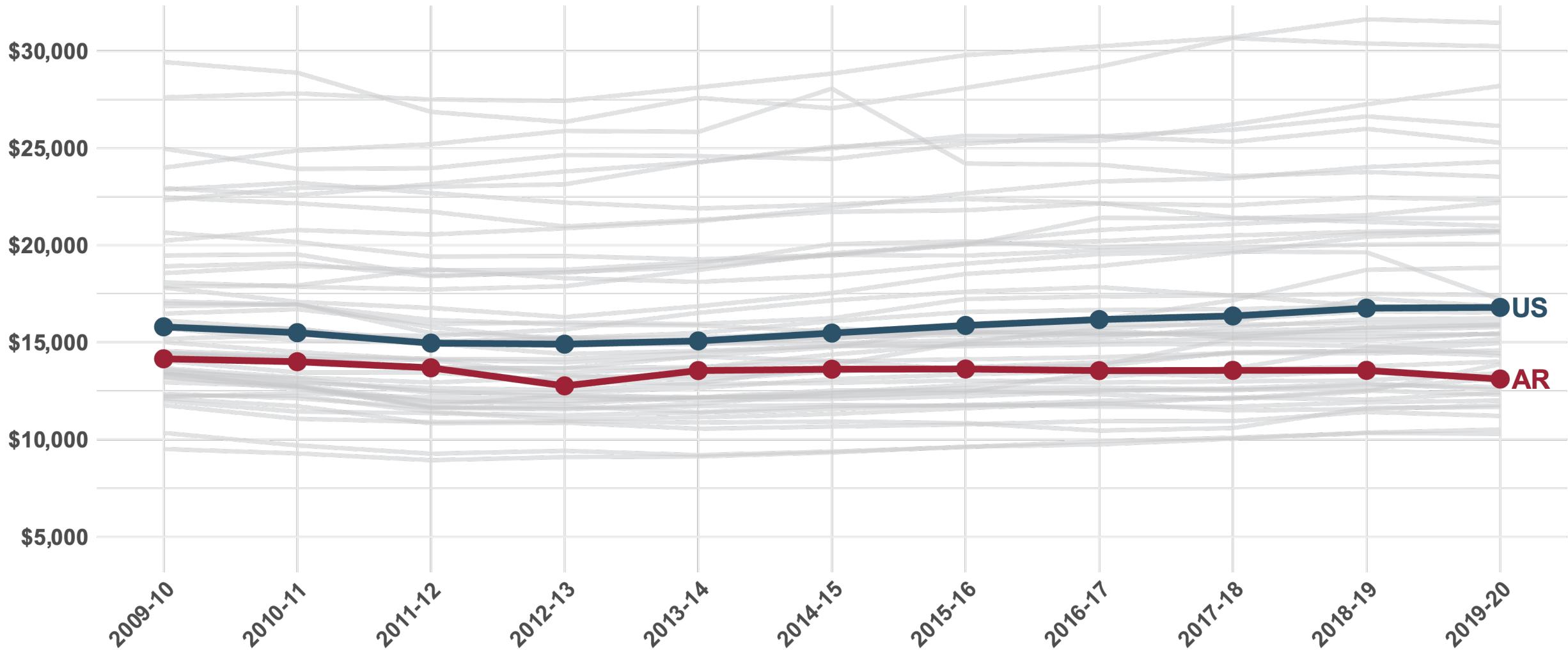
Office for  
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Policy

# Arkansas' per-pupil expenditures tend to be slightly below the U.S. average.

(inflation adjusted 2022-23 \$s, grey lines are other states)

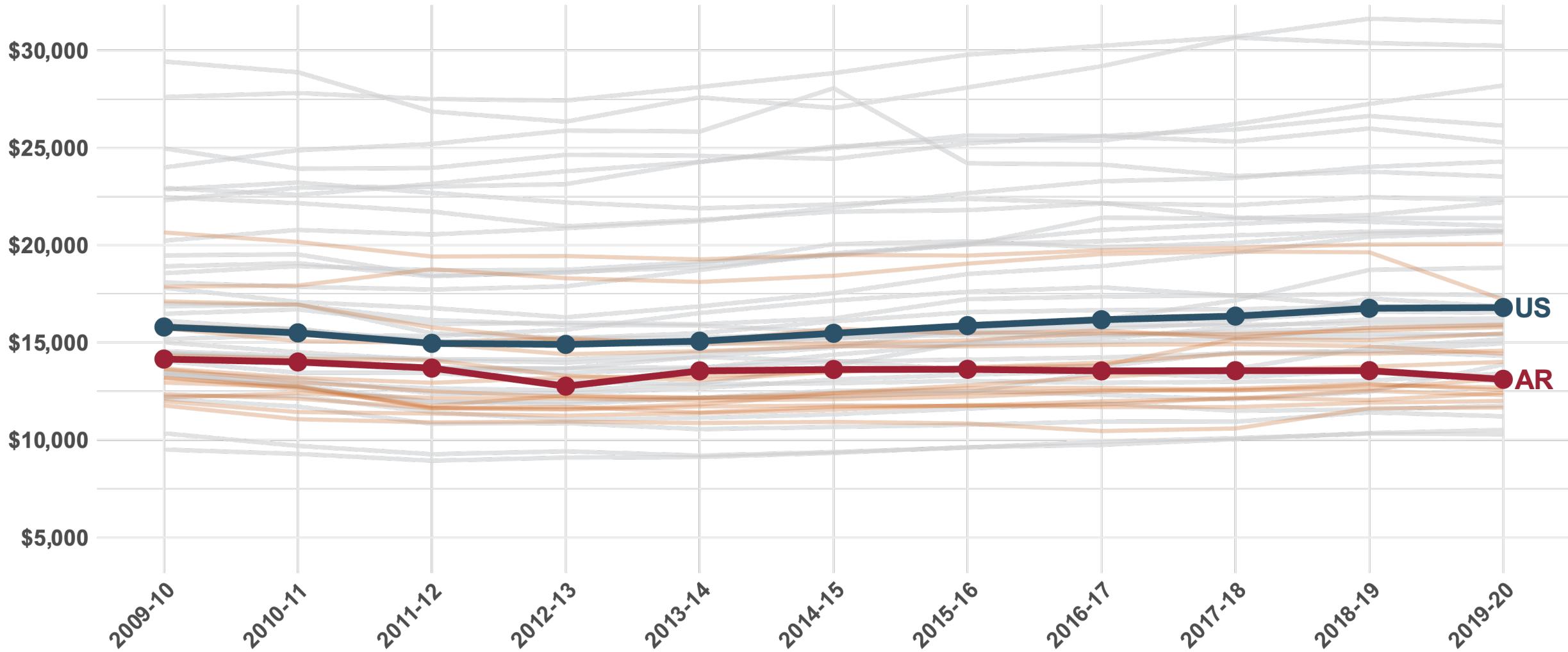


Inflation adjusted per-pupil expenditures have been relatively flat over the past decade.

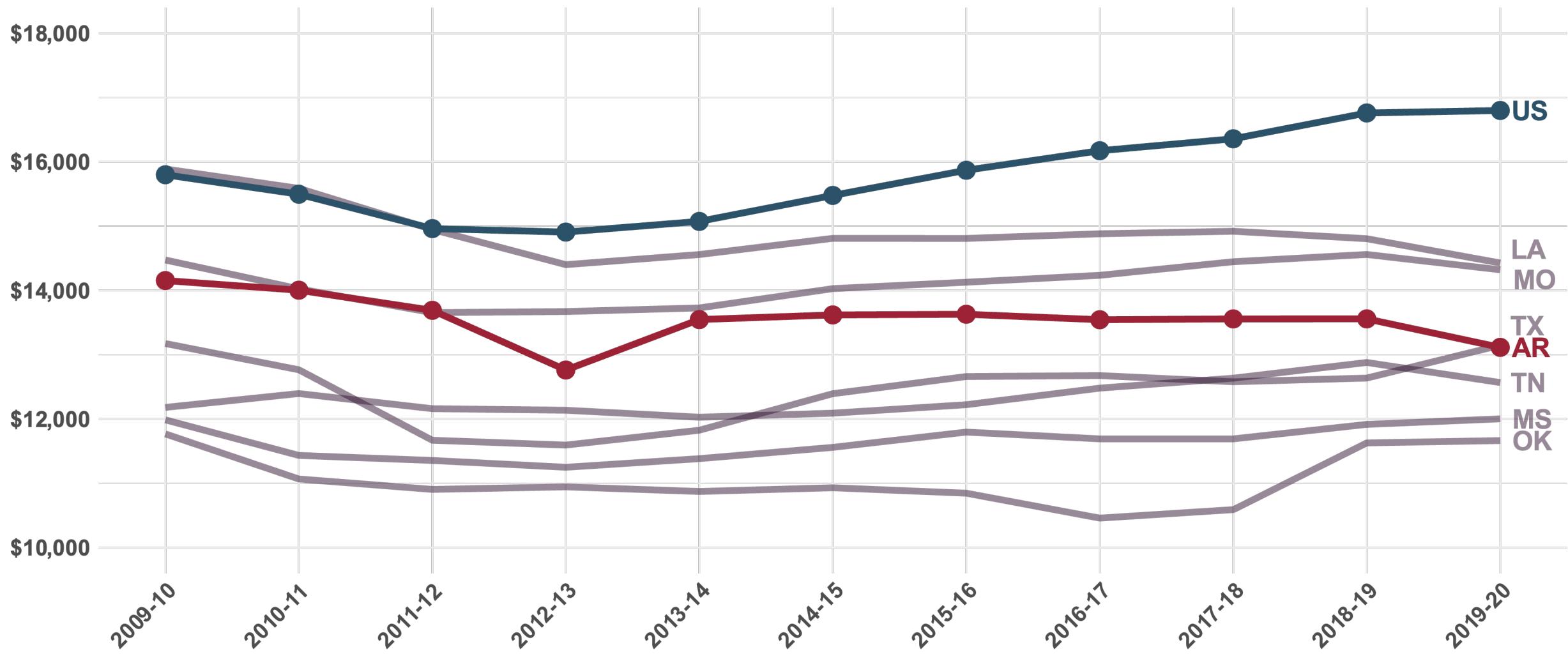


Southern Regional Education Board (SREB) states tend to spend less than the U.S. average.

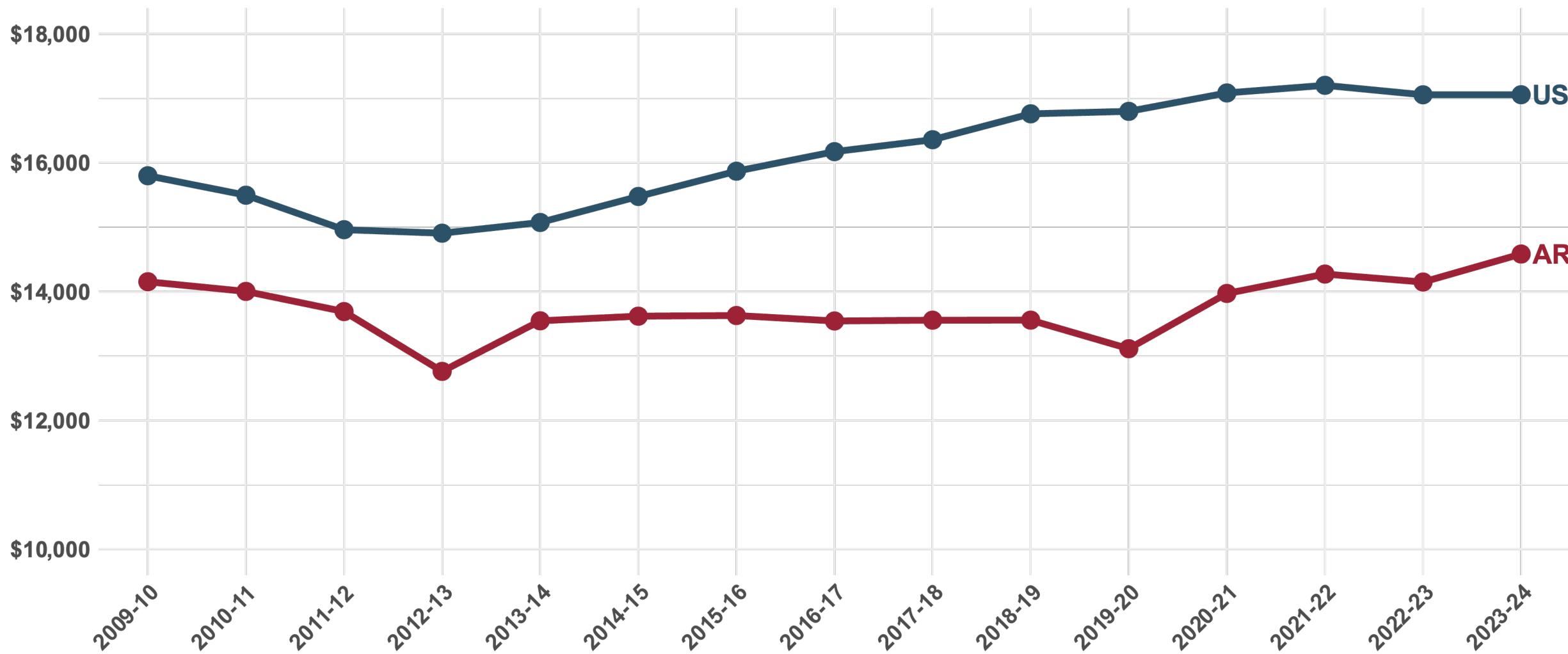
(orange = SREB states)



Arkansas's education spending is in the middle of our immediate neighbors.



# Arkansas's education spending is trending up.



Arkansas uses a weighted student funding formula similar to states like Tennessee & Texas.

- Weighted student funding formulas include:
  - base funding amount and
  - weights that increase funding for students with additional needs (i.e., ELL, students with disabilities, students living in poverty, etc.).
- These student-centered formulas seek to provide:
  - adequate funding for all students,
  - additional funding for students who need more help, and
  - district flexibility to work with families to meet students' needs.

Arkansas's funding formula is informed by a cost model and incorporates community resource differences.

- Per-pupil funding amount (i.e., foundation funding) is informed by a cost model for a prototypical 500 student school (i.e., the Matrix).
- Foundation funding = \$7,413 in 2022-23 and \$7,618 in 2023-24.
- The foundation funding amount is divided between state and local funding.
  - Each district provides local funding equal to 25 mills (i.e., \$25 per \$1,000 in assessed property value).
  - State funding fills in the remainder to get to the foundation funding amount.

Arkansas provides additional funding for students who need more help.

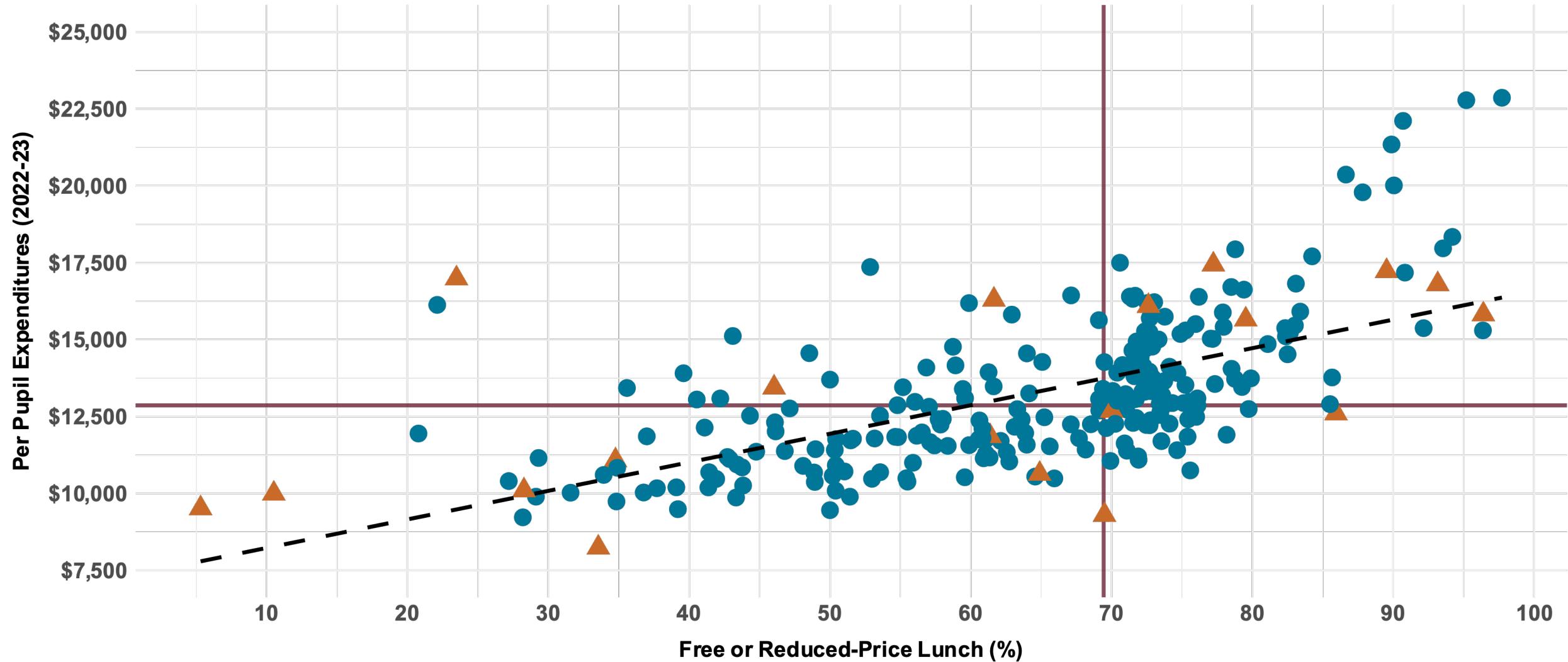
- The state provides categorical/weighted funding for the following student groups:
  - Alternative Learning Environment - \$4,890 (64% on top of foundation)
  - English Language Learners (ELL) - \$366 (5% on top of foundation)
  - Enhanced Student Achievement (poverty weight):
    - FRL  $\geq$  90% - \$1,613 (21% on top of foundation)
    - 70  $\leq$  FRL < 90% - \$1,076 (14% on top of foundation)
    - 70 > FRL - \$538 (7% on top of foundation)

Like other states, Arkansas has a patchwork of other funding elements that have accumulated over time.

- The state also provides a variety of other funding for things like:
  - Professional development
  - Student enrollment growth/decline
  - District Isolation
  - Etc.
- These other funding elements can be complex and result in a less transparent and understandable funding formula.

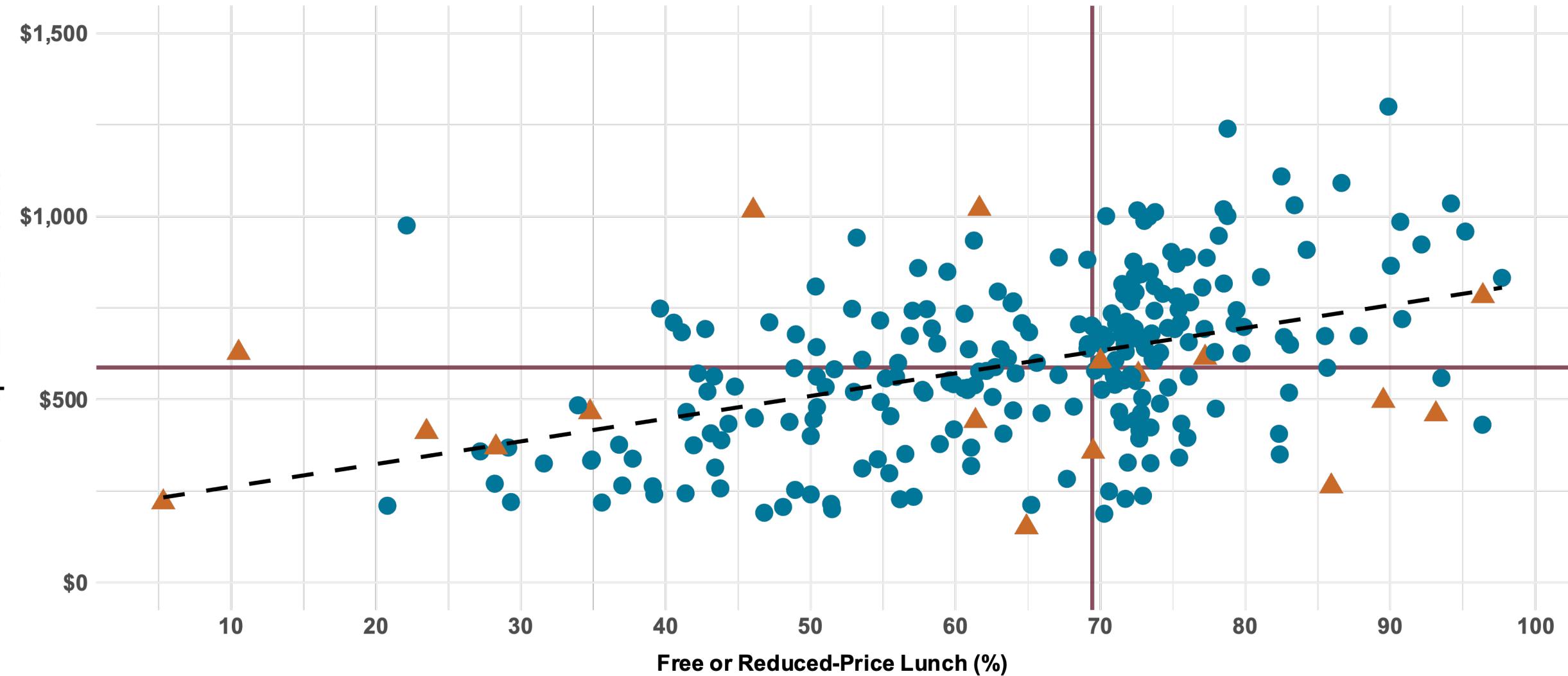
# Arkansas's funding formula results in more spending in districts serving more children living in poverty.

(triangles = charters, red lines = median, [click here for interactive version](#))



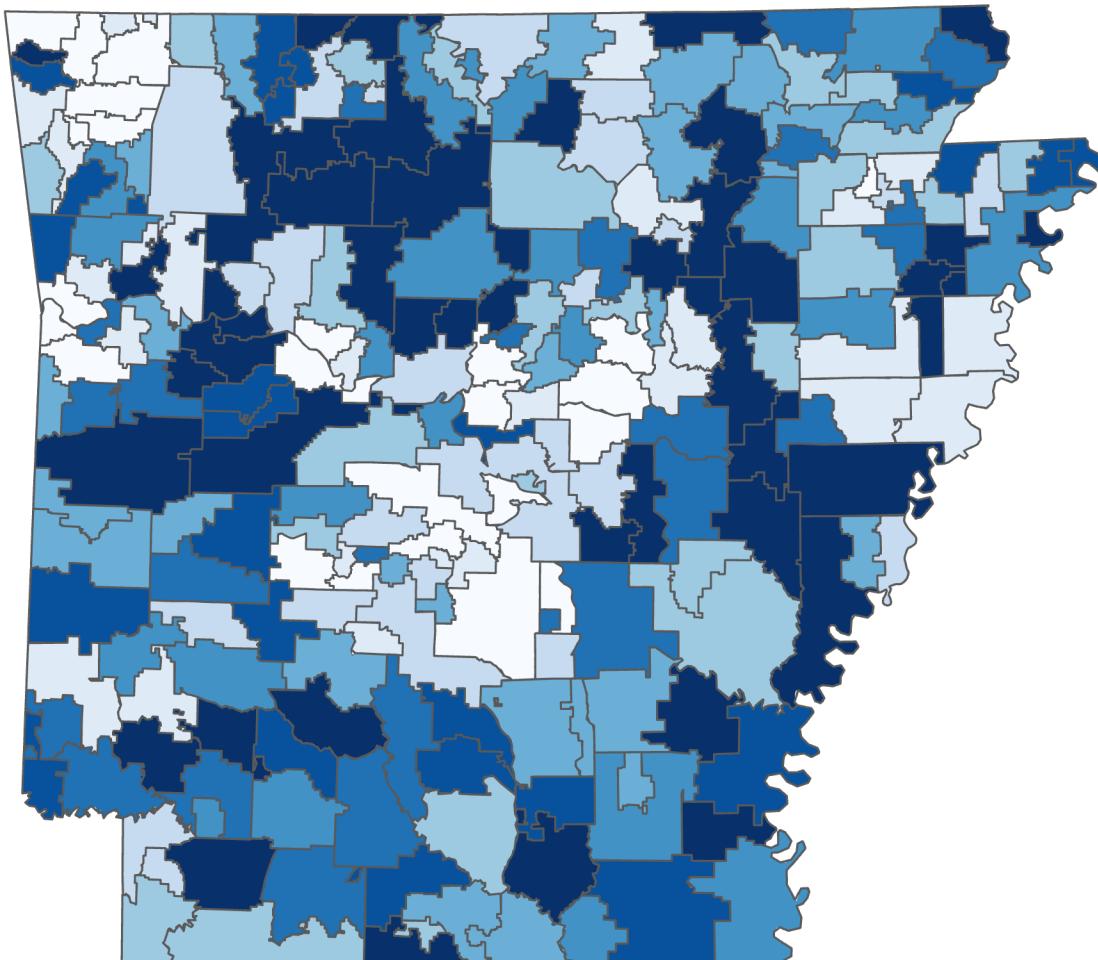
Districts serving more students living in poverty are receiving more funding due to LEARNS teacher salary increases.

(red lines = median, [click here for interactive version](#))



The LEARNS salary allocations were larger in more rural and higher-poverty districts.

([click here for an interactive version](#))

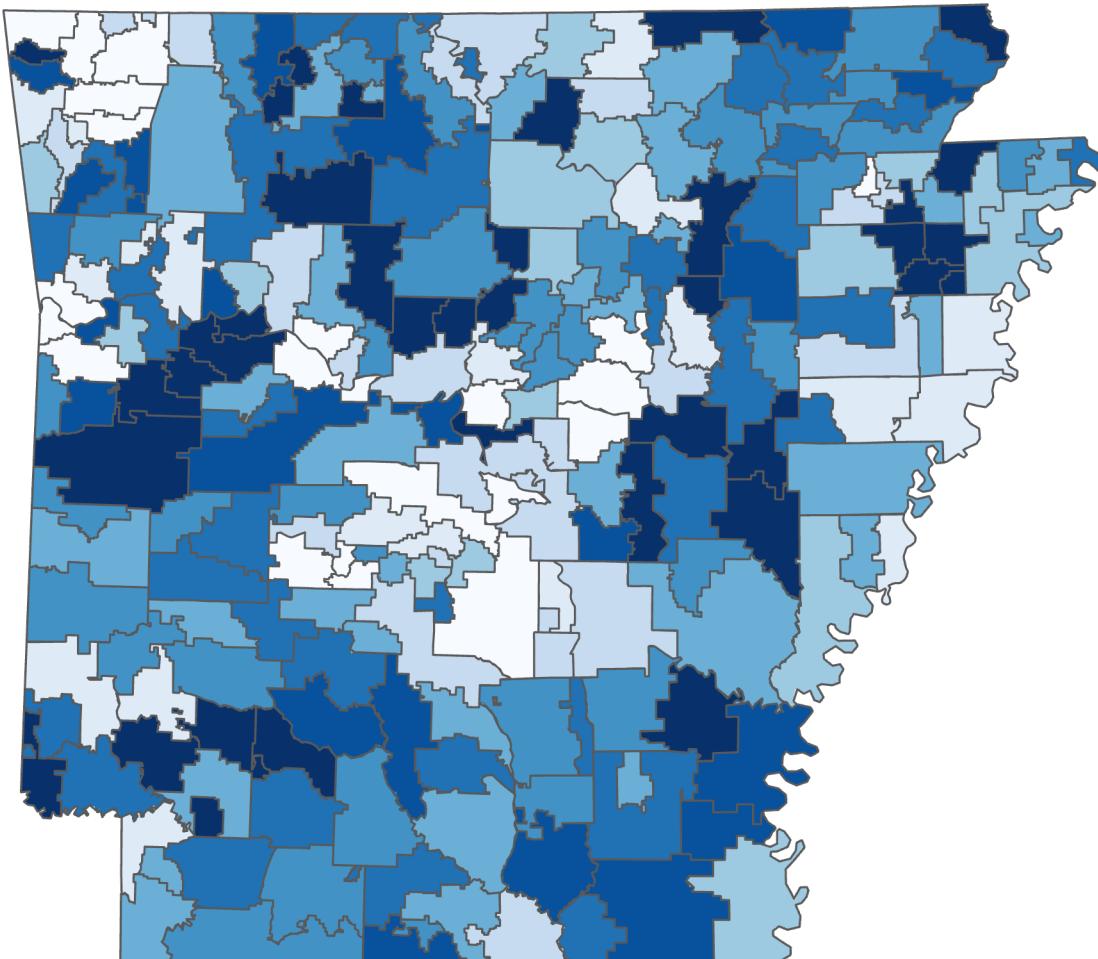


Per-Pupil LEARNS Allocations

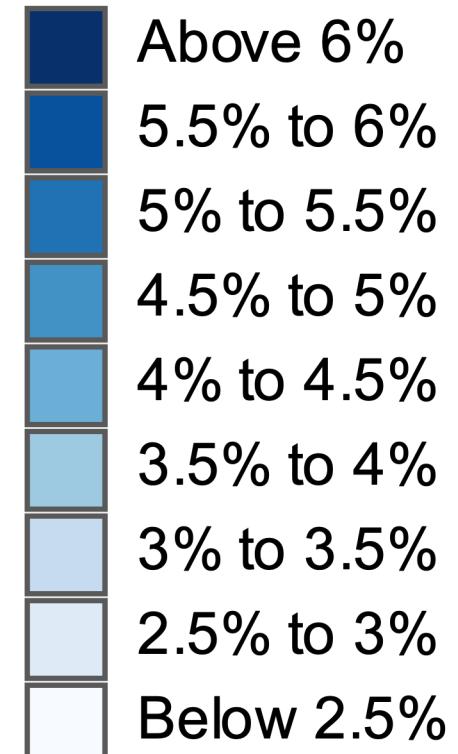
More than \$787
\$707-\$787
\$660-\$707
\$599-\$660
\$550-\$599
\$479-\$550
\$404-\$479
\$302-\$404
Less than \$302

# The LEARNS salary allocations represent a substantial increase in expenditures for most districts.

([click here for an interactive version](#))



**LEARNS Allocations  
as a Percentage of  
2022-23 Expenditures**

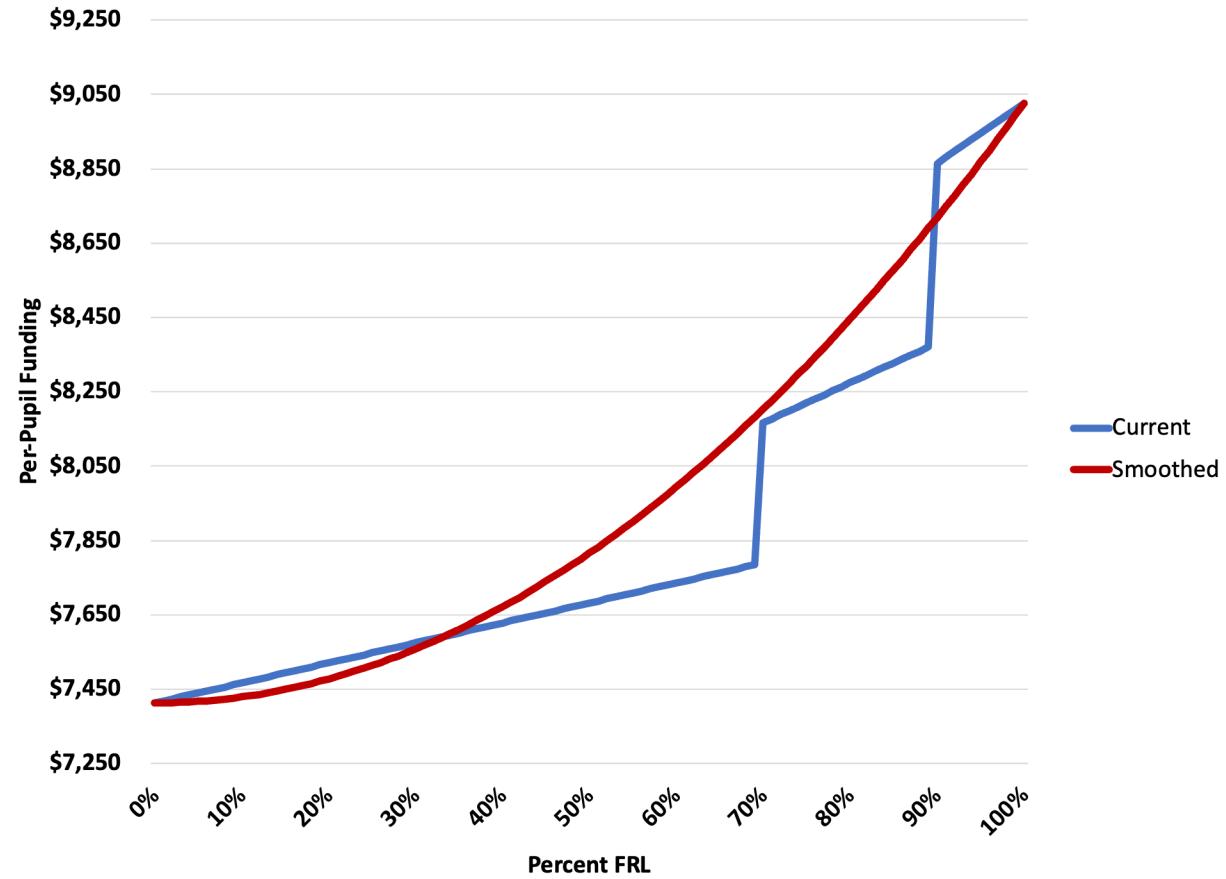


# Arkansas could improve its funding system in several ways.

- Simplify funding by eliminating the patchwork of funding elements and putting more dollars into the weighted student funding formula.
- Reassess weighted student categories and weights.
  - ALE funding weight is very high.
  - Poverty funding creates cliffs.
  - No weight for students with disabilities.
  - Could develop a rural/sparsity weight.
- CTE funding currently built into the Matrix cost model, but some direct funding could help align state and district priorities.

# Arkansas's current poverty funding creates arbitrary large jumps at two thresholds of concentrated poverty.

- Higher funding for districts with more students living in poverty is a good thing.
- But arbitrary jumps in funding do not make policy sense and create unnecessary winners and losers at the thresholds.
- Smoothing out the jumps (red line) is a better approach.



# Should Arkansas increase education funding?

- Additional resources are very unlikely to do harm and can positively impact student outcomes.
- However, there is no clear evidence-based answer to the question of how much states should spend.
- Arkansas's spending is comparable to its neighbors and has moved closer to the national average in recent years.
- The question of whether to increase education funding should be informed by spending tradeoffs and state priorities.
- Increases should be added to foundation funding within the weighted student formula to provide the most local flexibility to meet students' needs.

Arkansas's school funding approach works relatively well and could be best-in-class with some tweaks.

- Spending is comparable to neighbors.
- Simplify the funding system.
- Push as much funding through the weighted student formula as possible.
- Fix the longstanding issues with funding for economically disadvantaged students.
- Consider different approaches for special needs students and CTE.