



INDIANA SCHOOL BOARDS
ASSOCIATION

**Indiana K-12 Funding
White Paper**

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2nd Edition

CONTENTS

List of Tables.....	3
Foreword	4
Executive Summary.....	5
Indiana Education Funding.....	7
Equity.....	7
Comparative Statistics	7
Overview.....	8
Instruction.....	9
Non-Instruction Spending	10
Academic Results	12
Additional Information	14
Student Population.....	14
Career and Technical Education.....	14
Appendix	16
References.....	19

LIST OF TABLES

Table 1: Comparable States.....	.....
Table 2: Total Revenues/Expenditures Per Pupil, SY 2015-16 (NCES, 2019).....	.....
Table 3: Current Expenditure Breakdown Per Pupil, SY 2015-16 (NCES, 2019).....	.....
Table 4: Students Enrolled Per Teacher, SY 2017-18 (NEA, 2019).....	.....
Table 5: Average Instructions Staff Salaries, SY 2017-18 (NEA, 2019).....	.....
Table 6: Average Teacher Salaries, SY 2017-18 (NEA, 2019).....	.....
Table 7: Total Administrative Expenditures, SY 2015-16 (NCES, 2019).....	.....
Table 8: Total Capital Outlay Expenditures, SY 2015-16 (NCES, 2019).....	.....
Table 9: NAEP Results – Indiana.....	.....
Table 10: NAEP Results – Comparative States.....	.....

FOREWORD

This is the second edition of ISBA's K-12 Funding White Paper, first published last year, with updated data and analyses included. The information contained within the initial paper was heavily used during the 2019 legislative session of the Indiana General Assembly and will serve as a resource for reference in 2020.

ISBA is providing this white paper to our members as a resource to better understand the current state of Indiana's K-12 education system while also recognizing it in the context of Indiana's socio-economic trends in comparison to the nation. While the primary focus of the research pertains to K-12 funding and spending in Indiana, other K-12 education topics are covered to provide a more complete picture of the condition of public education.

This paper brings together a selection of credible economic, education, and financial statistics relevant to Indiana's K-12 education system from government and non-government sources. These reputable sources were cross-referenced and determined to be of high-quality.

EXECUTIVE SUMMARY

Funding Overview

Equity: The 2019 Quality Counts report from Education Week and a study from CEEP at I.U. both indicate Indiana is one of the most equitable states in education funding by district, with Indiana receiving a grade of A- and 8th in the nation. Equity, however does not indicate funding adequacy; the Quality Count researchers note that there is a great correlation between high equity and inadequate funding.

Comparative Funding: General

Spending Rating: In the 2019 Quality Counts Report, Education Week gives Indiana an F in spending, ranking the state 33rd in the nation.

States: Michigan and Ohio are good comparative states to Indiana as they have similar *funding capacity* (tax burden, per-capita personal income, and growth) and are in the Midwest region.

Revenues: The NCES shows that Indiana raises \$11,882 per-pupil, placing it in the bottom 20 states in the nation. Michigan and Ohio both raise more than \$1,000 extra per-pupil.

Expenditures: The NCES indicates that Indiana spends only \$11,148 per-pupil, thousands below the national average, placing it 39th nationally. Our neighbors Michigan and Ohio both spend at least \$1,000 more per-pupil.

Breakdown: The NCES displays that Indiana is quite comparable to other states regarding funding allocation. Specifically, when broken into Instruction, Support Services, and Non-Instruction spending, Indiana is within 1.5% allocation to both Michigan and Ohio in all categories.

Comparative Funding: Instruction

Teacher Salary: The NEA reports that the average salary of teachers in Indiana is just \$50,614, making us 36th in the nation. Michigan and Ohio both have at least \$7,000 higher average salaries.

Teacher-Student Ratio: Indiana has the 10th highest student teacher ratio at 17.1. Michigan and Ohio also have high ratios indicating this may be a regional issue.

Comparative Funding: Non-Instruction

Administrative: NCES data shows that Indiana only spends \$830 per-pupil on administrative expenses. This is far less than the national average and the 16th lowest in

the nation. Michigan spends similar amounts but Ohio spends over \$1050 on administration per-pupil.

Capital Outlays: With a growing student population, Indiana spends approximately \$1,011 per-pupil in Capital Outlays. This is below the national average and the 21st lowest in the nation.

Academic Results

State of Education: The 2019 Kids Count Data Book, issued by the Annie E. Casey Foundation, and Ed Week’s Quality Counts report evaluated indicators for education outcomes. Indiana was ranked 21st in Kids Count, falling seven places since last year. The newest Quality Counts report reviewed childhood “Chance for Success” giving Hoosiers a C+ (79.4) and ranking Indiana 27th.

NAEP: Results of the NAEP over the past decade indicate that Indiana has made surprising strides in educational achievement, but recent data may be showing that we could be losing some of that progress. Although Indiana still outscores the national average by a sizeable margin, the state has slipped in scores since 2017.

Students

ADM/Enrollment: With ADM increasing by 2.8% since 2014, traditional public schools continue to educate more than 88% of all Hoosier students.

School Choice/Transfer: While Indiana has been a leader in promoting school choice, families are more likely to *choose* traditional public school for their children. In fact, over 44% of all transfers are into traditional public schools and charter (31%) and private schools (25%) are falling further behind.

ISBA is providing this white paper as a resource to better understand the current state of Indiana’s K-12 education system while also recognizing it in the context of Indiana’s socio-economic trends in comparison to the nation. While the primary focus of the research pertains to K-12 funding and spending in Indiana, other K-12 education topics are covered to provide a more complete picture of the condition of public education.

INDIANA EDUCATION FUNDING

Since the Great Recession, Indiana has not funded elementary and secondary education to the degree that it once had, or even to the same extent as comparable states. This can be attributed to a host of socioeconomic and governmental factors. We hope to break this trend in order to push Indiana, and the next generation of Hoosiers, to higher levels of achievement.

2019 Legislative Session

The 2019 legislative session of the Indiana General Assembly was considered a funding success by ISBA and several other K-12 associations. Legislators dedicated \$763 million in total new money for K-12 education over the 2017 biennial budget. This included significant increases to K-12 tuition support, ~2.5% each year – higher than the annual Midwest inflation rate. This was a major first step in regaining lost ground, time, and education funding since setbacks caused by the Great Recession.

Midwest Inflation (BLS, 2019)

- The inflation for all Midwest items rose **1.2%** over the latest 12 months
- The index for all items, less food and energy, was up 1.7% over the last 12 months
- The energy index, including motor fuel and household fuels, declined 3.8%

Equity

Education funding equity broadly refers to the comparability of funding between school districts within a state and can be further broken into two parts: horizontal (funding comparability of similar schools) and vertical (funding comparability of schools with different levels of needs).

The equity in education funds has improved greatly in Indiana due to state-imposed restrictions on local taxing. In fact, Indiana is one of the most equitable states in education funding by school district. This, however, doesn't indicate that funding is adequate.

Equity Rating (Education Week, 2019)¹

- Indiana graded A- (89.8) on equity, 8th best in the nation (drop of .8 and 4 places)
- They found little correlation between community wealth and per-pupil spending
- Small variation in per-pupil spending across Indiana
- Funding needed for students to reach the median per-pupil spending was low

(See appendix B for methodology)

Equity Analysis (Sugimoto, 2016)

- Both horizontal and vertical equity increased between 2009 – 2017
- Shift in low-income measure from Free-Reduced-Lunch to Supplemental Nutrition Assistance Program increased horizontal and vertical equity further

COMPARATIVE STATISTICS

¹ Researchers noted that states which scored high in equity usually lacked in funding adequacy

In order to put the following funding data into context, we identified two comparable states based on their state/local tax burden, per-capita personal income, and personal income growth. These measures were used to find states with comparable funding *capacity*. Interestingly, the states most similar to Indiana using these measures were Michigan and Ohio, both of which also happen to be neighboring, Midwest states which further improves comparability.

Table 1: Comparable States			
State	Indiana	Michigan	Ohio
State/Local Tax Burden² (Tax Foundation, 2016)	9.5% (22 nd)	9.4% (25 th)	9.8% (19 th)
Per-Capita Personal Income (FRED, 2018)	\$45,150	\$46,201	\$46,732
Personal Income Growth (BEA, 2018)	3.7%	3.7%	3.3%

Overview

Before comparing the specific spending patterns of each state’s K-12 system, it is important that we first provide a broad overview of how much each state is raising and spending per-pupil³. We can also separate spending into three broad categories for comparison.

Table 2 outlines the core stats needed to compare the states’ K-12 finances. When it comes to both per-pupil revenues and expenditures, Indiana comes in more than \$1,000 under Michigan and more than \$2,000 beneath Ohio. Indiana’s distinctly lower figures also translate to far worse rankings compared to the nation. This is a surprising finding because each state has similar funding *capacity* per-pupil.

Table 2: Total Revenues/Expenditures, Per-Pupil, SY 2015-16 (NCES, 2019)			
State	Indiana	Michigan	Ohio
Rev./Pupil (\$)	\$11,882	\$12,912	\$14,539
U.S. Ranking	34 th	25 th	18 th
Expend./Pupil (\$)	\$11,148	\$12,570	\$13,585
U.S. Ranking	39 th	28 th	21 st

Table 3 breaks down current expenditures into three general categories: Instruction, which deals directly with educating students; Support Services, which includes costs necessary to facilitate instruction indirectly; and Non-Instruction, which includes other overhead expenses. Indiana spends less in Instruction and Support Services categories than Michigan and Ohio spend, but spends more than both states in Non-Instruction expenditures.

Table 3: Current Expenditure Breakdown, Per-Pupil, SY 2015-16 (NCES, 2019)			
State	Indiana	Michigan	Ohio

² The amount of taxes paid to state/local government as a proportion of total personal income

³ Per-pupil revenues and expenditures are used to aptly compare states of varying sizes/populations.

Instruction	\$5,571	\$6,358	\$6,964
% of Total	57.5%	57.5%	58.4%
Support Services	\$3,649	\$4,285	\$4,566
% of Total	37.7%	38.8%	38.3%
Non-Instruction⁴	\$471	\$409	\$403
% of Total	4.9%	3.7%	3.4%

Education Week collected all of this data, and more, and used it to create a K-12 spending index in their 2019 Quality Counts Report. After adjusting for regional costs, they then provided an overall spending grade for each state.

Spending Rating (Education Week, 2019)⁵

- Indiana was graded F (51.5) on spending for SY 2015-16, 33rd in the nation
- Ohio was graded D (64.0) and Michigan graded F (58.1), both substantially above Indiana

(See Appendix B for methodology)

Instruction

One major controversial topic this session will be K-12 instruction spending, especially concerning teacher salaries. Although the Indiana General Assembly has refused to re-open budgetary issues, this has been a hot topic in the media this year with campaigns such as the *Red for Ed Rally*. In Indiana, as well as nationwide, we are experiencing a shortage of teachers entering the workforce. Reasons for this may include a high student-teacher ratio, a low starting salary, and a low median salary. Indiana has the 10th highest amount of students per teacher, with Michigan ranking one spot worse with similar numbers, and Ohio having a little more than one student less per teacher. The top ten states with the lowest amount of students per teacher had 13 students or less.

Table 4: Students Enrolled Per-Teacher, SY 2017-18, (NEA, 2019)

State	Indiana	Michigan	Ohio	U.S.A.
Students/Teacher	17.1	17.4	15.9	15.8
U.S. Ranking	10 th	9 th	17 th	-

The average Instructional Staff salary in Indiana is \$61,082, below both Michigan and Ohio's averages and the national average. Instructional staff here includes not only teachers, but principals, department heads, librarians and more.

⁴ Includes only Food Service Operations and Enterprise Operations expenditures

⁵ Adjusted for regional costs, Indiana spends less per-pupil, has fewer districts meeting adequate spending measures, and has a smaller share of state resources than comparable states

Table 5: Average Instructional Staff⁶ Salaries, SY 2017-18, (NEA, 2019)				
State	Indiana	Michigan	Ohio	U.S.A.
Salary (\$)	\$61,082	\$61,911	\$61,167	\$62,760
U.S. Ranking	18 th	15 th	17 th	-

The average teacher salary in Indiana is \$50,614, nearly \$10,000 below our national average. Indiana is additionally significantly behind the teacher salaries of Michigan and Ohio. The minimum average base salary for teachers is \$36,355 (IEERB 6).

Table 6: Average Teacher Salaries, SY 2017-18, (NEA, 2019)				
State	Indiana	Michigan	Ohio	U.S.A.
Salary (\$)	\$50,614	\$61,911	\$58,000	\$60,477
U.S. Ranking	36 th	13 th	17 th	-

Non-Instruction Spending

As public discourse continues to push for increased education spending for their children, some point towards non-instruction spending as the source of issues rather than the funding amount itself. Generally, those individuals point to inefficiencies and bloating in administrative and capital outlay spending.

The table below compares and ranks the administrative expenditures of Indiana and our comparable states. Per-pupil spending in Indiana is less than both comparable states on administration and ranks far below the national average. However, due to the Indiana's relatively small budget, administrative expenses (less flexible than other costs per-pupil) takes up a larger portion of said small budget.

Table 7: Total Administrative Expenditures, SY 2015-16, (NCES, 2019)				
State	Indiana	Michigan	Ohio	U.S.A.
Expenses Per-Pupil (\$)	\$830	\$858	\$1,064	
U.S. Ranking	34 th	31 st	15 th	
% of Expenditures	7.4%	6.8%	7.8%	
U.S. Ranking	17 th	30 th	10 th	

Capital outlay includes the maintenance of school buildings and grounds, the purchase of new materials and technologies, and more. Table 8 below outlines how Indiana spends a higher percent of allotted funds on capital outlay, 9.1%, but a similar amount to comparable states. This

⁶ Some states, such as Indiana, define Instructional Staff to include principals, assistant principals, department heads, athletic directors, librarians, and more. Other states, like Michigan, do not.

is generally attributed to the fact that Indiana has a smaller overall budget for education than these neighboring states.

Table 8: Total Capital Outlay Expenditures, SY 2015-16, (NCES, 2019)			
State	Indiana	Michigan	Ohio
Expenses Per-Pupil (\$)	\$1,011	\$800	\$1,074
U.S. Ranking	29 th	40 th	24 th
% of Expenditures	9.1%	6.4%	7.9%
U.S. Ranking	23 rd	38 th	31 st

ACADEMIC RESULTS

While funding is an important aspect of education, we cannot forget the end goal of K-12 systems: to promote intellectual growth, increase academic achievement, and provide the tools students will need for life.

State of Education

The Annie E. Casey Foundation releases an annual report grading the country on children wellbeing indicators, including education (Annie E. Casey Foundation, 2019). Indiana was ranked 21st in 2019 – a seven place drop since last year. Ohio ranked 16th and Michigan ranked 37th.

Education Week also puts out an annual report on the state of education. In 2019, they added the “Chance for Success” index to their annual Quality Counts report. It serves to help better understand the role education plays in promoting positive outcomes across an individual’s life. Scores were established by 13 measurements sub-divided into three stages of life: Early Foundations, School Years, and Adult Outcomes. Indiana was given a C+ (79.4) ranking 27th nationally. Michigan also received a C+ (77.7), ranked 32nd, while Ohio got a B- (79.9) and ranked 24th.

(See Appendix A for methodology)

National Assessment of Educational Progress (NAEP)

The National Assessment of Educational Progress is an assessment conducted by the U.S. Department of Education to analyze the academic achievement of students from every state at multiple grade levels. The primary subjects analyzed are mathematics, reading, writing, and science but only mathematics and reading data will be outlined below and on the following page.

In mathematics scores, Indiana ranks 8th in the Nation for fourth grade, and 15th in the Nation for eighth grade. This is a drop from 2017’s ranks of 7th and 13th respectively. For reading scores there has been an even more significant drop. In 2019, Indiana ranked 18th in fourth grade reading, and 13th in eighth grade; this is compared to 2017, where Indiana ranked 10th in fourth grade reading, and 7th in eighth grade.

Table 9: NAEP Results – Indiana

Assessment		Score			Achievement		
Grade	Year	Score (0-500)	Diff. From Nation	US Rank	At or above Basic (%)	At or above Proficient (%)	At advanced (%)
Mathematics							
4	2019 ⁷	245.00	+5.00	7 th	84.00	47.00	11.00
	2017	246.51	+7.35	6 th	85.60	48.01	12.14

⁷ 2019 percentages for NAEP data have been rounded, so they do not provide a perfect comparison.

8	2009	242.62	+3.52	18 th	87.14	41.59	5.44
	2019	286.00	+5.00	12 th	73.00	37.00	10.00
	2017	287.71	+5.75	12 th	74.65	37.79	11.60
	2009	286.81	+5.14	17 th	77.76	36.15	7.29
Reading							
4	2019	222.00	+3.00	15 th	67.00	37.00	10.00
	2017	226.42	+5.61	9 th	72.63	40.65	10.28
	2009	222.66	+3.06	22 nd	69.80	33.73	7.27
8	2019	266.00	+4.00	12 th	75.00	37.00	4.00
	2017	272.02	+6.69	6 th	82.37	41.12	4.69
	2009	265.69	+3.4	21 st	78.91	32.11	2.23

Surprisingly, even with Indiana’s comparatively low spending per-pupil, the above indicates promising achievement and progress. A recent article by Michael Petrilli highlighted these achievements in the face of socioeconomic circumstances (Petrilli, 2019). After examining child poverty and subsequent NAEP scores, Petrilli accredited Indiana’s success to its education reforms over the past decade. Although there has been a slight drop in scores across the board since 2017, the data cannot yet be said to be statistically significant.

Perhaps the most interesting data is highlighted by Table 10. This table presents the same NAEP data shown in Table 9 but for Michigan and Ohio students. Under the Diff. From Indiana column, one can see that *Indiana is surpassing both Michigan and Ohio in academic results, even though Indiana spends far less*. It is evident, then, that Indiana education is not only making real improvement over time, but also progressing ahead of comparative states.

Table 10: NAEP Results – Comparative States							
Assessment		Michigan			Ohio		
Grade	Year	Score (0-500)	Diff. From Nation	Diff. From Indiana	Score (0-500)	Diff. From Nation	Diff. From Indiana
Mathematics							
4	2019	236.00	-4.00	-9.00	241	+1.00	-4.00
	2017	235.56	-3.61	-10.95	240.93	+1.77	-5.58
	2009	236.28	-2.81	-6.34	243.69	+4.59	+1.07
8	2019	280.00	-1.00	-6.00	286.00	+5.00	0.00
	2017	279.51	-2.45	-8.20	287.71	+5.76	0.00
	2009	278.27	-3.34	-8.54	285.58	+3.91	-1.23
Reading							
4	2019	218.00	-1.00	-4.00	222.00	+3.00	0.00
	2017	217.75	-3.06	-8.67	225.26	+4.45	-1.16
	2009	218.26	-1.36	-4.4	224.53	+4.93	+1.87
8	2019	263.00	+1.00	-3.00	267.00	+5.00	-1.00
	2017	265.47	+0.14	-6.55	268.45	+3.12	-3.57
	2009	261.90	-0.40	-3.79	268.68	+6.38	+2.99

ADDITIONAL INFORMATION

Student Population

Attendance (IDOE, 2019)

- Indiana had a total of 1,028,962 public-school students in SY 18-19
- 981,038 students, or 95.34%, attended traditional public schools
- Traditional public school ADM grew by 2.8% over 5 years

Transfers (IDOE, 2019)

Indiana has been a leading state in the implementation of school choice. Families have many options as to which school their child attends through transfers to traditional public, charter, or non-public schools through vouchers. Even with these choices, parents choose other traditional public schools a plurality of the time if they transfer their students.

- There were 144,619 K-12 transfer students reported in SY 18-19 (135,340 '18)
- 63,191, or **44%**, transfer students chose traditional public schools (41% '18)
- 44,112, or **31%**, chose charter schools (33% '18)
- 35,500, or **25%**, chose non-public schools (26% '18)

Table 12: Indiana Enrollment (IDOE, 2019)

School Type	Enrollment	% of Total
Public (Traditional)	1,001,670	87.8%
Public (Charter)	53,684	4.7%
Private (Accredited)	85,634	7.5%
TOTAL	1,140,988	100%

Career and Technical Education

Career and Technical Education (CTE) has been a focal point for K-12 education around the country over the past four years as states attempt to fill gaps in their labor market and prepare for 21st century careers. Governor Holcomb has been especially interested in CTE since taking office and the Governor's Workforce Cabinet has made and continues to make significant changes to Indiana CTE. The following is summary data outlining our state's CTE funding structure and the spending associated.

Funding (ISBA, 2017)

The way funding will be distributed for CTE programs, starting this year, is complex and utilizes several measurements to rank career paths and provide funding for students studying them. The following are simplified explanations of the calculation; for a more detailed explanation refer to the referenced memo.

Demand Ranking

- Each occupation in Indiana ranked 1-10 in 5 categories
 - Total Job Openings (multiplied by two)

- “Growth” Openings (short & long term)
- Percent Change in positions
- Real-Time Labor Market Information
- Wages
- Each category rank is divided by two and then all category ranks are averaged, this is their final score or “flame”
- The score of occupations which are low in openings OR in wages is capped out to limit high-demand low-wage or low-demand high-wage occupation’s scores

Funding

- Funding levels are handed out based on final scores as follows:
 - High Value (3.5 – 5.0 score): \$680 per credit/per pupil
 - Moderate Value (3.0 – 3.49): \$400 per credit/per pupil
 - Less than Moderate Value (<3.0): \$200 per credit/pupil
- \$24.9 million in Federal Perkin’s dollars are spent annually on Indiana K-12 CTE programs (ISBA, 2017)
- Indiana spends an additional \$100+ million annually on K-12 CTE programs, over \$100 per-pupil (LSA, 2018)
 - \$109.6 million in 2017, \$113.9 million in 2018, and an estimated \$123.0 million in 2019

Appendix A



Early Foundations

- **Family Income:** Percent of dependent children (under 18 years of age) in families that are above low income. Low income is defined as 200 percent of the federal poverty level, which depends on the size and composition of the family.
- **Parent Education:** Percent of dependent children with at least one parent who holds a two- or four-year postsecondary degree.
- **Parental Employment:** Percent of dependent children with at least one parent who is steadily employed, defined as working full time (at least 35 hours per week) and year-round (at least 50 weeks during the previous year). Those not in the labor force are excluded from calculations. Active-duty military service is considered participation in the labor force.
- **Linguistic Integration:** Percent of dependent children whose parents are fluent speakers of English. Fluency is defined as being a native speaker or speaking the language "very well." All resident parents must be fluent in English for a family to be considered linguistically integrated.



School Years

- **Preschool Enrollment:** Percent of 3- and 4-year-olds who are attending preschool, based on a three-year average. Both public and private education programs are counted.
- **Kindergarten Enrollment:** Percent of eligible children attending public or private kindergarten programs, based on a three-year average. The size of the entering kindergarten cohort is calculated based on the number of 5- and 6-year-olds in a state.
- **Elementary Reading Achievement:** Percent of 4th graders in public schools who scored at or above the "proficient" level in reading on the 2017 NAEP, known as "the Nation's Report Card."
- **Middle School Mathematics Achievement:** Percent of 8th graders in public schools who scored at or above the proficient level in mathematics on the 2017 NAEP.
- **High School Graduation Rate:** Percent of public high school students who graduated on time with a standard diploma for the 2015-16 school year.
- **Young-Adult Education:** Percent of young adults (ages 18 to 24) who either are currently enrolled in a postsecondary education program or have already earned a postsecondary credential. Those still enrolled in high school programs are excluded from the calculation.



Adult Outcomes

- **Adult Educational Attainment:** Percent of adults (ages 25 to 64) who have earned a postsecondary degree. Calculations include all individuals whose highest level of attained education is an associate, bachelor's, graduate, or professional degree.
- **Annual Income:** Percent of adults (ages 25 to 64) whose annual personal income reaches or exceeds the national median (\$40,448 in 2017 dollars). Only individuals in the labor force are included in calculations.
- **Steady Employment:** Percent of adults (ages 25 to 64) who are steadily employed, defined as working full time (at least 35 hours per week) and year-round (at least 50 weeks during the previous year). Those not in the labor force are excluded from calculations. Active-duty military service is considered participation in the labor force.

Appendix B

Quality Counts – Finance: Behind the Numbers

Quality Counts grades all 50 states in two key categories of school finance: overall spending on K-12 and equity, or just how fairly and evenly that money is distributed throughout a particular state. But what's behind those top-line numbers and letter grades? Here's how it's done:

- The Education Week Research Center collects the most recently available federal data from the Census Bureau, the U.S. Department of Commerce, and other sources. States get scored and graded on eight separate indicators. Four of them deal with spending levels alone, and the other four on just how that funding gets spent, with an eye toward equity.
- To make sure things are comparable, the researchers adjust some of these indicators for factors like regional cost differences and for students who may be more expensive to educate, such as low-income children and those with disabilities.
- All of these calculations then are blended for each state's final A-F grade and numerical score.

Break-down of Measures

Wealth-Neutrality Score

Do tax-poor districts get left behind when it comes to school spending? This indicator offers some clues. It looks at two points: how much local property wealth a district has, and how much it actually spends on schools from local and state sources. A negative score means that poorer districts actually have more funding than richer ones on a statewide basis. And Alaska, despite having many poor, far-flung districts, comes out on top with a score of minus 0.272.

McLoone Index

Just how balanced is district-by-district spending within a particular state? Think of the McLoone Index as a yardstick. Named after the late University of Maryland school finance professor Eugene McLoone, it measures how far a state has to go to assure that every district is at least at the spending midpoint compared with other districts. Perfect equity is defined as a score of 100. For example, a state with a score of 95 is closer to this target than a state with a 75.

Coefficient of Variation

Which states have the most uneven terrain when it comes to school funding? This indicator measures variations in spending between districts in each state. Some states are "flatter," meaning many of their districts are clustered more closely together when it comes to spending. Others have a lot of peaks and valleys in districts' K-12 funding. In this case, a perfect score is zero, and the higher the score, the more variation.

Restricted Range

How wide is the gap between the best-funded and worst-funded districts in a state? This indicator captures—in actual dollars—the funding difference between the highest- and lowest-spending school districts in each state. Alaska has the biggest gap, a whopping \$20,429 between its top-spending districts and the lowest-spending ones. That difference is due, at least in part, to geographical factors in the huge, rural state.

Per-Pupil Expenditures

This tally of per-student spending by state is adjusted for regional cost differences across states. It captures factors like teacher and staff salaries, classroom spending, and day-to-day operations and administration, but not construction and other capital expenditures.

Percent of Students in Districts Spending at or Above the U.S. Average

This indicator shows that all students in only seven states and the District of Columbia attend school in districts that spend at least the national average on K-12.

Spending Index

Here's another way of looking at per-student spending: This index shows just how close a state's school districts come in meeting the national per-pupil average—or, depending on your perspective, the degree to which lower-spending districts fall short of that national benchmark. In states that scored 100 percent, all districts met or cleared that bar.

Taxable Resources Spent on Education

This indicator shows just how big a bite of a state's taxable resources K-12 education takes. It's based on state and local revenues and the gross state product as reported in federal data.

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