



AUGENBLICK,  
PALAICH AND  
ASSOCIATES



# National Education Funding Policy Scan

Dr. Amanda Brown and Justin Silverstein, APA

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# Today's Presentation

- Funding Approach Basics
- Student Counts
- Student Weights
- District Characteristic Adjustments
- Commission Discussion



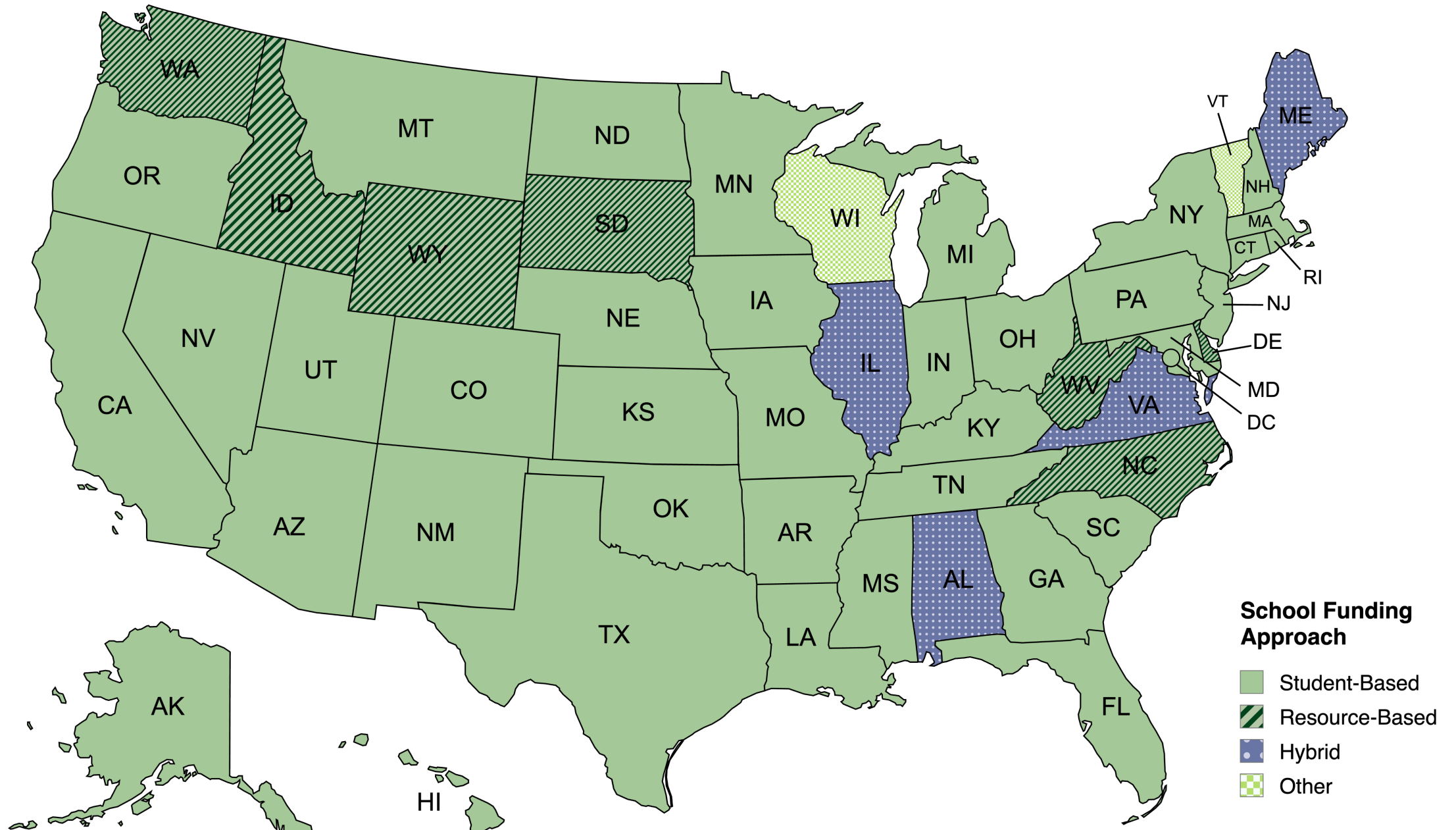
# **FUNDING APPROACH BASICS**

# Finance Formula 101

- States determine the amount of funding districts will receive through a calculation or series of calculations generally referred to as their state funding formula.
  - Formulas include funding for all students and for student and district characteristics
  - After states determine the amount of funding, a state/local share is calculated
- Many states have additional funding streams available including categorical or grant funding.
  - Categorical funds are full state funding and are often used for student characteristic funding, transportation funding, or specific state goals
- No two states have the exact same funding approach and although terms are similar, application can be very different.

# Funding Approach Basics

- Funding approach types:
  - **Student-based (or foundation) funding formula:** includes a base/foundation amount for all students, then adjustments for student need and district characteristics (38 states, including Nevada)
  - **Resource-based model (or allocation):** provides specific staffing and non-personnel resources based on student counts or school configurations (7 states)
  - **Hybrid approach:** combine elements of student-based and resource-based approaches (4 states)
  - Two states use another approach (based on tax capacity or equalization)
- Several states (including Pennsylvania, Tennessee, and Vermont) are in the process of adopting new funding formulas or revising their current approach.





# STUDENT COUNTS

# Student Count Considerations

- State student counts include different components:
  - How/when the count is done
    - Single Day, Multiple Day, or Average
  - What is considered: membership/enrollment vs. attendance
    - Membership is students enrolled and served by districts
    - Attendance is students attending class on a given day(s)
  - Year(s) of data used
    - States differ on if funding is based on the current or prior year count or on a combined/ average/ “better of” approach



# Student Count Approaches

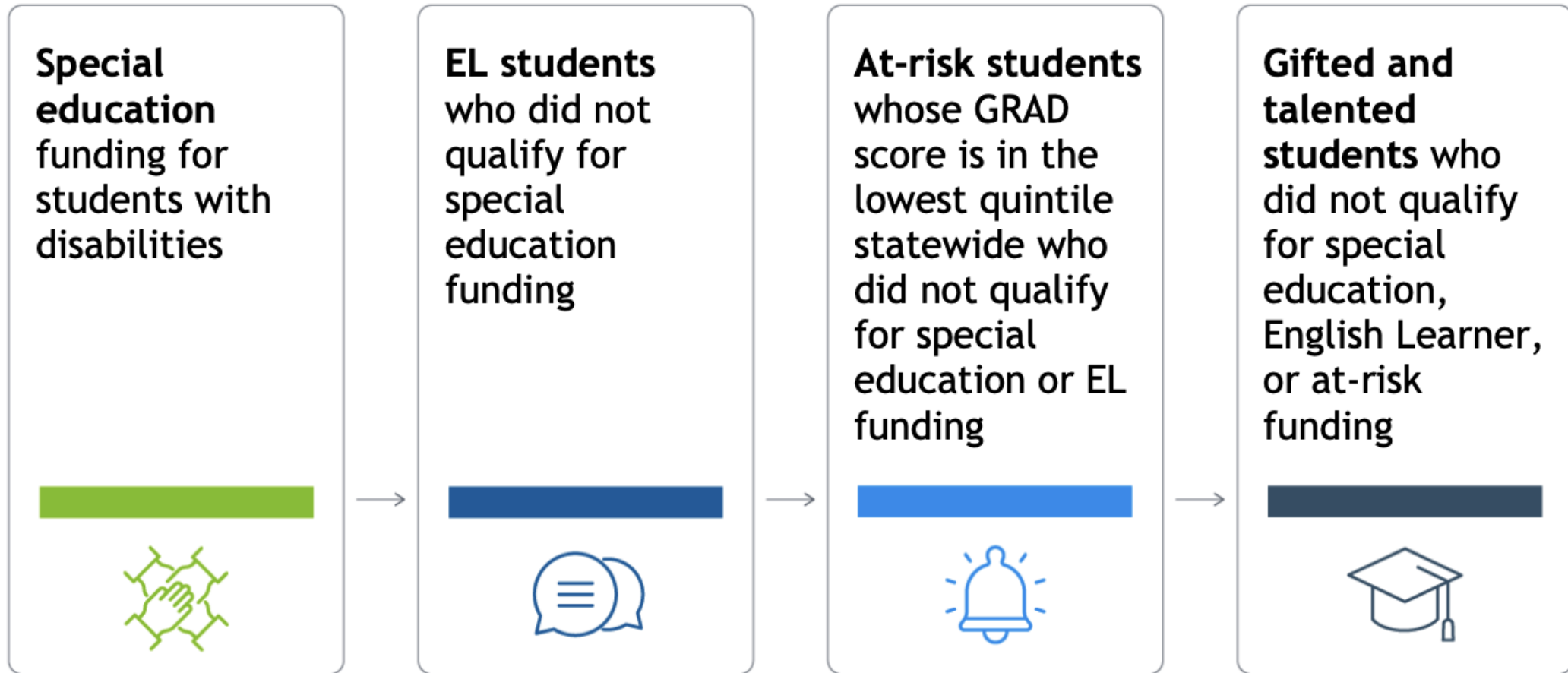
**Nevada:** funds on average quarterly membership for adjusted base funding (but uses prior year student counts for weighted funding)

- **Do other states use membership or attendance?**
  - 46 states use membership and 5 states use attendance
- **How/when do they count students?**
  - 26 states use averaging, 15 states use a single day count, and 10 states use multiple day counts
- **How is using an average implemented? (subset of states)**
  - 19 states calculate using the full year, while 7 states calculate using a time period less than full year
- **What year(s) of student count(s) is used for funding?**
  - 15 states fund on current year student counts and 17 states fund on prior year student counts
  - 19 states use an approach that either averages, combines, or provides the “better of” multiple years of student counts (10 of which include the current year, 9 of which use only prior years)



# STUDENT WEIGHTS

# Nevada Student Funding Categories



Source: WestEd/APA 2024

# Student Weights and Application

- How student weights are applied is nuanced and interrelated in state funding formulas.
- States vary in terms of:
  - What categories they provide weighted funding for
  - If weights are applied to a single statewide base or district-adjusted bases
  - If students can receive one or more weights that they are eligible for
  - Who is counted in the weighted funding category
  - The weight itself, and the base amount it is applied to, which will generate very different dollar amounts

# Student Weight Categories Nationally

- Most common student weight categories:
  - At-risk (32 states)
  - English Learners (35 states)
  - Special Education (24 states)
  - Gifted (11 states)
- Examples of other student weight categories:
  - Career and technical education (CTE)/college and career readiness
  - Grade span
  - Dyslexia
  - Targeted intervention weights, like early literacy or academic assistance

*Note, some states with student-based funding formulas may provide separate allocations/categoricals instead of a weight for a given student category, so are not included in the counts above.*

# Use of a Statewide or District-Adjusted Base

- In states with weighted student funding formulas:
  - Most states (31) apply weights to a single statewide base
  - Five states apply weights to district-adjusted bases (such as adjusted by size or regional costs) or use a hybrid approach
    - For example, Texas applies their at-risk and English Learner weights to the statewide base, but applies their special education weight to district-adjusted bases in small- and moderate-sized districts
    - In California, weights are applied to grade-span-differentiated bases

# Stacked or Unduplicated Weights

- In states with weighted student funding formulas also:
  - Majority of states (25) provide weights that are “stacked,” meaning that students receive all weights they are eligible for
    - Several states use a hybrid approach where students can receive a combination of some weights, but not all:
      - For these states, at-risk and English Learners can be in a combined category, or students can only receive at-risk *or* English Learner funding
      - These states still allow students to generate special education funding *plus* funding from other student weights
      - A couple of these states allow students to receive a special education weight *or* grade-level weight *or* CTE weight
  - Nevada is unique in that students receive only the highest weight/funding amount they are eligible for

# At-Risk

**Nevada:** weight of .35 for students most at-risk of not graduating based on lowest quintile of GRAD scores

- **How do other states define at-risk?**
  - Primarily based on family poverty, typically either based on free and/or reduced lunch eligibility (27 states) or direct certification/participation in other assistance programs (14 states)
  - Alternatives include student outcomes (Georgia) and community/census-based qualification
  - Foster, migrant, and pregnant youth and those experiencing housing insecurity are examples of additional categories included, in addition to income-based qualifications
- **Do states differentiate the funding they provide for at-risk students?**
  - Some states provide more than one at-risk weight, either based on concentration of students or on having both an income-based at-risk weight and an academic-based weight (South Carolina)
- **What is the range of at-risk weights in other states?**
  - Weights range from .01 to over 1.0



# English Learners

**Nevada:** weight of .45 for English Learners, i.e., students who speak a language other than English at home and scored below 4.5 on an English language screener

- **How do other states identify English Learners?**
  - States typically rely on home language surveys, screeners, and ongoing language assessments (either WIDA or a state-specific assessment)
- **Do states differentiate the funding they provide for English Learners?**
  - 12 states use more than one EL weight, differentiated by either student language acquisition level or years classified, grade level, if EL students are also at-risk (New Jersey provides a lower EL weight if also receiving at-risk weight), or the concentration of EL students
    - Providing additional funding for Newcomer or SLIFE students is an emerging consideration
  - Two states limit the number of years a student can be classified as EL (Colorado, Iowa)
- **What is the range of EL weights in other states?**
  - 0.07 to 2.49

# Special Education

**Nevada:** currently not included in the PCFP as a weighted funding category

- **Do states with funding formulas include special education in their weighted student funding formula?**
  - More variability but about two-thirds of states with student-based formulas fund special education via weights
- **How do other states categorize students with disabilities/IEPs for funding purposes?**
  - Majority of states provide differentiated funding (2–14 different categories), while others group all students with disabilities into one category for special education funding
  - States differentiate students by disability category, need level, intensity, time in classroom or hours of service, cost, or in-state vs. out-of-state placement
- **Do states fund based on actual special education student counts, or do they use a census-based approach?**
  - Most states fund on actual student counts, sometimes using a cap
- **What is the range of special education weights in other states?**
  - Wide range of 0.003 to nearly 8.0, due to disaggregating by individual disability categories

# Gifted and Talented

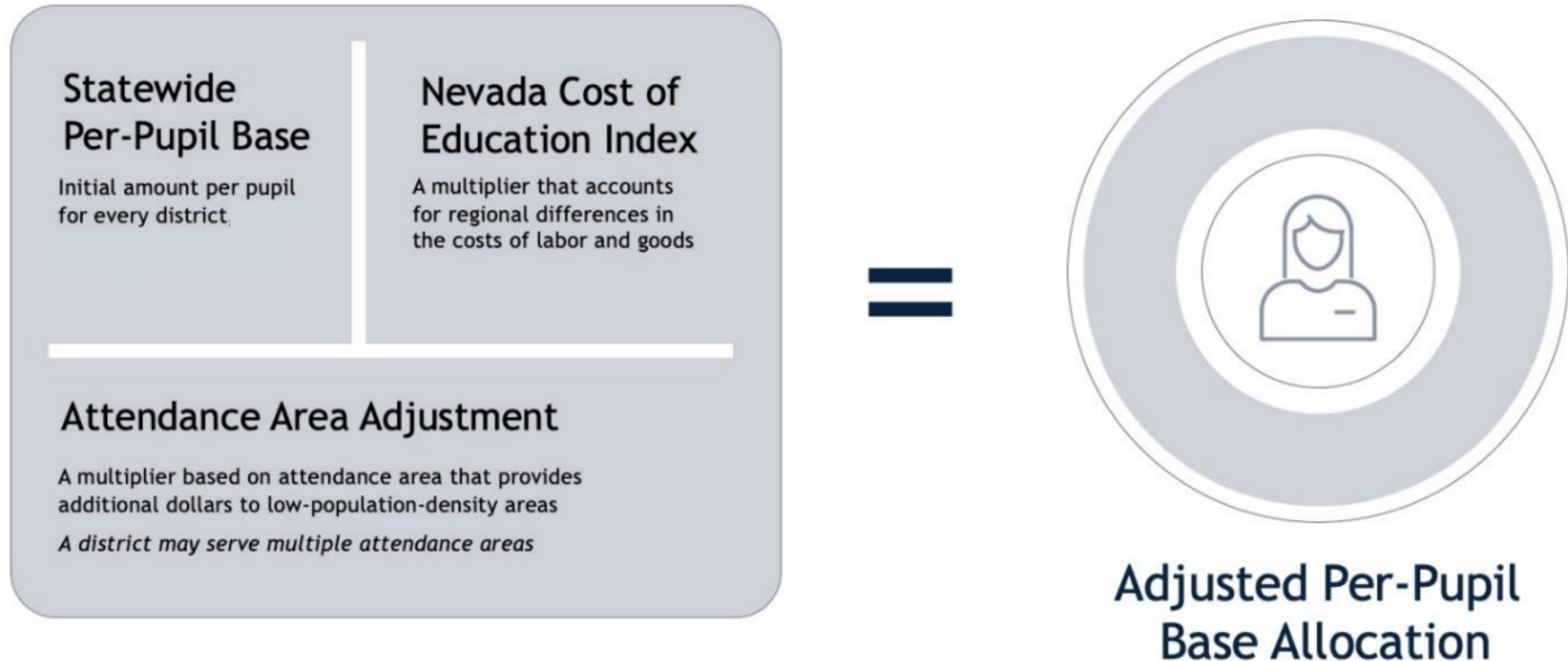
**Nevada:** weight of 0.12 for students who possess or demonstrate outstanding ability in one or more of the following areas: academic aptitude in a specific area, creative thinking, general intelligence, leadership, performing arts, productive thinking, or visual arts

- **How do other states fund gifted?**
  - Less than half of states fund gifted education specifically
  - States vary if they identify specific students that meet set criteria (like Nevada) or use an assumed percentage of students/provide gifted funding or resources in base allocations
- **What is the range of gifted weights in other states?**
  - 0.05 to 1.7359



# **DISTRICT CHARACTERISTIC ADJUSTMENTS**

# Nevada District Characteristic Adjustments



Source: WestEd/APA 2024

# District Characteristic Adjustments Nationally

- Types of district characteristic adjustments include: district size, necessarily small schools, density, and regional cost differences
  - 21 states adjust for district size
    - Nevada is unique in that it adjusts for attendance area size (treating attendance areas as “districts within districts” that have greater diseconomies of scale and higher costs to operate)
  - 12 states adjust for schools that are small, primarily due to geographic isolation
  - 14 states adjust for density
    - Density adjustments usually in place of a district or school size adjustment or a requirement to receive size funding
    - Some provide additional funding if both small and sparse (in addition to size adjustment)
    - Definitions are usually based upon students per square mile
  - 14 states adjust for regional cost differences (most often using a comparative wage index, or CWI, approach)

# Commission Discussion

- What additional questions do you have about how the PCFP compares to the funding approaches used in other states?
- Are there any components or alternatives that you would like to explore further?