



LEGISLATIVE BUDGET BOARD

A Comparison of Weights Used in School Finance Formulas Across States

Legislative Primer

PREPARED BY LEGISLATIVE BUDGET BOARD STAFF

FEBRUARY 2017

A Comparison of Weights Used in School Finance Formulas Across States

Legislative Primer

A COMPARISON OF WEIGHTS USED IN SCHOOL FINANCE FORMULAS ACROSS STATES

The Foundation School Program (FSP) is the primary means of distributing state aid to Texas public schools. Pursuant to the requirements of the Texas Education Code, the largest portion of the FSP supporting maintenance and operations funding is Tier 1, which is made up of a series of allotments, including five allotments that provide weighted funding for services provided to certain student groups. The weights provide a range of funding multipliers in recognition of the different costs for educating children with certain characteristics. These allotments include: the compensatory education allotment, the bilingual education allotment, the career and technology allotment, the gifted and talented allotment, and the special education allotment.

Two categories of weights are used in Texas' school finance formula: those using an average daily attendance (ADA) student count, and those using a full-time equivalent (FTE) student count. Weights using ADA provide weighted funding in addition to the regular program allotment, while weights using FTE student counts generate weighted funding in lieu of funding generated through the regular program allotment for the time the student spends in the special instructional arrangement. ADA weights include the compensatory education allotment, the bilingual education allotment, and the gifted and talented allotment. FTE weights include the career and technology allotment and certain instructional arrangements in the special education allotment.

School financing methodologies vary considerably among states, although most states include some form of foundation program formula funding, often with supplemental funding to certain student populations. Supplemental funding may be a specified multiplier, or weight, or may be provided by other means. The manner in which a weight is applied though, may differ considerably among the states due to such variations as weighting eligibility requirements, the underlying portion of formula funding to which the weights are applied, the student populations to which weighted funding is targeted, and the amount of the weights utilized. Because of these fundamental and significant differences, readers should note that this comparison has limitations in that it provides an incomplete picture of a state's comprehensive school finance system, particularly with regard to how the weights are treated as an element within

the system. However, the comparison has value to the extent that weights reflect a state's recognition of the relative expense of educating different student groups.

The information provided below compares Texas' weights of the five noted allotments to weights used in the school finance systems of other states, as identified in *A Quick Glance at School Finance: A 50 State Survey of School Finance Policies* by Deborah Verstegen, a professor with the University of Nevada, Reno (UN-R), and published in 2015 at: <https://schoolfinancesdav.wordpress.com/>.

ALLOTMENTS PROVIDING FUNDING IN ADDITION TO REGULAR PROGRAM FUNDING

COMPENSATORY EDUCATION ALLOTMENT

Pursuant to the Texas Education Code, Section 42.152, the compensatory education allotment applies a weight of 0.2 to the adjusted allotment multiplied by the highest six months' number of students eligible for enrollment in the National School Lunch Program of Free or Reduced-Price Lunches for the preceding school year. Texas also provides an additional weight of 2.41 through the compensatory education allotment for each full-time-equivalent (FTE) student who is in a remedial and support program because the student is pregnant.

According to the UN-R 2015 survey of states, 37 states provided supplemental funding for compensatory education. Thirteen of these states provide a single compensatory education weight, and six states provide supplemental funding through a range of weights. Of the states with one weight, the range was 0.05 (Mississippi) to 0.97 (Maryland), with an average weight of 0.29.

BILINGUAL EDUCATION ALLOTMENT

Pursuant to the Texas Education Code, Section 42.153, the bilingual education allotment applies a weight of 0.1 to the adjusted allotment for each student in average daily attendance in a bilingual education or special language program. According to the 2015 UN-R survey of states, 44 states provided supplemental funding for bilingual education, with 20 states doing so through weighted funding. Of the states providing weighted funding, the range of weights was

from 0.1 (Texas) to 0.99 (Maryland), with an average weight of 0.387.

GIFTED AND TALENTED ALLOTMENT

Pursuant to the Texas Education Code, Section 42.156, the gifted and talented allotment applies a weight of 0.12 to the adjusted allotment for each student served in a program for gifted and talented students, up to a maximum of 5 percent of a district’s students in average daily attendance. According to the UN-R 2015 survey of states, 33 states provided supplemental funding for gifted and talented education, with eight states doing so through weighted funding. Of the states providing weighted funding, the range of weights was 0.01 (West Virginia) to 0.6597 (Georgia), with an average weight of 0.257.

ALLOTMENTS PROVIDING FUNDING IN LIEU OF REGULAR PROGRAM FUNDING

CAREER AND TECHNOLOGY ALLOTMENT

Pursuant to the Texas Education Code, Section 42.154, the career and technology allotment applies a weight of 1.35 for each FTE in average daily attendance in an approved career and technology education program in grades nine through 12 or in career and technology education programs for students with disabilities in grades seven through 12. Texas also provides an additional \$50 per student enrolled in two or more advanced career and technology education classes for a total of three or more credits, or an advanced course as part of a tech-prep program.

According to a report of the U.S. Department of Education on financing career and technical education, seven states provide weighted funding for career and technology

education. The range of weights was 0.015 (Alaska) to 0.5 (Kansas), with an average weight of .258.

SPECIAL EDUCATION ALLOTMENT

Pursuant to the Texas Education Code, Section 42.151, the special education allotment applies a weight of 1.1 to the adjusted allotment for each student in average daily attendance in a special education program served in a mainstream instructional arrangement. For each FTE student in average daily attendance in a special education program served in an instructional arrangement other than a mainstream classroom, a district is entitled to a range of weights applied to the adjusted allotment depending on the instructional arrangement provided to the student. Figure 3 shows the weights by instructional arrangement other than mainstream.

All states provide supplemental funding for special education, 16 of which do so through weighted funding. Of the states providing weighted funding, 11 (including Texas) do so through a range of weights, while five do so through a single weight. Of those states providing special education through a single weight, the range is from 0.74 (Maryland) through 2.50 (Alabama), with an average weight of 1.44.

STATEWIDE TOTALS

Figure 1 provides the statewide “add-on” portion of Tier 1 entitlement provided by the noted FSP weighted allotments. The add-on amount noted is the portion of Tier 1 entitlement generated by each allotment and does not include any effects of the allotments in the calculation of a district’s number of weighted students in average daily attendance (WADA), which is used in various FSP calculations. The add-on portion of each of the listed allotments is provided to allow comparison between ADA-based allotments provided in

**FIGURE 1
FISCAL YEAR 2016 ADD-ON PORTION OF TIER 1 ENTITLEMENT FROM FSP WEIGHTED ALLOTMENTS**

ALLOTMENT	TIER 1 ADD-ON DOLLAR AMOUNT	STUDENT ADA/FTE COUNTS	AVERAGE TIER 1 ADD-ON PER ADA/FTE
Compensatory Education	\$3,770,586,408	3,272,933	\$1,152/ADA
Bilingual Education	\$486,234,988	850,606	\$572/ADA
Career and Technology Education (1)	\$590,300,454	261,221	\$2,260/FTE
Gifted and Talented Education	\$159,149,580	233,000	\$683/ADA
Special Education (1)	\$2,295,231,341	244,175	\$9,400/FTE

NOTE: (1) For the purpose of this estimate, these two allotments have been calculated in an “add-on equivalent” manner. Under current law, these allotments (except for special education mainstream) are weighted and calculated in a manner that provides Tier 1 entitlement in lieu of regular program entitlement rather than as an add-on to Tier 1 regular program entitlement like the other Tier 1 allotments listed. The “add-on equivalent” amounts are equal to the difference between the entitlement generated by the weighted allotment and the amount of regular program entitlement that would be generated if the weight did not exist.
SOURCE: Legislative Budget Board Models 370, 994-995.

addition to regular program funding (compensatory education, bilingual education, gifted and talented, and mainstream special education) and the FTE-based allotments provided in lieu of regular program funding (career and technology and special education other than mainstream).

EXAMPLES OF WEIGHTS STATED AS DOLLAR AMOUNTS

Figures 2, 3, and 4 show examples of what a student with 100 percent attendance would generate in a district with an adjusted allotment equal to the fiscal year 2016 statewide average of \$6,467. Note that actual district adjusted allotments vary greatly. The value of the weights shown would vary for districts with a different adjusted allotment.

Figure 2 shows the weights that are provided in addition to the regular program allotment. The column labeled “Sum of Regular Program Allotment and Noted Allotment” lists the amount generated by a student with 100 percent attendance in a district with the statewide average adjusted allotment

that qualified only for the noted allotment. Certain students though, are eligible to generate funding under multiple weights simultaneously. For example, a student in a district with the statewide average adjusted allotment qualifying for both the compensatory education and bilingual education allotments would generate weighted funding of \$8,407 (\$6,467 for regular program allotment + \$1,293 for the compensatory education allotment + \$647 for the bilingual education allotment).

Students in an instructional arrangement eligible for the special education allotment (while not in a mainstream educational setting) generate funding on an FTE basis, which are calculated by using contact hours. The portion of a student’s day beyond the contact hours used for calculating FTEs is used in the calculation of the regular program allotment. Figure 3 shows what a student in a non-mainstream special education instructional arrangement with 100 percent attendance would generate for a district

**FIGURE 2
WEIGHTS PROVIDED IN ADDITION TO REGULAR PROGRAM ALLOTMENT STATED AS DOLLAR AMOUNTS, FISCAL YEAR 2016**

ALLOTMENT	WEIGHT	ALLOTMENT AMOUNT PER ADA	SUM OF REGULAR PROGRAM ALLOTMENT AND NOTED ALLOTMENT
Regular Program Allotment	-	\$6,467	
plus each of the following that apply:			
Compensatory Education Allotment	0.2	\$1,293	\$7,760
Bilingual Education Allotment	0.1	\$647	\$7,114
Gifted and Talented Allotment	0.12	\$776	\$7,243
Mainstream Special Education Allotment	1.1	\$7,114	\$13,581
Public Education Grant Allotment	0.1	\$647	\$7,114

SOURCE: Legislative Budget Board.

**FIGURE 3
NON-MAINSTREAM SPECIAL EDUCATION WEIGHTS STATED AS DOLLAR AMOUNTS ALONG WITH POTENTIAL REGULAR PROGRAM ALLOTMENT, FISCAL YEAR 2016**

NON-MAINSTREAM SPECIAL EDUCATION INSTRUCTIONAL ARRANGEMENT	WEIGHT	SPECIAL EDUCATION ALLOTMENT	REGULAR PROGRAM ALLOTMENT	TOTAL SPECIAL ED AND NON-SPECIAL ED
Homebound	5.0	\$5,497	\$5,368	\$10,865
Hospital Class	3.0	\$14,551	\$1,617	\$16,168
Speech Therapy	5.0	\$1,293	\$6,208	\$7,502
Resource Room	3.0	\$9,248	\$3,384	\$12,633
Self-Contained	3.0	\$9,248	\$3,384	\$12,633
Off-Home Campus	2.7	\$12,362	\$1,888	\$14,251
Vocational Adjustment Class	2.3	\$13,684	\$517	\$14,202
State Schools	2.8	\$16,659	\$517	\$17,176
Residential Care and Treatment	4.0	\$23,799	\$517	\$24,316

SOURCE: Legislative Budget Board.

with the statewide average adjusted allotment, including what the student would generate under the special education allotment and the regular program allotment. Note that a student in one of these instructional arrangements could also generate funding under another weight simultaneously.

Figure 4 shows the career and technology education (CTE) allotment amounts, along with the regular program allotment amounts generated while the student is not in the career and

technology education course. Note that the amounts below do not include the \$50 per student enrolled in two or more advanced career and technology education classes for a total of three or more credits, or an advanced course as part of a tech-prep program.

Figure 5 shows Texas' weighted funding in comparison to the states surveyed in 2015.

**FIGURE 4
CAREER AND TECHNOLOGY EDUCATION ALLOTMENT AS DOLLAR AMOUNTS ALONG WITH POTENTIAL REGULAR PROGRAM ALLOTMENT, FISCAL YEAR 2016**

CAREER AND TECHNOLOGY EDUCATION (CTE) AMOUNTS	WEIGHT	CTE EDUCATION ALLOTMENT	POTENTIAL REGULAR PROGRAM ALLOTMENT	TOTAL CTE AND NON-CTE BEFORE ANY ADD-ONS THAT APPLY
One-Hour One-Semester Class	1.35	\$728	\$5,928	\$6,656
One-Hour Two-Semester Class	1.35	\$1,455	\$5,389	\$6,844
Two-Hour One-Semester Class	1.35	\$1,455	\$5,389	\$6,844
Two-Hour Two-Semester Class	1.35	\$2,910	\$4,311	\$7,221
Three-Hour One-Semester Class	1.35	\$2,183	\$4,850	\$7,033
Three-Hour Two-Semester Class	1.35	\$4,365	\$3,234	\$7,599
Four-Hour One-Semester Class	1.35	\$2,910	\$4,311	\$7,221
Four-Hour Two-Semester Class	1.35	\$5,820	\$2,156	\$7,976
Five-Hour One-Semester Class	1.35	\$3,638	\$3,772	\$7,410
Five-Hour Two-Semester Class	1.35	\$7,275	\$1,078	\$8,353
Six-Hour One-Semester Class	1.35	\$4,365	\$3,234	\$7,599
Six-Hour Two-Semester Class	1.35	\$8,730	\$0	\$8,730

SOURCE: Legislative Budget Board.

**FIGURE 5
SUMMARY OF WEIGHTED FUNDING ACROSS STATES, 2015**

	TEXAS		2015 SURVEY OF STATES			
	WEIGHT	STUDENT COUNT	AVERAGE WEIGHT	RANGE		STATES PROVIDING SUPPLEMENTAL FUNDING THROUGH WEIGHTS
				LOW	HIGH	
Compensatory Education	0.20	ADA	0.29	0.05	0.97	19
<i>Pregnant Students</i>	2.41	FTE				
Bilingual Education	0.10	ADA	0.387	0.10	0.99	20
Career and Technology Education	1.35	FTE	0.258	0.015	0.5	7
<i>Certain Advanced Classes</i>	\$50	Per Student				
Gifted and Talented	0.12	ADA	0.257	0.01	0.6597	8
Special Education			1.44	0.74	2.50	16
<i>Mainstream</i>	1.1	ADA				
<i>Homebound</i>	5.0	FTE				
<i>Hospital Class</i>	3.0	FTE				
<i>Speech Therapy</i>	5.0	FTE				
<i>Resource Room</i>	3.0	FTE				
<i>Self-contained, regular campus</i>	3.0	FTE				
<i>Off-home campus</i>	2.7	FTE				
<i>Nonpublic day school</i>	1.7	FTE				
<i>Vocational Adjustment Class</i>	2.3	FTE				
<i>Students Residing in Care and Treatment Facilities</i>	4.0	FTE				
<i>Residing in state schools</i>	2.8	FTE				

NOTES:

- (1) School financing methodologies vary considerably between states. The manner in which a state applies the noted weight may differ considerably due to such variations as eligibility requirements, the underlying portion of formula funding to which the weights are applied, the student populations to which weighted funding is targeted, and the amount of the weights utilized.
- (2) The student counts noted by ADA provide weighted funding in addition to the regular program allotment, while FTE student counts generate weighted funding in lieu of the regular program allotment for the time spent in special instructional arrangements.

SOURCE: A Quick Glance at School Finance: A 50 State Survey of School Finance Policies (2015); United States Department of Education.