

# State K-12 Education Structures



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## Highlights

- Based on test scores and the need for college remedial education (e.g. literacy, numeracy), **many high school graduates in Missouri may not be adequately prepared to enter college or the workforce.**
- States and districts who have **restructured K-12 education to increase local control** of budget decisions have **not reported significant improvements** to student performance.
- Decentralization can **disproportionately impact minoritized and low-income families.** Some funding models, such as California's Local Control Funding Formula, aim to reduce inequities by providing additional funding to high-need districts.

## Limitations

- While this brief focuses specifically on the centralization of decision-making authority, a number of additional factors including total funding levels, school climate and resources, food security and housing discrimination impact student outcomes and postsecondary opportunities. The relative extent to which each of these factors impacts student achievement is unknown.
- The extent to which districts place policymaking and budget authority in schools varies across decentralization models. It is therefore difficult to determine the specific parameters of (de)centralization that influence equity and student performance.

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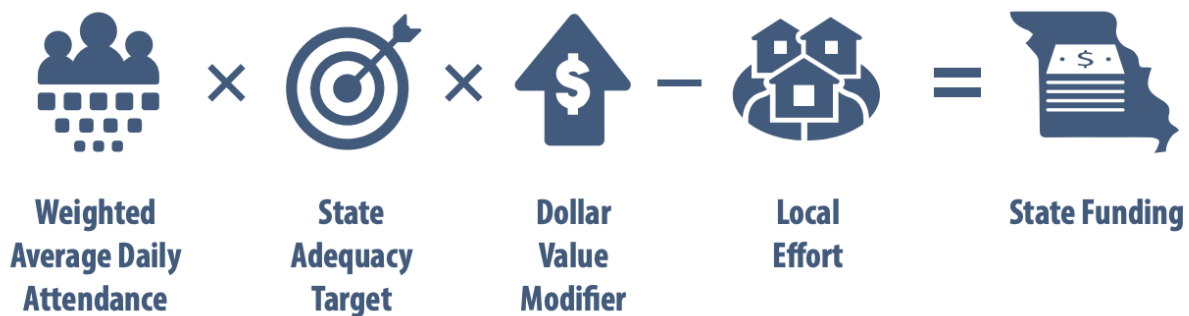
## Is Missouri's K-12 system adequately preparing students for the next step?

K-12 student performance, college completion and career outcomes are influenced by a complex combination of individual, family, community, teacher and school characteristics<sup>1,2</sup>. Academic success in Missouri is defined through a set of standards meant to “lead to success in the next grade level or chapter in a student’s life<sup>3</sup>.” There are several ways to measure how well schools prepare students for success, including district accreditation, public opinion, test scores and the need for remedial education in college. In a recent poll of 900 likely Missouri voters, 48% of respondents ranked their local schools as “good” or “excellent” and 16% of respondents rated their local schools as “poor<sup>4</sup>.” As measured by the National Assessment of Educational Progress (NAEP; also called “The Nation’s Report Card”), there is no significant difference between Missouri student scores and national averages in 4th and 8th grade math and reading<sup>5</sup>. There is evidence, however, that a significant portion of Missouri students may not be prepared for work or college after high school graduation. In 2018, almost one quarter of all Missouri high school graduates required remedial education from their postsecondary institution, which adds cost and time to postsecondary education plans<sup>6</sup>. Recent ACT test scores of high school graduates suggest that, consistent with national averages, a majority of Missouri students are not meeting college readiness benchmarks<sup>7</sup>.

*This science note was prepared by MOST Policy Initiative, Inc. a nonprofit organization aimed to improve the health, sustainability, and economic growth of Missouri communities by providing objective, non-partisan information to Missouri’s decisionmakers. For more information, contact Dr. Brittany Whitley – [brittany@mostpolicyinitiative.org](mailto:brittany@mostpolicyinitiative.org).*

## How is Missouri's K-12 education system structured?

Missouri's State Board of Education creates state education standards and assessments, and accredits/reviews the public schools in the state. Over time, several pieces of legislation have established additional, statutory rulemaking authority over specific areas including district accountability, teacher certifications, and curriculum requirements. Additionally, every two years, the state establishes a state adequacy target (SAT), representing the minimum amount of funding required per pupil to achieve the constitutional mandate of providing a free and adequate education for every student. For the 2020-21 and 2021-22 school years, the SAT is set at \$6,375, which when adjusted for inflation, is lower than the 2007 SAT. State funding to Missouri public school districts is distributed based on the Missouri Foundation Formula (Section 163.031, RSMo) and primarily meant to fund teacher salaries. The foundation formula calculates total state aid by multiplying the SAT by average daily attendance (weighted to adjust for increased costs to educate high-need students) and a dollar value modifier to account for districts with a higher average cost of living. Local effort, or the ability of districts to raise education funds through local property taxes, is then subtracted from estimated need to determine appropriate allocation amounts for each district.



**Figure 1.** Foundation formula summary<sup>8</sup>. (Missouri Budget Project, 2020)

On average, state support for public education in Missouri covers around one third of a district's total education budget. Almost 60% of public school funding in Missouri comes from local tax revenue. Because property taxes serve as the primary source of local school funding, significant disparities exist between districts for per pupil funding. Because of the emphasis on local revenue for K-12 funding, school district boundaries allow specific neighborhoods to concentrate wealth and quality resources, therefore perpetuating educational inequalities<sup>9</sup>. The most striking example of this is between the neighboring districts of St. Louis City and Clayton, where the local revenue spent per pupil is \$8,312 and \$19,850, respectively. In total, Missouri has 183 school district borders across the state where there is at least a 10-percentage point difference in student poverty rates between neighboring districts<sup>10</sup>.

## What impacts have educational decentralization efforts had in other US states?

One strategy that states have used to improve student outcomes and reduce achievement gaps involves adjusting the level of state (centralized) and local (decentralized) authority over education decisions, especially budgets. Some states and districts have made large structural changes to their K-12 education systems by decentralizing the control of spending and hiring decisions.

Decentralization at the state level: Some education funding reforms emphasize adequacy (providing enough money to achieve goals), while others address equity (providing funding based on the communities and areas that need it most). In 2013, California nearly unanimously passed a bipartisan bill that established the Local Control Funding Formula (LCFF) for K-12 funding. The goal was to significantly shift decision-making authority for spending to school districts, while allocating additional funds to meet the needs of its high-need students and districts. In November 2019, the California State Auditor produced a report highlighting that LCFF funds were not necessarily resulting in improvements for the targeted students. Instead, schools often used most of the extra money to cover base funds, which could explain the inability of this funding model to improve access to equitable opportunities for traditionally underserved students<sup>11</sup>. The auditor recommended improved tracking and reporting of spending to ensure that districts spend supplemental funding on the high-need students it is meant to help.

Decentralization at the district level: Decentralization can also occur at the school level, effectively having principals serve as superintendents to make budget and hiring decisions, while school boards typically serve to allocate resources, set goals and monitor progress. However, it is fairly common for legal disputes to occur when funding is decentralized, which may increase the cost and time to implement and evaluate these models. In the years following decentralization in the Houston Independent School District (ISD), no improvements in student test scores were observed, regardless of grade, school size, race or income<sup>12</sup>. Recently, due to noncompliance with state law and poor school performance, the Texas Education Commissioner has announced a plan to revoke Houston ISD's full accreditation status and replace its board with state-appointed managers. The Clark County School District in Nevada has also implemented a new system that gives school principals budgetary control and creates School Organizational Teams (SOTs) to involve parents, teachers, support staff and at least one student to participate in educational decisions. This decision was followed by a lawsuit due to the quick turnaround time to implement the new system. Concerns have also been raised that this type of decentralization can magnify existing inequalities<sup>13</sup>. For example, the most qualified principals may choose to work in higher resource schools that are already doing well. Additionally, low-income families are likely to have reduced participation in SOTs due to constraints on work hours, transportation and sometimes language barriers.

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