

# ***Bridging the Resource Divide: Equitable Funding and Educational Opportunity in Public Schools***

**Xinyi Jin**

*University of Michigan, Ann Arbor, USA  
xinyijin@umich.edu*

**Abstract.** The issue of educational inequality has been at the top of the agenda in education systems around the world, especially in countries where funding structures can lead to resource disparity between low-income and well-to-do communities. In the following paper, the bipolar relationship between school funding schemes and educational equity within the U.S. context will be examined through the prism of two public school districts, which represent opposite, demographically speaking, extremes. The results indicate that the funding schemes that rely on property taxes are reproducing the existing disparities in terms of resource allocation, which means that there is a big difference regarding the quality of the teachers, the infrastructure, and support services to students. Districts with a weighted student funding formula are better at achieving equity. The research results indicate that reduced disparities and greater access to equal educational opportunities can be achieved by shifting to needs-based, state-managed funding models. These results provide evidence-based recommendations for policymakers and governance authorities seeking to reform the school finance system to foster a more equitable, inclusive public education system characterized by quality.

**Keywords:** School funding, resource allocation, Educational equity, public education policy, funding reform

## **1. Introduction**

Although equity in education has been advocated for longer than ever, inequalities in school resources and academic achievement persist in public education systems, particularly in the United States. Studies have confirmed that schools in low-income communities are typically underfunded, with less qualified staff and lower academic outcomes compared to those in affluent school districts [1]. One of the significant causes of this disparity is the dependence on local property taxes to finance the public school district, causing a system in which access to education still largely depends on the place of residence [2].

Although many reforms, such as federal aid, state equalization programs, and so on, have been attempted, many have failed to effectively ensure equitable access to high-quality education for all. Although the previous literature shows a lack of assessments on the alternative funding mechanisms, the further scope, systemic approaches point out that the fair distribution of funds has to reflect both systematic financial policies and also structural issues like teacher shortages and old infrastructure in

disadvantaged districts [3,4]. This paper aims to examine how funding models influence public school equity by comparing two school districts in a U.S. Midwestern state: one affluent and one under-resourced.

This study evaluates the impact of different funding systems on resource distribution and student performance, analyzes the processes that either exacerbate or mitigate funding inequalities, and identifies reforms with the greatest potential to support equitable education financing. This study combines a mixed-methods design of policy analysis, interviews, and expenditure information to make conclusions about efficient funding practices. The results will help policymakers and leaders in education know how they can implement changes that will shape more inclusive and equal educational systems. Because education will develop even further in the era of post-pandemic changes, the issue of funding parity should be addressed so that any gaps in achievement could be lowered, and social mobility should be available to everyone.

## **2. Equitable school funding: examining models and impacts**

### **2.1. Historical context and current inequities**

The structure of public school funding in the U.S. has traditionally been decentralized, a model deeply entrenched in the notion of local control. Local property taxes have continued to be the key source of funding among the majority of school districts [4]. The practice is inherently biased in ensuring that wealthier communities can afford to pay higher taxes on their property, and the higher tax base contributes to increased budgets of school institutions. As a result, significant resource inequality exists between wealthy and underfunded districts, creating new cycles of inequality. Federal programs like Title I, meant to offset such disparities, are not always adequate, though. Based on the statistics provided by the U.S. Department of Education (2020), the discrepancy in per-pupil funding of high- and low-income districts may reach levels of more than \$5,000 annually [5].

To illustrate, District A, which is a wealthy suburban district, spent an average of \$19,000 per student between 2018 and 2023. Conversely, District B, which is an urban district with mainly low-income families, had only 12 thousand dollars per student at the same time. This disparity manifested itself in almost every school activity. District A could afford to have small classes, essential textbooks, extracurricular activities, and modern technology. In District B, however, classrooms are overcrowded, infrastructure is in poor condition, and support services are inadequate. Prescriptions made during interviews with administrators in District B indicated continuous inability to recruit certified educators and revise the resource base, as they had to use old textbooks and exercise equipment. On the contrary, teachers in District A stated that there was a resource-rich environment where children were provided with access to laptops, STEM labs, school counselors, and after-school enrichment activities.

The cumulative effects of these inequalities extend widely. The situation in underfunded schools is characterized by decreased student interest, low levels of academic performance, and increased dropout rates. Such implications justify the necessity of a systematic change in the approach to school funding in the U.S.

### **2.2. The role of funding models**

The school funding formula used in the state is of particular importance in the establishment of equity across the districts. The most commonly used model is the foundation formula, which sets the minimum amount to be spent per student. However, it is ineffective at addressing local wealth

disparities, perpetuating long-term inequalities. On the contrary, there is a more equitable cue called weighted student formulas (WSFs) that offers additional resources to individual students either individually, or because of poverty, disability status, or English language proficiency [6].

The comparative analysis of funding models employed in different states provided in the present paper also displays the achievements that have been achieved by WSFs. For example, State X—where an effective WSF is implemented—has a per-pupil funding gap of only 10% between its highest- and lowest-income districts. On the contrary, State Y applying the traditional basis formula showed a huge disparity of around 30 percent. These trends indicate that WSFs are more responsive to the actual costs of educating students with greater needs, thereby promoting more equitable educational outcomes.

In addition to this, WSFs are accommodating and straightforward with budget. Their approach would allow the districts to move the revenues to where they are best needed through their plan that is linked to the features of students. This has particularly helped with the districts with high numbers of English language learning students or student with disabilities. Most commonly, in practice, the WSFs facilitate special initiatives such as bilingual education series, mental health interventions, and special instructional resources.

### 2.3. Perspectives of the stakeholders

Teacher and school administrator perspectives also shed more light on the operational consequences of funding inequalities. It is also common to find teachers working under challenging conditions in poorly funded schools. In interviews conducted in a previous study, several teachers in District B stated that they were working in classrooms of more than 35 students with few supporting personnel. A science teacher in a high school complained, "We do not have even half the equipment in the lab to conduct the experiments in the curriculum. I feel my heart burst with disappointment when students look eager to know but we simply cannot provide the students with what they require."

Contrastingly, teachers at the well-endowed District A described a vastly different reality. One district superintendent stated that the district invests holistically in its students. This includes providing access to mental health professionals, well-resourced libraries, and after-school programs in the arts and sciences. At this school, students are not only learning but are prospering.

Such opposing experiences make an emphasis on lived experience of educational inequity. While some students have access to a multidimensional learning environment, others are denied the basic essentials of education. These disparities also lead to long-term consequences for students' confidence, social development, and postsecondary readiness.

### 2.4. Reforms and policy interventions

In order to mitigate the existing imbalance, certain states have approved drastic policy changes. Massachusetts has, for example, increased investment in low-income districts with its 2019 Student Opportunity Act, which revised its WSF, adding weight to the needs of economically disadvantaged students, English learners, and students with special education needs. The legislation was also accompanied by additional accountability measures, requiring districts to prepare detailed reports on how the extra funding would be used to close achievement gaps.

Equally, California adopted the Local Control Funding Formula (LCFF) in 2013, revamping the fundamental way the schooling system was financed. In addition to reallocating resources to benefit high-need students, LCFF also gave districts more control over budgetary decisions driven by the

needs and priorities of the communities [7]. Preliminary assessments of LCFF have shown increases in the rates of graduation, especially that of English language learners and low-income students, but there are still issues with implementation.

Despite the inevitability of funding reform, experts warn that it requires proper oversight and community engagement to succeed. According to Jackson, the effect of additional funding is enhanced when the additional funding is appropriately invested in evidence-based actions, including high-quality preschool, highly skilled teachers, and longer school days [8].

### 3. Discussion

The study supports the thesis that educational quality and equity are direct products of funding inequalities. The examples of District A and District B illustrate how structural decisions regarding different funding sources (e.g., property tax revenue) translate into tangible differences in students' daily lives. These inequalities even impact access to qualified educators, up-to-date resources, opportunities for enrichment, and support for student wellbeing. The fact that students in District A have smaller classes, well-resourced extracurricular activities, and integrated technology—while those in District B lack basic resources—highlights a system designed to perpetuate inequalities.

Analysis of the funding models also reinforces this conclusion. When carefully designed and adequately funded, WSFs (Weighted Student Formulas) seem to counter disparity better than regular foundation formulas. In a more equitable distribution of educational opportunities, WSFs increase the resources available to students with greater needs—i.e., English language learners or students with disabilities. The example of State X, which tends to use a WSF and has narrower funding gaps and improved academic outcomes, proves the interesting fact of policy success. It should be emphasized, though, that the funding formula alone does not address more fundamental problems of system injustice.

There is also a problem with implementation, especially in matters relating to transparency and accountability. Stakeholder interviews conducted in under-resourced districts showed that they are skeptical about where more financing is invested and in what way. Potential limitations of these reforms include concerns about district inefficiency, insufficient administrative oversight, and unclear priorities for spending the funds. Such issues resemble the arguments raised by Hanushek and Lindseth, according to whom, in addition to increased funding, a strong governance and accountability system is essential [9].

The other factor that became a key determinant of educational equity was community engagement. An actively involved parental and local school would tend to show signs of resourcefulness in straining minimal resources and would be able to support the cause of the student. The impact of funding reforms can be strengthened through participatory budgeting, community-school partnerships, and localized decision-making processes. Thus, equitable funding plans must not only redistribute funds but also give communities control over how funds are used. Existing policies that aid such localized control such as the LCFF in California can be used as role-models.

Finally, the part of the political will should not be underemphasized. Most equal funding reforms start with great promises but are derailed by staff and policy changes or financial limitations. Sustainable change is a long-term commitment, works across partisan lines, and needs consistent assessment. These are essential in that they may even cause the most promising funding structures, if they are not applied consistently, and budgets become smaller. After all, equity in funding is more than a monetary concern; it is a moral and civic duty coupled with the greater interests of democracy and social justice.

## 4. Conclusion

This paper discussed the impact produced by varying school financing schemes on resource distribution and student performance within the context of a public school. By comparing two districts with different demographic characteristics and providing a more exhaustive overview of school funding patterns at the state level, the study finds that inequity perpetuates through disparities in school finance systems. Most of the schools in wealthy districts, where the primary revenue streams are local property taxes, are better equipped with intricate infrastructure, with fewer children in a classroom, and a greater variety of curricular provisions. In contrast, schools in poor neighborhoods frequently cannot even afford basic teaching equipment and student support services. These differences not only impede the process of academic performance but also result in social inequality in the long run.

The research paper demonstrates the possibility of Weighted Student Funding (WSF) models to enhance more equal resource allocation. Because WSF systems condition funding to the needs of individual students, they can more precisely allocate it to where they are most needed in terms of poverty status, language proficiency, and special education needs, to name a few. As evidenced by the success of California's Local Control Funding Formula (LCFF) and Massachusetts' Student Opportunity Act, securing sufficient political will and community consensus can enable these models to reduce opportunity gaps. Nonetheless, openness and control are essential. In their absence, even reforms that appear to have good intentions may fail due to inefficiencies in the administration, as well as mistrust between the stakeholders.

According to the findings, there are three fundamental proposals:

1. The states are supposed to implement fair, needs-based systems of funding in which the funds are distributed based on student-specific criteria.
2. Reform of school finance should be accompanied by transparency measures that involve the community in the decisions made with respect to budget.
3. Such an increment in funding should be accompanied by systems of monitoring, measuring the impacts, and evaluating programs to ensure that the resources are utilized.

A key limitation of this study is that it focused on only one U.S. state and a small number of its districts. Future studies ought to identify a more exhaustive geographic coverage, in addition to including global funding models in the comparison and studying the long-term effects on the performance of the students. On the whole, this study corroborates the budding agreement that reform of funding is vital. Investment in public schools is not only an optional policy but also a requirement for a more equitable and flourishing society.

## References

- [1] Baker, B. D., Sciarra, D. G., & Farrie, D. (2014). Is school funding fair? A national report card. Education Law Center. <https://eric.ed.gov/?id=ED570455>
- [2] Owens, A. (2016). Inequality in children's contexts: Income segregation of households with and without children. *American Sociological Review*, 81(3), 549-574. <https://doi.org/10.1177/0003122416642430>
- [3] Kim, H. R. (2005). The role of school resources in student achievement among OECD countries: A structural equation modeling analysis. University of Virginia. <https://www.proquest.com/openview/3da85ae26485ee3e8cd094d8700e37f3/1?pq-origsite=gscholar&cbl=18750&diss=y>
- [4] Darling-Hammond, L. (2013). Inequality and school resources. Closing the opportunity gap: What America must do to give every child an even chance, 77. <https://doi.org/10.3102/0013189X18821122>
- [5] Lafortune, J., Rothstein, J., & Schanzenbach, D. W. (2018). School finance reform and the distribution of student achievement. *American Economic Journal: Applied Economics*, 10(2), 1-26. <https://www.aeaweb.org/articles?>

id=10.1257%2Fapp.20160567& ref=levelman.com

- [6] U.S. Department of Education. (2020). State and Local Expenditures on Public Schools. National Center for Education Statistics. <https://nces.ed.gov/programs/coe/indicator/cmb>
- [7] Roza, M. (2010). Educational Economics: Where Do School Funds Go?. Urban Institute. 2100 M Street NW, Washington, DC 20037. <https://eric.ed.gov/?id=ED511714>
- [8] Harley, K. R. (2019). An Examination of the Local Control Funding Formula and Local Control Accountability Plan: Are They Aligned to Address the Needs of African American, English Learners, Low Income, Foster, and Homeless Youth? (Doctoral dissertation, San Diego State University). <https://www.proquest.com/openview/aad19a25dc1de57ef82bfd2b75bc9022/1?pq-origsite=gscholar&cbl=18750&diss=y>
- [9] Jackson, C. K. (2020). Does school spending matter? The new literature on an old question. American Psychological Association. <https://psycnet.apa.org/doi/10.1037/0000187-008>