

# Create Pathways for Equitable Distribution of School Funding

## Overview

The Trump administration and its top picks for high-level U.S. Department of Education appointees have touted federal funding proposals such as block granting and school vouchers that, if enacted, could have reverberating harmful effects on the most vulnerable students in each state. To counter these proposals, the National Center for Youth Law and the endorsing members of the [Education Civil Rights Alliance](#) share these urgent recommendations that state leaders should adopt to create stronger state pathways for the equitable distribution of school funding.

The current federal administration proposes to shift existing funding programs to [no-strings block grants](#). Under the outlined proposals, states would no longer receive automatic funding increases for increases in student populations served by these programs. This would saddle states with the responsibility to find state dollars to fund the increased need to support high-needs students. Further, the transition to block granting, unmoored from the non-discrimination requirements in current funding programs, may eliminate the requirement that districts do not discriminate against students. These

proposed funding changes may leave the most vulnerable students, who are often concentrated in schools most in need of additional funding, in even more precarious situations.

Moreover, cuts or restrictions in Title I funding will disparately impact low-income students who are disproportionately Black. During the 2018-2019 academic year, Black schoolchildren were more likely than any other racial group to attend a Title I public school, with approximately seventy percent of Black public-school students in Title I districts and schools. Additionally, research [shows](#) that state funding formulas substantially underfund school districts serving Black, Latino, and Native American students by “as much as \$2,700 per student.”

Another challenge to equitable education funding for which states must prepare is the privatization of education, particularly through vouchers. Within two weeks of President Trump’s inauguration, he issued an [executive order](#) and corresponding [fact sheet](#) fulfilling a campaign promise to support the equivalent of a federal voucher program. Among other actions, the order

directs the Secretary of Education to issue guidance on how states “can use Federal formula funds to support K-12 educational choice initiatives.” The order also directs the Secretary of Health and Human Services to guide states on how to use block grants they currently receive to provide funds to families to send their children to private and faith-based school options.

From 1977 to 2021, elementary and secondary education spending grew 136% while corrections spending grew 346%, meaning government spending on incarceration increased 2.5 times the increase in K-12 education spending. Yet, voucher programs continue to siphon state education dollars away from public schools to private institutions. Although advocates of these programs claim these policies increase “school choice” for families, frequently, the voucher provided to families is insufficient to cover the full cost of private school attendance and are a false choice for Black and other families of color and low-income families. In the South, where education disparities are most pronounced, racial and economic segregation occurs not only between private schools and public schools, but also within and between public school districts. Even with the assistance of vouchers, private schools remain unaffordable for most Americans, meaning only wealthier families can begin to even consider them a viable option. This creates a two-tiered

education system where families with the means to cover the voucher gap use public dollars to parachute their children out of public schools and into private schools, while those unable to fund this gap are left in public schools with even less funding.

Voucher programs pose a unique challenge to upholding federal civil rights in education, as private institutions that do not receive federal funding are not bound by the nondiscrimination requirements that are laced into federal funding programs. Moreover, many religiously affiliated private institutions may claim exemptions from compliance with civil rights protections under the Free Exercise Clause of the U.S. Constitution, which limits government intervention in religion. This means many private schools can restrict the students they enroll in their programs without regard to nondiscrimination requirements followed by public schools. For example, private schools can receive public dollars and yet refuse to educate students with disabilities, students from LGBTQI+ families, or those who face additional barriers to learning. It also means that students attending these private institutions will have no way of holding their schools accountable to their rights if they experience discrimination, and their school takes no action. Additionally, voucher programs have higher rates of expulsion and dropouts, leading to lowered educational

quality for Black and other students of color.

Despite the federal guidance that may emerge as a result of the executive order, states maintain the discretion to reject voucher programs and create pathways for the equitable distribution of funding to the public schools millions of children in this nation already attend. Whether students attend public or private schools, states must ensure continued protection of all students, particularly those most likely to experience discrimination and marginalization in schools.

## Recommendations: Executive

### **State governors, chief state school officers, and state boards of education should:**

- Set a state policy agenda that prioritizes equitable funding for high-quality education for all students in your state.
- Issue guidance reaffirming your state's commitment to supporting and financing a high-quality education that meets the needs of every child in your state, without regard to race, gender, immigration status, or any other identity characteristic.
- Instruct the state department of education to provide technical assistance for districts in developing budgets that ensure equitable distribution of state and federal dollars among schools within the same district, with higher per-pupil funding for schools with students with higher need.
- Instruct the state department of education to continue to collect and make publicly available per-pupil school spending data, disaggregated by funding source. Public school budget documents should be accessible, easy to understand, and should include individual school-level expenditures.
- If there are voucher proposals being considered, be prepared to use veto power and inform the public about how vouchers redirect vital resources from public schools, which serve as the cornerstone of democracy, are open to all children, and are accountable to their communities.
- Seek funding to provide for the additional needs of students who have experienced trauma and students with other mental health needs, including those with rights to supports and services as students with disabilities identified under Section-504 only for which there is currently no funding provided.

## Recommendations: Legislative

### State legislators should:

- Reject proposals to create or expand voucher programs or other efforts to privatize education.
- Ensure any existing state-created voucher programs include nondiscrimination requirements mirroring, at minimum, federal civil rights requirements.
- Fund research on the academic and economic impact of voucher programs.
- Pass legislation requiring funding to collect and publicly report additional elements of the Civil Rights Data Collection run by the U.S. Department of Education and other federal data sources (such as the National Education Resource Database on Schools) that will enhance the transparency of within-district spending.
- Increase the state education funding formula, and increase spending for vulnerable student groups currently protected by federal funding-related protections.
- Pass legislation which reinforces and expands the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act provisions protecting the rights of students with disabilities, except to the extent that existing state law provisions provide greater protection to students and/or parents.



# EDUCATION CIVIL RIGHTS ALLIANCE

This resource was created by the National Center for Youth Law and the endorsing members of the Education Civil Rights Alliance. To learn more about what your state can do to strengthen civil rights protections for all students, check out this [resource page](#) for additional recommendations and to read the letter we sent to state leaders.