

Mississippi Student Funding Formula

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MISSISSIPPI
DEPARTMENT OF
EDUCATION

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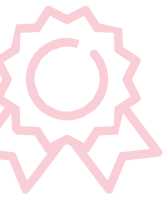
VISION

To create a world-class educational system that gives students the knowledge and skills to be successful in college and the workforce, and to flourish as parents and citizens



MISSION

To provide leadership through the development of policy and accountability systems so that all students are prepared to compete in the global community



1

ALL Students Proficient and Showing Growth in All Assessed Areas



2

EVERY Student Graduates from High School and is Ready for College and Career



3

EVERY Child Has Access to a High-Quality Early Childhood Program

EVERY School Has Effective Teachers and Leaders

4



EVERY Community Effectively Uses a World-Class Data System to Improve Student Outcomes

5



EVERY School and District is Rated “C” or Higher

6



- House Bill 4130 passed during the 2024 Regular Legislative Session created the new Mississippi Student Funding Formula (MSFF)
- MSFF replaces the previous funding formula, the Mississippi Adequate Education Program (MAEP)
- MSFF was created to calculate funding for public education in the State of Mississippi

MAEP

- Average Daily Attendance (ADA)
- Personnel-based for add-on programs
- Local Contributions amount calculated on $ADA \times BSC + \text{At-Risk Funding (Excluded Add-on-Programs)}$
- Self-Contained Grades Excluded
- Non recalculation year: Base Student Cost (BSC) increased by $40\% \times \text{current inflation rate}$
- BSC recalculated FY27

MSFF

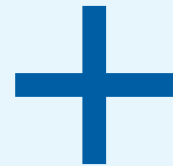
- Average Net Enrollment (ANE)
- Student-based weighting for ANE additions
- Local Contributions amount calculated on total funding
- All Grade Levels Included
- Non-recalculation year: Base Student Cost (BSC) increased by $25\% \times 20\text{-year average annual change in the rate of inflation, rounded to the nearest 10th of a percent}$
- BSC recalculated FY29





- The initial product of applying weights to the net enrollment
- Additional funding is provided for students in a school district who are identified as entitled to and receiving services in the following areas:

Average Net Enrollment
(Months 2 and 3)



Weighting for:

1. Low-income (30%)
2. Concentrated Poverty (10%)
3. English Learners (15%)
4. CTE, Grades 9-12 (10%)
5. Special Ed Tier I (60%)
6. Special Ed Tier II (110%)
7. Special Ed Tier III (130%)
8. Gifted (5% of 5%)

- The applicable weights are calculated as a percentage of the students receiving services

- A sparsity multiplier is applied to districts with no more than eight students per square mile
- If the multiplier is greater than eight the result will be zero
- Square mileage information is stored in MSIS and input by districts

Students per Square Mile	Sparsity Multiplier (8 Students - 4.52)
4.52	3.48%

Average Net Enrollment (ANE)

+ Weighted Additions

+ Sparsity

= Final Weighted Enrollment

- Students included in the identified student percentage (ISP) includes students who are direct certified
- These are students reported to the U.S. Department of Agriculture (USDA) using self-reported data for the community eligibility provision
- Also includes students who are homeless, migrant, runaway, HeadStart, or foster care

- Percentage of low-income students greater than 35%
- If the percentage calculated is negative, the amount included per the funding formula will be zero
- To determine the percentage of students identified, 35% is subtracted from the direct certification percentage

Direct Certification %	Concentrated Poverty (% greater than 35 %)
42 %	7.000 %

- The amount of local tax money that school districts or charter schools must contribute to the cost of the funding formula

Cost Before Reduction for Local Contribution (Final Weighted Enrollment * Base Student Cost \$6,695.34)	Required Local Contribution	Formula Cost Less Required Local Contribution
\$ 8,834,990	\$ 2,385,447	\$ 6,449,543.08

Example: Local Contribution for District

23

1. Gross Assessed Value (obtained from Taxing Authority)	\$118,865,071
2. Homestead Exemption Value for over 65 (Obtained from Department of Revenue (DOR))	\$6,375,530
3. Net Assessed Value (#1- #2)	\$112,489,541
4. Value of 28 mills (sub-total) (#3 * .028)	\$3,149,707
5. Homestead Exemption Credit for under 65 (Obtained from DOR)	\$95,662
6. Homestead Exemption Reimbursement (Obtained from LEAs Financial Exchange Transaction System Data (FETS))	\$103,550
7. In-Lieu Revenue (Obtained from LEAs FETS Data)	\$
8. Value of 28 Mills (final) (#4 - #5 + #6 + #7)	\$3,157,595
1. MSFF Formula Amount before local contribution	\$8,834,990
2. 27% of Formula Amount (#3 x .27)	\$2,385,447

Local Contribution is the lesser of the two calculations

- The state share in support of the funding formula for fiscal years 2025, 2026, and 2027
- Funding for these years may not be less than all state funds received for fiscal year 2024 for the MAEP, Teacher & Assistant Teacher Pay Raise, and \$100M allocation
- FY2028 the hold harmless provision will no longer apply

Hold Harmless (if applicable)	
FY25 \$6,449,543.08	- FY24 \$6,569,652
120,109	

MSFF Funding

1. ANE Months 2 and 3	999.50
2. ANE Weighted Additions	275.68
3. Preliminary Weighted Enrollment before Sparsity (1 + 2)	1,275.18
4. Sparsity Weight	44.39
5. Final Weighted Enrollment (3 +4)	1,319.57
6. Base Student Cost	\$ 6,695.34
7. Cost before reduction for Local Contribution (5 * 6)	\$ 8,834,990.00
8. Less : Local Contribution	\$ (2,385,447.00)
9. Formula Cost Less Local Contribution (7 - 8)	\$ 6,449,543.00
10. Hold Harmless (Equal to Level of funding for FY2024)	\$ 120,109.00
11. Total State Cost (9 + 10) FY25 Allocation	\$ 6,569,652.00
FY24 Funding (MAEP, Teacher Pay Raise & Average Daily Enrollment)	\$ 6,569,652.00



Questions

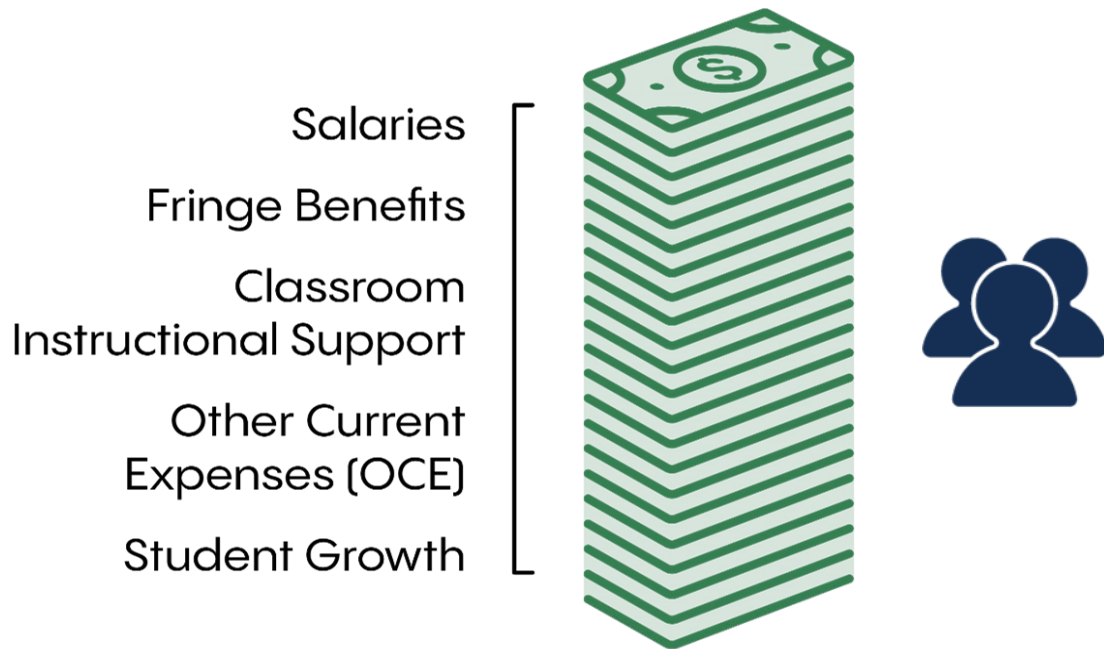


Modernizing Alabama's School Funding Formula



EDUCATION
PARTNERSHIP

Up until now, Alabama only had a Resource-Based Funding Formula called the Foundation Program.



Based simply on the the cost to provide resources, like teachers, principals, and materials.

Schools are allocated units, which are based on Average Daily Membership (ADM) and ratios that are set by law.

So, if a school has X number of students, they receive X number of teachers, textbooks, etc.

Has not been changed in 30 years

Alabama was 1 of 6 states still using a Resource-based Formula

Most states use a student-weighted formula.



SPED

In a student weighted formula, school districts receive a base amount of funding for the number of students enrolled.

Poverty

Districts also receive additional funding through weights based on characteristics of enrolled students, such as low income, disability, and/or status as an English learner.

ELL
Charter

Base
Amount

41 other states use a student-weighted formula.

The Foundation Program has created challenges for school districts and policymakers.

- **Under-resourced**: The funding provided through the Foundation Program lags behind most states (41st in the country); peer states have acted to address similar shortcomings.
- **Not Student Centered**: The Foundation Program and At-Risk funding did not effectively target funding to meet student needs.
 - State funding through the Foundation Program is poorly correlated with student need.
 - At-Risk funding per-pupil is correlated with poverty rates, but funding levels are minimal – the equivalent of less than a **1% weight for poverty**.
- **Inflexible**: The Foundation Program is highly prescriptive and limits the ability of local leaders to direct funding to best meet student needs.

Joint Legislative Commission: Potential Pathways

In April 2024, the Legislature created a joint commission to study modernizing Alabama's school funding formula.



At the final meeting, Chairman Orr and Chairman Garrett presented 3 potential options:

- Option 1: We do nothing for student needs.
- Option 2: Adopt a new, student-weighted formula.
- Option 3: Adopt a hybrid approach

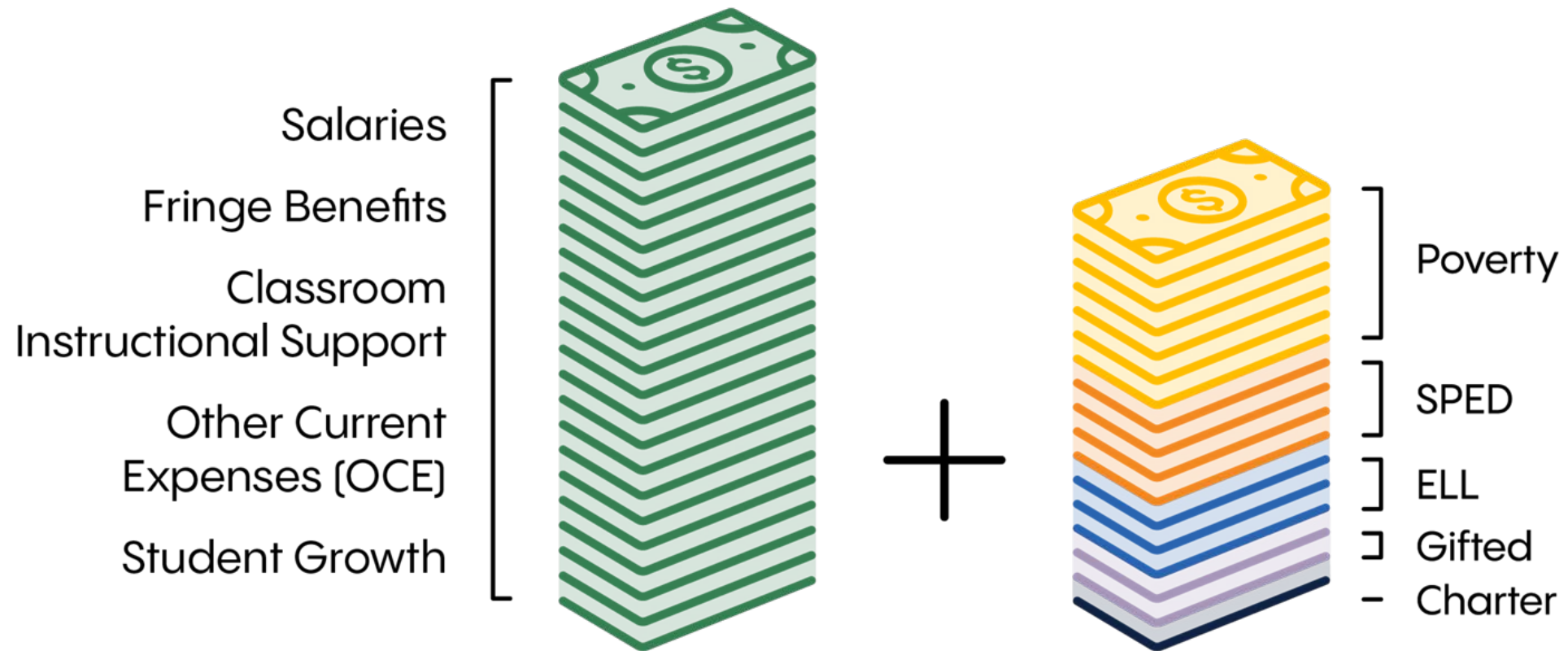
The RAISE Act: Renewing Alabama's Investment in Student Excellence

What it does:

- Establishes a new hybrid school funding formula for Alabama.
- All districts will receive more money, based on the needs of the students they serve.
- Holds schools accountable for results.
- No new taxes.



The RAISE Act keeps the Foundation Program and adds weights for student needs on top.



Option 3: A system of targeted weights for student need can be built on top of the Foundation Program.

Existing Foundation Program

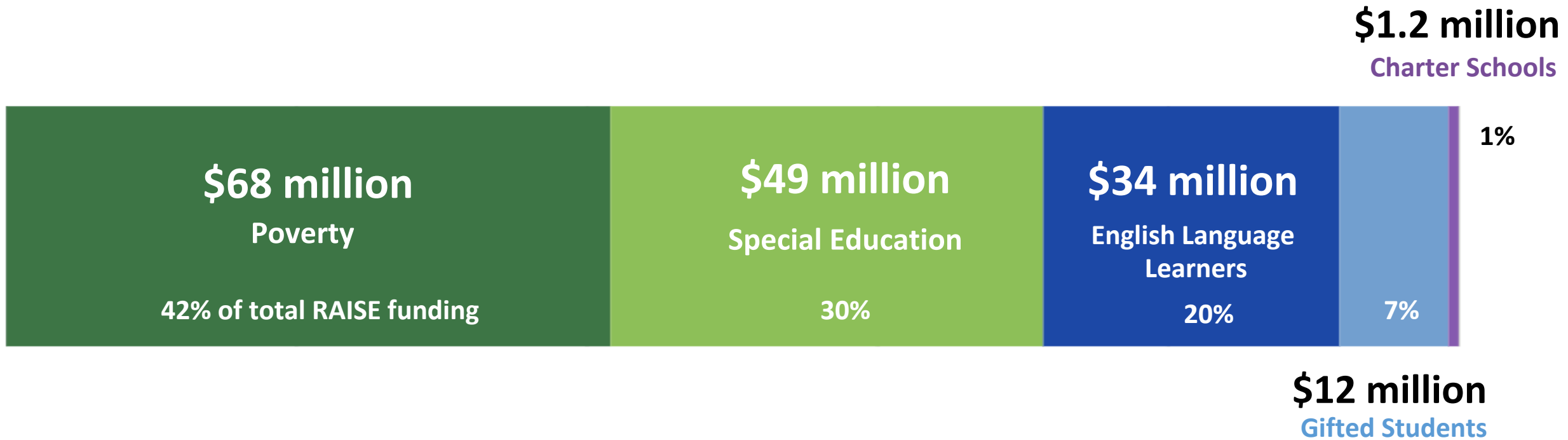
- Maintain the current Foundation Program as the underlying formula.
- Salary increases, step raises, PEEHIP and retirement cost, and other adjustments would happen through current mechanisms.
- **This would not change any of that.**
- The existing Foundation Program could serve as a proxy “base” for a system of weights.



New Weights for Student Need

- Weights for poverty, English Learners, Special Education, Charter Schools, and Gifted could be calculated using the state average of the Foundation Program per-pupil amount.
- These weights could be phased-in over a defined period as state funding permits.
- Accountability mechanisms can be paired with additional flexibility to ensure that new funds effectively address student needs.

RAISE Act Year One: \$166 Million for Student needs



Legislative Investments in the RAISE Act: The First 3 Years

\$375 Million

New money from the Educational Opportunities Reserve Fund set aside to **fund the first 3 years**

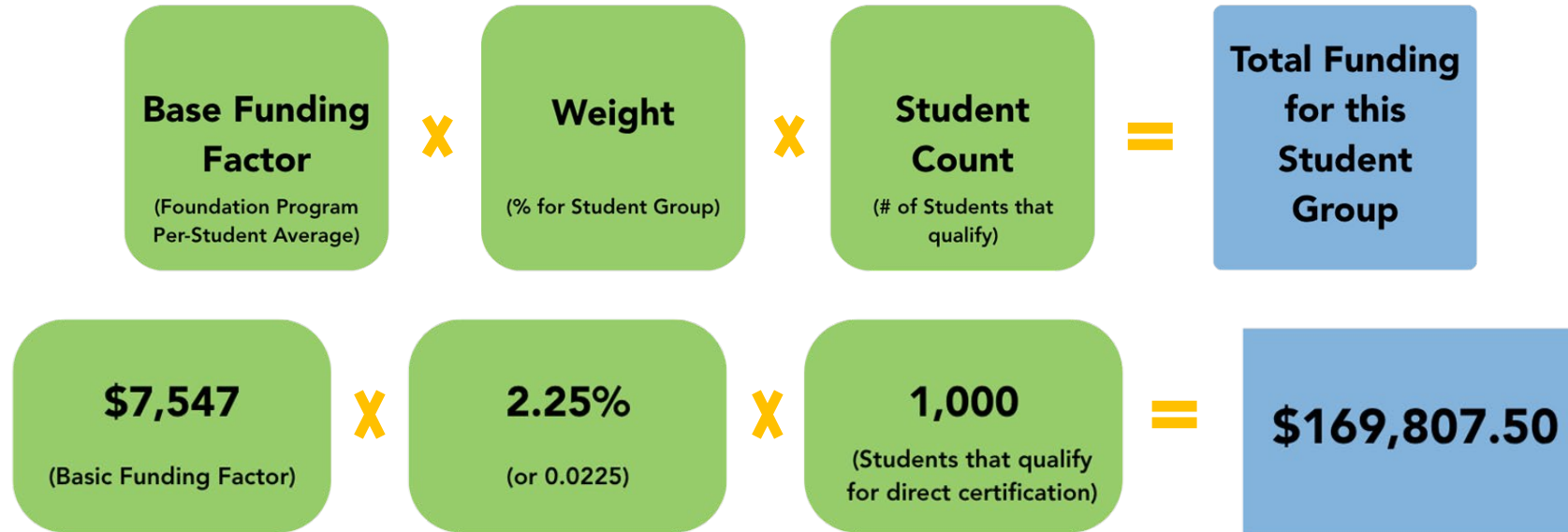


\$174 Million

\$58 million allocated from the Education Budget annually

\$549 Million Total

Understanding the Student Weights



- **Students in Poverty:** Up to 20% of the base
- **Special Education Students:** Up to 25% (Tier 1), 50% (Tier 2), and 150% (Tier 3) of the base
- **English Language Learners:** Up to 15% of the base, with an additional 5% for districts with large, concentrated EL populations
- **Gifted Students:** Up to 5% of the base
- **Charter School Students:** Up to 10% of the base