Adequacy Study 2024

Equity

Contents

Table of Contents

Introduction

Equity is a key component of achieving and maintaining a constitutionally sound system of funding education in Arkansas, and it has been since the 1983 case *Dupree v. Alma Sch. Dist. No. 30*. The *Lake View* cases reaffirmed this principle. Judge Kilgore, in his final order on May 25, 2001, declared the current school-funding system to be unconstitutional on the twin grounds of inadequacy under the Education Article and inequity under the Equality provisions of the Arkansas Constitution. See Ark. Const. art. 14, § 1, art. 2, §§ 2, 3, and 18. Thus, in order to achieve a constitutional system, the state must address both the adequacy and equity provisions embedded within the Arkansas Constitution.

The Court in *Lake View* stated that it is the State's responsibility "to determine whether equal educational opportunity for an adequate education is being substantially afforded to Arkansas' school children", and that "[d]eference to local control is not an option for the State when inequality prevails". *Lake View Sch. Dist. No. 25 v. Huckabee*, 351 Ark. 31, 79 (2002). The Court acknowledged that equity is not simply a matter of equal distribution of dollars for each child, but rather the state must take into account disparities that impact a child's ability to receive an equal opportunity for an adequate education.

In measuring these disparities, the Court noted that the "focus for deciding equality must be on the actual expenditures", which are "the measuring rod for equality". *Lake View*, 351 Ark. 31 at 74-75. The Court[1] has relied on the federal range ratio, and to a lesser extent the coefficient of variation and the Gini coefficient to measure disparities and determine equity.

The Adequacy Study statute, Ark. Code Ann. § 10-3-2102, requires the Education Committees to "review and continue to evaluate the method of providing equality of educational opportunity of the State of Arkansas and recommend any necessary changes". This report provides information on the state's educational equity, using standard statistical measures previously accepted by the Court.

Approaches to Determining Equity

Equity is a multidimensional concept that has been analyzed with various statistics that have different purposes, strengths, and weaknesses[1]:

"**Horizontal equity**" analyses examine the degree to which districts receive equal resources on a variable such as foundation funding;

A second approach to equity is the use of "**neutrality measures**" designed to measure inequities among districts that may arise from differences in local property wealth.

"**Vertical equity**" analyses examine per-pupil expenditures within categories (or ranges) of another variable, such as National School Lunch (NSL) student categories, average daily membership (ADM) groups, racial groups, or amounts of property wealth to determine how equitable spending is among the districts when grouped by that variable.

The data for this report was obtained from the Arkansas Public School Computer Network (APSCN) for the 2021-2023 school years. The data comprise various revenue and expenditure items as well as student information, including demographic information and current year average daily membership

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[1] *School Finance A Policy Perspective (Sixth Edition),* Odden, Allen R. and Picas, Lawrence, O., McGraw Hill Education, 2020.

(ADM) for school districts and charter school systems. The three types of data were merged and prepared for the final analyses.

Horizontal Equity Statistics

The sample for the horizontal equity analyses was made up of 258, 255, and 255 school districts and charter school systems in 2021, 2022, and 2023, respectively. Two revenue variables are analyzed.

The first variable, which will be called **Revenue 1**, is foundation funding and property taxes per student. This measure was computed as the sum of four revenue items divided by the current year's ADM. The four revenue items are Foundation Funding (Excluding Uniform Rate of Tax [URT]), Net Property Taxes, 98% of URT adjustment, and Miscellaneous Funds.

The second variable, which will be called **Revenue 2**, is foundation and other adequacy-related funding per-student. This revenue consists of all the revenue included in the first variable, plus selected types of state funding. Again, the revenue was divided by each district's current year ADM. The selected state funds include:

- Enhanced Student Achievement (National School Lunch) state categorical funding
- English Language Learner funding
- Professional Development funding
- Alternative Learning Environment funding
- Student Growth funding
- Declining Enrollment funding
- Isolated and Special Needs Isolated funding
- Special Education Catastrophic Occurrences funding
- ESA Matching Grant
- Enhanced Transportation
- Salary Equalization

The following describe the horizontal equity statistics presented in the accompanying tables:

Mean: The mean is the arithmetic average of the data and usually characterizes the "typical" or "expected" funding value. For Revenue 1, the average foundation funding per student in 2021 was $8,145, with an increase of about $80 to $8,223 and a larger increase of about $300 in 2023 to $8,540. A similar pattern with higher values, reflecting the additional funding included, show up for Revenue 2 funds.

MEAN	2021	2022	2023
Revenue 1	$ 8,145.26	$8,226.78	$8,539.89
Revenue 2	$ 9,141.65	$9,323.30	$9,773.76

Median: The median is the middle funding value if all values were arranged from the lowest to the highest values (or vice versa). The median is also called the 50th percentile. Both the mean and median are measures of central tendency or location, but the median is sometimes more appropriate if there are extreme values in the data. The median per pupil for Revenue 1 was $7,988 in 2021, which is less than the average. As with the average, the 2022 value increased, but only by about $13, and a larger increase of about $260 occurred in 2023 for a median per-pupil expenditure of $8,262. Again, a similar pattern occurs with Revenue 2 with the additional sources of revenue added.

MEDIAN	2021	2022	2023
Revenue 1	$ 7,987.77	$8,000.71	$8,262.06
Revenue 2	$ 8,950.38	$9,005.96	$9,372.18

Restricted Range: While the above measures are helpful, they do not reveal much about the "variability" or the "spread" of the data. Measures of dispersion are the set of statistics that provide information on the extent of data spread. The restricted range is the difference between the 5th and 95th percentiles. The values at the 5th and 95th percentiles indicate the funding values at the 5th and 95th places if the data were ordered and sliced in 100 parts. The restricted range for Revenue 1 in 2021 was $2,898, decreased to $ 2,530 in 2022 but increased by more than $800 in 2023 to $3,349. A similar pattern emerges when all other funds are added to the analysis for Revenue 2. According to education researchers, "If a range statistic is used, the restricted range is preferred to the unrestricted range, but neither is a good indicator of the equality of the distribution of the object for the entire education system."[2] However, the smaller the range the more equity that exists.

RESTRICTED RANGE	2021	2022	2023
Revenue 1	$ 2,897.74	$2,530.44	$3,349.35
Revenue 2	$ 3,781.47	$3,572.00	$4,029.86

Federal Range Ratio: The federal range ratio divides the restricted range by the 5th percentile, providing a simpler way to interpret the spread of the data. In both sets of funds, the federal range ratio for all years is higher than the preferred 0.25, but comes closest to meeting the desired ratio in 2022.[3]

FEDERAL RANGE RATIO	2021	2022	2023
Revenue 1	0.42	0.35	0.46
Revenue 2	0.50	0.45	0.49

Standard Deviation: The standard deviation is a standardized value measuring the extent to which the funding values deviate from the expected or typical value (i.e., the mean). Small standard deviation values indicate the data tend to be close to their mean (more equitable) and high standard deviation values indicate greater variability (less equitable). For foundation and property tax alone, the standard deviation in 2021 was $ 1,223, grew slightly to $1,265 in 2022 but grew by $1,000 in 2023 to $2,231. A similar pattern of increase is evident when the additional funding is included in Revenue 2.

STANDARD DEVIATION	2021	2022	2023
Revenue 1	$ 1,223.09	$1,265.02	$2,231,16
Revenue 2	$ 1,304.59	$1,428.50	$2,618.19

Coefficient of Variation: The coefficient of variation is calculated by dividing the standard of deviation by the mean. Thus, it shows the extent of variation in the funding values with respect to the mean. For Revenue 1, the coefficient of variation in 2021 and 2022 was about 15% with an increase seen for both

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[2] *School Finance A Policy Perspective*.

[3] In its 2002 decision, the Arkansas Supreme Court stated that, "Using expenditures in the calculation of the Federal Range Ratio, this court finds that there is more than a 25% difference between the 5th and 95th percentile in amount spent per pupil, which is not in compliance with the 1994 Order. However, using revenues, the State is within the 25% range differential. Using expenditures in the Correlation of Variance, the State is not in compliance. Using expenditures in the calculation of Gini Index of Inequality, the State is in compliance."

revenue sets in 2023. The same pattern exists when other funding is included in Revenue 2. This shows 2023 had greater variation around the mean than the two prior years.

COEFFICIENT OF VARIATION	2021	2022	2023
Revenue 1	0.15	0.15	0.26
Revenue 2	0.14	0.15	0.27

McLoone Index: The McLoone Index compares how much of the funding values are concentrated in the bottom half of the data relative to the median value. To compute the McLoone Index, the sum of all the funding values at or below the median is divided by the product of the number of districts at or below the median and the value of the median. The McLoone Index ranges between zero and one. Higher values of the McLoone Index denote a more equitable funding distribution across districts. The McLoone Index for Revenue 1 in 2021 was 0.929, 0.942 in 2022, and dips slightly to 0.925 in 2023. These statistics denote equitable funding across districts. A similar pattern occurs with the additional funds added in Revenue 2.

MCLOONE INDEX	2021	2022	2023
Revenue 1	0.929	0.942	0.925
Revenue 2	0.929	0.941	0.928

Gini Coefficient: The Gini coefficient is usually obtained from what is known as the Lorenz curve. To construct the Lorenz curve, all districts are ranked from lowest to highest funding values. The data is then plotted with the cumulative proportion of the districts on the horizontal (x-axis) and the cumulative proportion of the funding values on the vertical (y-axis). The Gini coefficient is obtained as double the area between the diagonal line (denoting perfect equality) and the Lorenz curve. The Gini coefficient ranges from zero to 1, with zero being perfect equality, and one being if a single district receives all the available funds. As shown below (Section IV), the Lorenz curves are all very close to the diagonal line of perfect equality, suggesting that the available funds are relatively equitably distributed across districts. With both sets of funding in the table below, the Gini coefficients are extremely small every year, reflecting equitable distribution of funds.

GINI COEFFICIENT	2021	2022	2023
Revenue 1	0.068	0.023	0.024
Revenue 2	0.068	0.014	0.011

Fiscal Neutrality

Fiscal neutrality measures look at the relationship between a school district's property wealth and the per-pupil revenues it receives. For this report, they are computed for two samples of districts -- first, for the full sample of districts, and second, after excluding districts whose URT collections were more than the required foundation funding amounts each year.[4]

Picus et al., (2004) clearly state that large correlations between property wealth and funding are not relevant to policy when wealth elasticity coefficients are small. Statistically, two variables (e.g., property wealth and funding) can be highly correlated because correlation only examines the pattern of

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[4] In the 2021, 2022, and 2023 school years, the five districts considered to be "URT districts" because they raise more in property tax than is mandated for the foundation funding for their districts (Armorel, Fountain Lake, Mineral Springs, Eureka Springs, and West Side – Cleburne).

relationships between variables. However, the wealth elasticity statistic examines the exact amount of increase in one variable that accompanies each dollar increase in the other variable.

The table below shows the fiscal neutrality statistics for the full set of schools using Revenue 1 (foundation funding and property taxes only). The wealth neutrality correlation measures the relationship between property wealth per student (calculated as property assessment divided by current year's ADM) and district per-pupil revenues (i.e., foundation funding and property taxes). The wealth neutrality correlation was fairly strong all three years, but falls from .801 in 2021 to .744 in 2023. The table also reports the wealth elasticity statistic measuring the exact percentage increase in district revenue associated with each percentage increase in property wealth. All wealth elasticities are low, indicating no more than an 18% increase in district revenue associated with each percentage increase in local property wealth. In other words, every time the assessment value rose a dollar, foundation funding increased by 18 cents. The low rates of wealth elasticity indicate that property wealth had little influence over per-pupil foundation funding, especially in 2022 and 2023.

REVENUE 1 – ALL DISTRICTS	2021	2022	2023
Wealth-Neutrality Correlation	0.801	0.800	0.744
Wealth Elasticity	0.179	0.016	0.024

When the five districts with URT collections that exceed foundation funding are excluded in the table below, the wealth neutrality correlations and wealth elasticities are usually, as expected, even smaller. In 2012, the Arkansas Supreme Court ruled that districts that generate more than the foundation funding rate are permitted to keep all of the money generated by their URT. In effect, this means these districts have more revenue than the foundation funding rate set by the General Assembly, so they add both higher property wealth and higher per student revenue into the equations.

REVENUE 1 – NO URT DISTRICTS	2021	2022	2023
Wealth-Neutrality Correlation	0.584	0.652	0.726
Wealth Elasticity	0.122	0.011	0.028

Finally, the fiscal neutrality statistics results for the Revenue 2 category (foundation funding, property taxes, and other adequacy-related funding per student) tell a similar story as above for the first revenue variable. These findings further suggest equitable funding distribution across districts.

REVENUE 2 – ALL DISTRICTS	2021	2022	2023
Wealth-Neutrality Correlation	0.762	0.763	0.715
Wealth Elasticity	0.180	0.017	0.028

REVENUE 2 – NO URT DISTRICTS	2021	2022	2023
Wealth-Neutrality Correlation	0.540	0.568	0.718
Wealth Elasticity	0.133	0.012	0.034

Vertical Equity Statistics

Vertical equity statistics are typically calculated using expenditures to assess the equity in spending according to key district characteristics. According to educational equity literature written by Deborah Verstegen, John Dewey asserted as far back as 1944 that "equal educational opportunity implied governments not only would provide access to learning but also compensate for the differences on [the] basis of environmental inequality," and also that vertical equity "holds that children in dissimilar circumstances can be treated differently but only for legitimate and justifiable reasons." Verstegen further cited that in 1971, John Rawls asserted the "Difference Principle," in which he said, "there should be no differences between individuals unless they favor the less fortunate."[5]

In an attempt to evaluate the vertical equity of school district expenditures in Arkansas, as in past equity reports, this analysis looks at district expenditures by the following district characteristics: average daily membership (ADM), percent non-white, percent eligible for free and reduced-price lunches (FRL), and property wealth.

Data for Vertical Equity Statistics

Two variables are examined in relation to district characteristics to determine vertical equity. The first variable is **per-student expenditures from select state funding**. These expenditures include only spending using foundation funding, property taxes, and the revenues listed below as "other adequacy-related funding."

- Enhanced Student Achievement (ESA – formerly National School Lunch) state categorical funding
- English Language Learner (ELL) funding
- Professional Development (PD) funding
- Alternative Learning Environment (ALE) funding
- Student Growth funding
- Declining Enrollment funding
- Isolated and Special Needs Isolated funding
- Special Education High-cost Occurrences funding
- ESA Matching Grant
- Enhanced Transportation
- Teacher Salary Equalization

To eliminate the effect of temporary increases or decreases in expenditures due to capital projects, the expenditures do not include any facilities acquisition or construction costs, and they do not include debt service payments. These expenditures were divided by each district's current year ADM.

The second variable is **per-student expenditures** from **all funding sources** (including federal funding and excluding facilities acquisition and construction costs and debt service payments). These expenditures were divided by each district's current year ADM.

Each district's or charter's per-student expenditures are arrayed in deciles based on the value of the characteristic being analyzed with the deciles ranging from the lowest to the highest value. For example, the per-student expenditures for those districts with the lowest ADM counts are averaged and the average is the per-student expenditure amount shown for Decile 1, the per-student expenditures for the districts with the next-lowest ADM counts are averaged and placed in Decile 2, and so on, until you calculate the average per-student expenditures for all deciles, culminating with the districts with the

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[5] Verstegen, Deborah A., "On Doing an Analysis of Equity and Closing the Opportunity Gap", Education Policy Analysis Archives, https://pdfs.semanticscholar.org/f208/bf29d426aca5033c741558c0473c437f8798.pdf, pages 3 and 4.

highest ADM counts reflected in Decile 10. This process is repeated for the remaining three characteristics.

Vertical Equity by Average Daily Membership

The first vertical equity analysis examines the relationship of per-student expenditures by districts and charter systems arrayed into deciles by their current year ADM deciles. The expenditures are represented for the three years in line charts, and the percentage differences between Decile 1 per-student expenditures and Decile 5 per-student expenditures and then again between Decile 1 per-student expenditures and Decile 10 per-student expenditures are shown in the accompanying tables. Positive percentages represent higher per-pupil spending in Decile 1, while negative percentages represent lower per-pupil spending levels in Decile 1.

Average ADM Values by Decile			
	2021	**2022**	**2023**
D1	264	259	296
D2	445	441	454
D3	549	555	571
D4	695	675	690
D5	811	815	825
D6	1,019	1,021	1,009
D7	1,309	1,310	1,321
D8	1,840	1,830	1,851
D9	2,953	30,20	3,049
D10	8,250	8,312	8,348

By Expenditures from Select State Funding

The two prominent observations are the similarity in levels of expenditure patterns across the three years shown and the higher per-student expenses in the lowest two ADM.

| ADM Deciles: Percentage Difference			
	2021	**2022**	**2023**
Between D1-D5	16.3%	5.8%	2.2%
Between D1-D10	15.2%	10.3%	8.5%

Those districts/charters in the lowest ADM decile spent 16.3% more per student than the midpoint decile (Decile 5) in 2021; however, the difference in 2023 was only 2.2%. The districts in Decile 1 spent approximately 8% more than those districts in Decile 10 (districts with the highest ADM count) in 2023, more than 10% more in 2022 and about 15% more in 2021. It is possible that the smallest districts (those with the lowest ADM) spent more on a per-student basis than larger districts due to economies of scale, by which larger districts can achieve lower per-student costs overall.

Expenditures from Select State Funding by ADM Decile
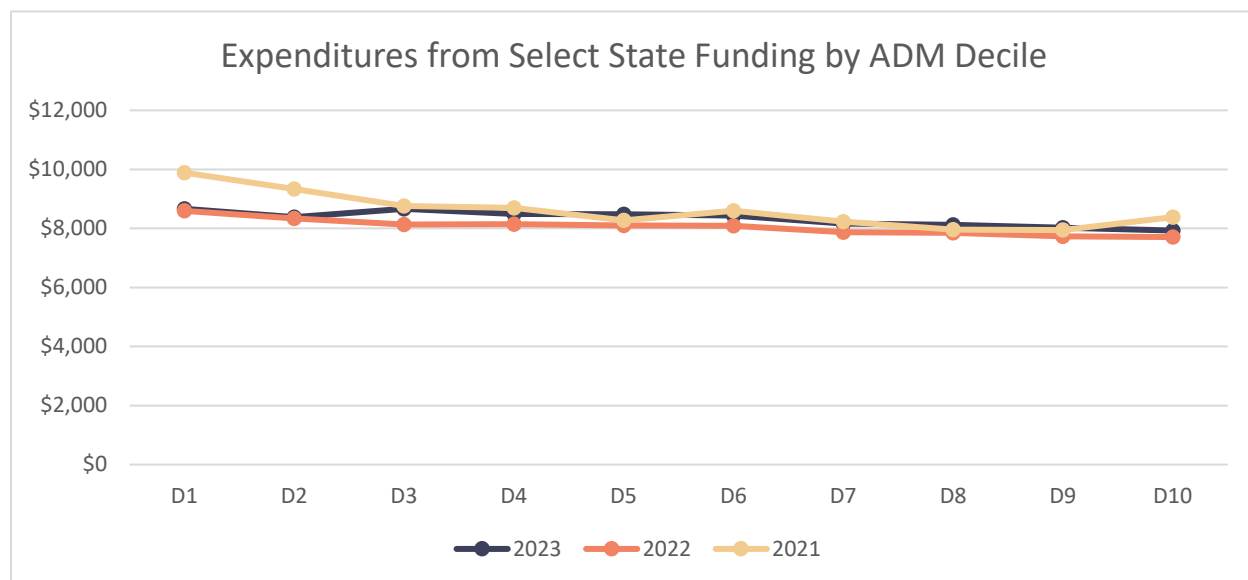
By Expenditures from All Funding Sources

When considering expenditures from all funds, the patterns described above are similar, with the districts with lower ADM spending more dollars per student. The dollar amounts are naturally higher for total expenditures than for spending from select state funding.

ADM Deciles: Percentage Difference			
	2021	**2022**	**2023**
Between D1-D5	19.1%	18.8%	15.7%
Between D1-D10	20.7%	20.0%	19.9%

Expenditures from All Fund Sources by ADM Decile
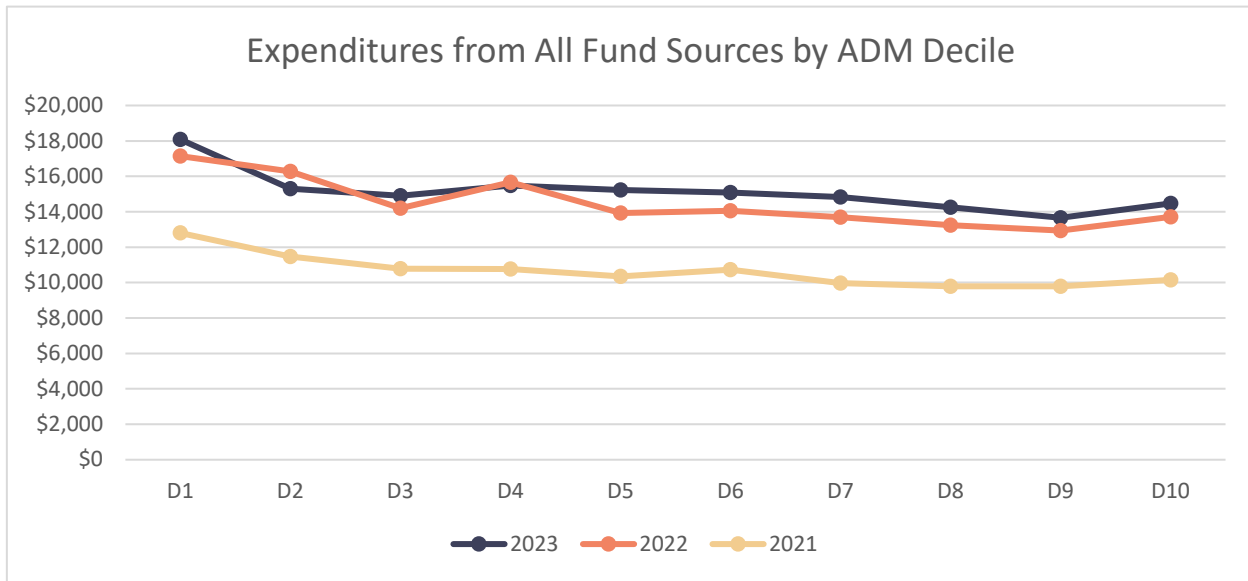
Vertical Equity by Percentage of Non-White Students
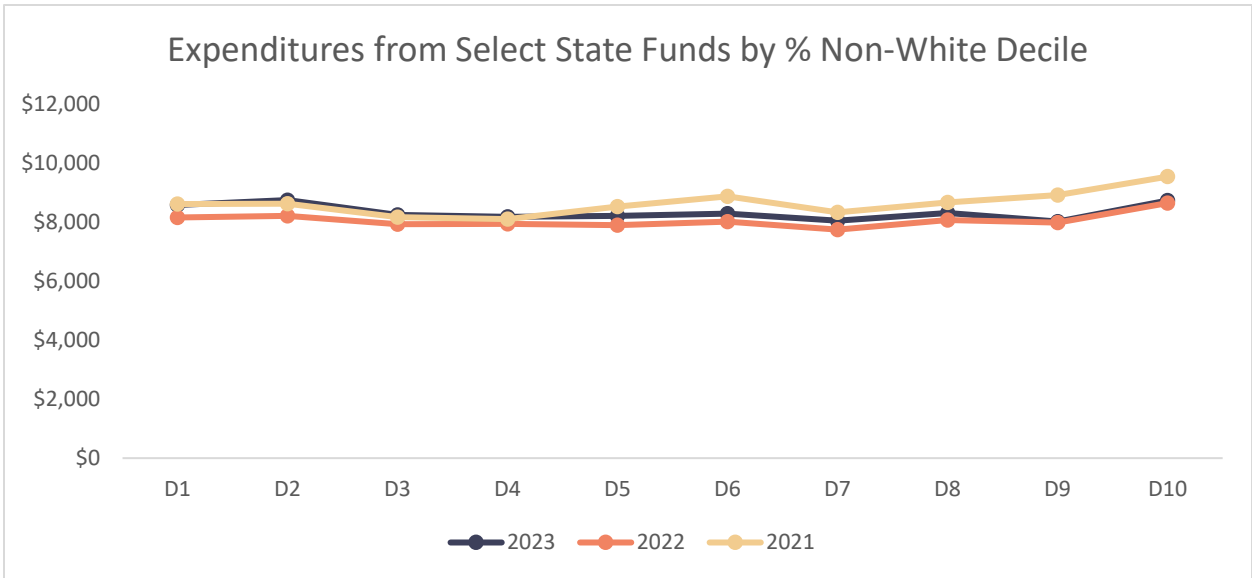
By Expenditures from Select State Funding

The next vertical equity analysis looks at school districts and charter systems divided into deciles based on the concentration of non-white students enrolled.

The chart below illustrates that the districts in Decile 1, which have the lowest percentage of non-white students, spent more per student than those at the midpoint, Decile 5, in all three years, but less than Decile 10 all three years. Decile 10 districts, those with the highest percentage of non-white students, spent more than all other deciles all three years.

Average Minority (Non-White) Percentages			
	2021	**2022**	**2023**
D1	4%	4%	4%
D2	6%	6%	6%
D3	9%	9%	9%
D4	12%	12%	12%
D5	17%	17%	17%
D6	25%	25%	25%
D7	35%	35%	35%
D8	49%	48%	48%
D9	69%	68%	67%
D10	93%	91%	90%

Non-White Deciles: Percentage Difference			
	2021	**2022**	**2023**
Between D1-D5	1.0%	3.2%	4.3%
Between D1-D10	-10.8%	-6.0%	-1.8%

Expenditures from Select State Funds by % Non-White Decile

By Expenditures from All Funding Sources

The following chart has a very similar pattern of results for expenditures per student from all fund sources across all three years to the chart that was shown previously for expenditures from select state funding. The districts in Decile 10 with the highest percentage of non-white students have the highest average per-student expenditure amounts for all three years.

Minority (Non-White) Student Deciles: Percentage Difference			
	2021	**2022**	**2023**
Between D1-D5	3.3%	4.2%	2.1%
Between D1-D10	-18.9%	-22.0%	-23.8%

## Expenditures from All Funds by % Non-White Deciles
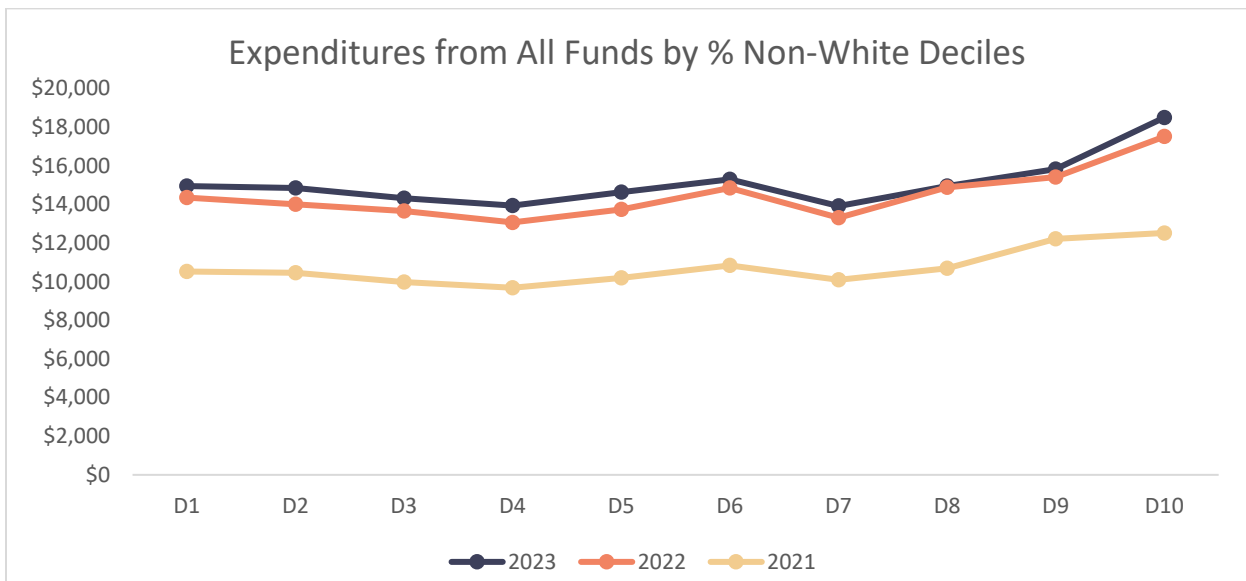
Vertical Equity Percentage of Free and Reduced-Price Lunch Students

By Expenditures from Select State Funding

The following chart shows a gradual upward trend of expenditures per student with those districts with the highest percentage of students eligible for free and reduced-price lunches (FRL) in Decile 10 spending more per student than all of the other FRL deciles, except for Decile 2 in 2023. This is likely related to the fact that schools with 90% or more FRL students receive three times per FRL student what schools with fewer than 70% FRL students receive per FRL student in the categorical funding provided by the state to address the learning barriers that often present with lower incomes.

Average FRL Percentages			
	2021	**2022**	**2023**
D1	34%	32%	32%
D2	48%	47%	46%
D3	56%	55%	53%
D4	62%	62%	60%
D5	69%	68%	65%
D6	72%	71%	71%
D7	73%	73%	72%
D8	76%	75%	74%
D9	80%	79%	78%
D10	91%	91%	89%

FRL Deciles: Percentage Difference			
	2021	**2022**	**2023**
Between D1-D5	-8.1%	-7.7%	-5.9%
Between D1-D10	-25.2%	-18.1%	-14.5%

Expenditures from Select State Funds by FRL Students Decile
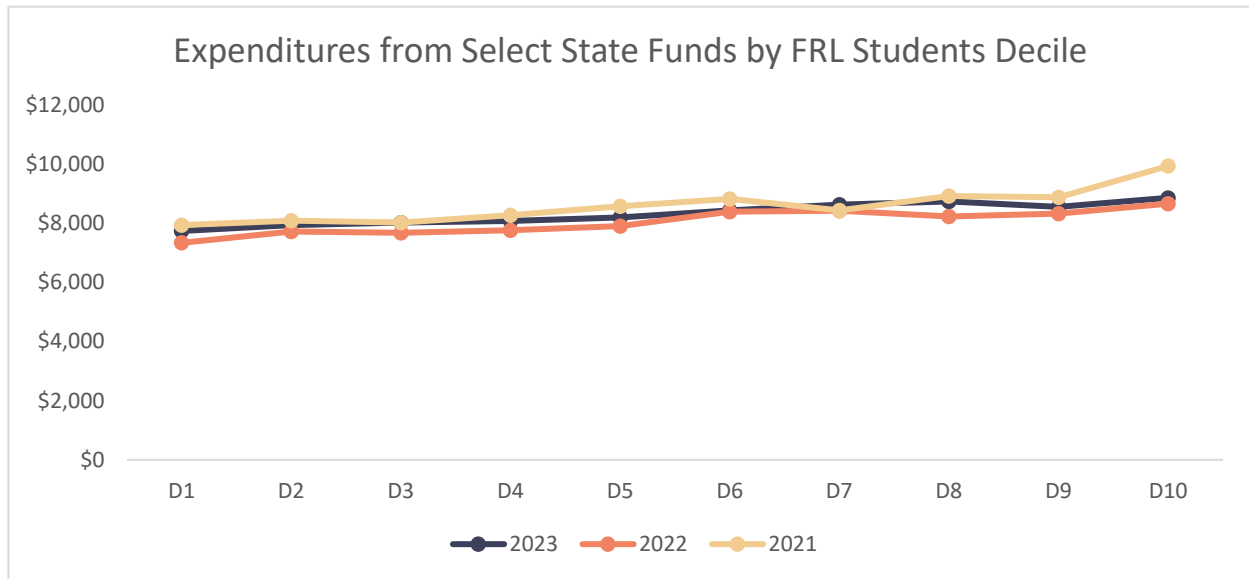
By Expenditures from All Funding Sources

The chart below follows a similar pattern to the expenditures per student from select state funding, with the highest per-student expenditures occurring in the districts with the highest percentage of students eligible for FRL (Decile 10).

FRL Student Deciles: Percentage Difference			
	2021	**2022**	**2023**
Between D1-D5	-18.1%	-16.9%	-3.8%
Between D1-D10	-44.0%	-42.3%	-41.7%

Expenditures from All Fund Sources by FRL Students Decile
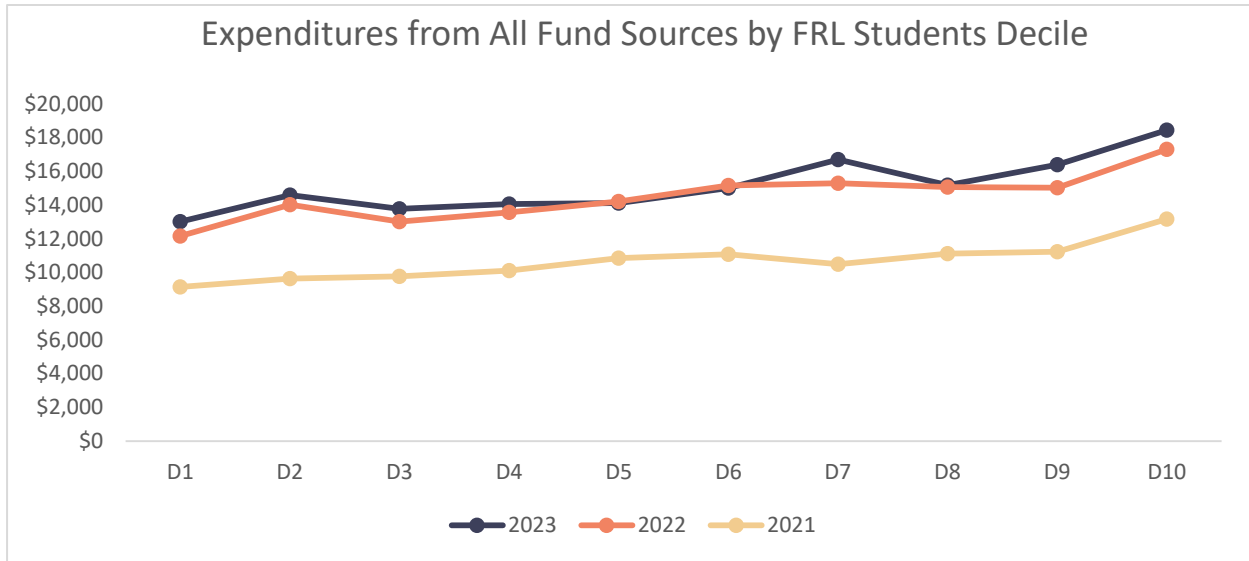
In addition to the increased state funds for FRL students, school districts with large percentages of FRL students also receive additional federal Title 1 funding, which may also account for increased per-pupil expenditures.

Vertical Equity Property Wealth

The property wealth analysis is the only category for which open-enrollment public charter school systems are examined as a separate category. That is because these school systems are not tied to a geographic area and therefore no property tax is generated for them as it is with traditional school districts.

### By Expenditures from Select State Funding

The following chart shows mostly a fairly even trend in per-student expenditures across all deciles in 2022 and 2023, with those districts with the higher per-student property wealth values spending a little more per student from select state funding sources than the other per-student property wealth deciles.

All of the Uniform Rate of Tax – "URT districts"— that are able to generate enough revenue from their property tax collections to fund all of their Foundation Funding are in Decile 10 all three years, and are also among the top districts for per-student spending from select fund sources.

Average Property Wealth Values			
	2021	2022	2023
D1	$53,740	$56,717	$60,197
D2	$67,264	$71,472	$75,842
D3	$74,627	$78,337	$82,777
D4	$82,964	$86,274	$91,419
D5	$90,578	$94,716	$100,593
D6	$99,415	$103,436	$108,398
D7	$109,339	$114,207	$119,987
D8	$126,467	$132,766	$139,547
D9	$154,474	$160,064	$165,689
D10	$243,966	$254,880	$260,752

Property Wealth Deciles: Percentage Difference			
	2021	2022	2023
Between D1-D5	-3.7%	-2.2%	-1.2%
Between D1-D10	-25.6%	-3.9%	-4.7%

While charters do not have property wealth as a source of revenue for their schools' operations, their average per-student expenditures are provided as a comparison, and they are lower than all Deciles in 2023 and 2022 and are greater than Deciles 1 through 7 in 2021.

Expenditures by Selected State Funds by Property Wealth Deciles
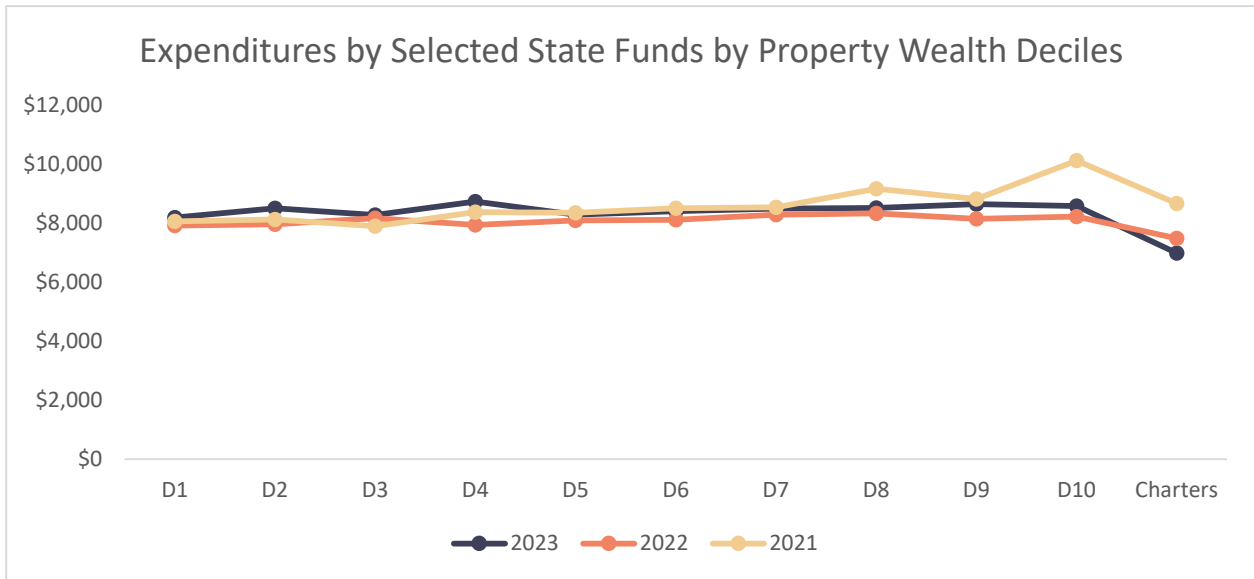
By Expenditures from All Funding Sources

The following chart shows the per-student expenditures mostly increasing across the per-student property wealth deciles with Decile 10 having the highest per-student expenditures of all the deciles. The differences between Decile 1 districts and both Decile 5 and 10 districts was largest in 2022.

Charter schools, which have no property wealth as a funding source, spent less per student on average any other decile in 2023, more than Decile 1 in 2022, and more than Deciles 1 through 7 in 2021.

Percentage Difference			
	2021	**2022**	**2023**
Between D1-D5	-4.0%	-7.7%	-5.8%
Between D1-D10	-28.0%	-31.7%	-29.1%

Expenditures by All Funds by Property Wealth Deciles
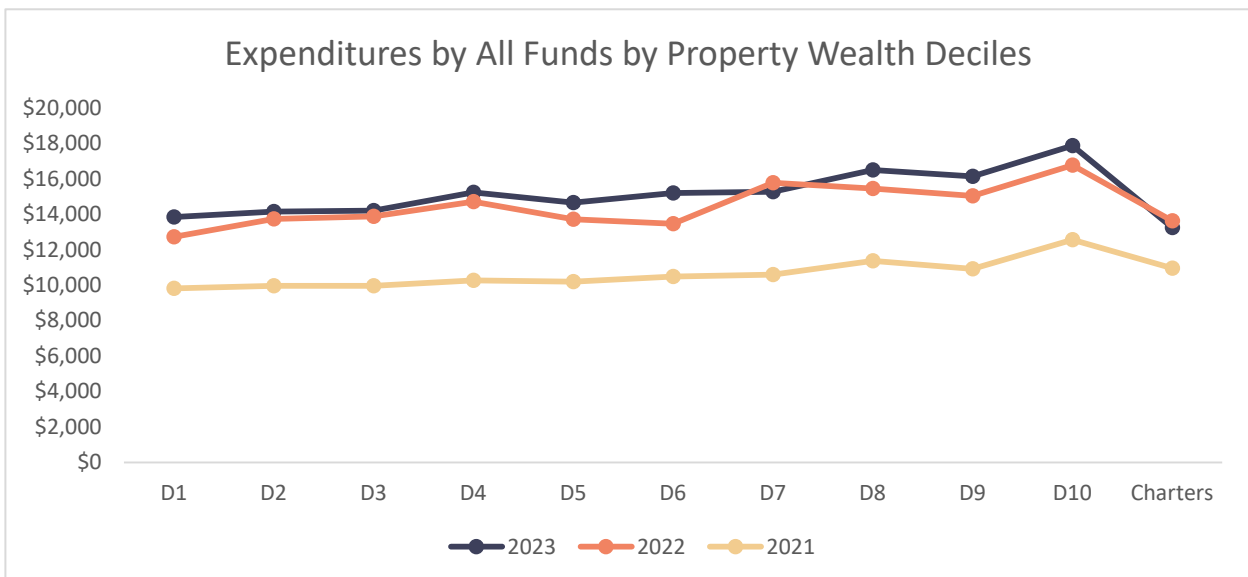
Additional Expenditure Equity Measures

A review of the findings of fact and court orders associated with the *Lake View cases* reflect that expenditures, as well as revenues, should meet the measures of equity. Although this report provides several analyses toward that objective, the courts further suggest the federal range ratio as a conventional measure to utilize. In addition, as noted earlier, a result of 0.25 or less is considered "acceptable" by the courts in *Lake View*.[6] The lower the index, the lower the variance in spending between the highest and the lowest spending districts. Subjecting both of the expenditure definitions used herein, the calculations reflected below are the results of the application of the federal range ratio:

Funding Source	2021 Federal Range Ratio	2022 Federal Range Ratio	2023 Federal Range Ratio
Per-Student Select State Funding Expenditures	0.29	0.25	0.50
Per-Student Total Expenditures from All Fund Sources	0.39	0.91	0.86

Between 2021 and 2022, the federal range ratio declined for select state fund expenditures, but in 2023, the ratio climbed to 0.50 for expenditures from select state funds. Expenditures from all funds were farther above the 0.25 mark all three years, with a peak of 0.91 in 2022. The higher ratio for expenditures from all funds expenditures is expected due to the additional funding causing the range of fund dispersion to expand. It could also be that the other adequacy-related funding that was provided to address particular student needs could also contribute to the higher ratios. These funding sources include ESA, ELL, PD, ALE, Enhanced Transportation, Salary Equalization, Enhanced ESA, and SPED High Cost Occurrences.

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[6] In its 2002 decision, the Arkansas Supreme Court stated that, "Using expenditures in the calculation of the Federal Range Ratio, this court finds that there is more than a 25% difference between the 5th and 95th percentile in amount spent per pupil, which is not in compliance with the 1994 Order. However, using revenues, the State is within the 25% range differential. Using expenditures in the Correlation of Variance, the State is not in compliance. Using expenditures in the calculation of Gini Coefficient of Inequality, the State is in compliance."