The equitable distribution of funds from the state to local school districts is a subject of much contention in many states. Missouri is no different. The Missouri Legislature established the current funding formula through Senate Bill 287 (SB 287) in 2005. The goal of the new formula was to distribute enough funds to each district to ensure the combination of state and local funds was sufficient to provide an adequate educational opportunity for all students. The purpose of this study was to compare horizontal equity measures in Missouri school funding through the fifth year of implementation of the new funding formula with the final year of the previous formula. In addition, vertical equity funding components under the new formula were correlated with student achievement measures to determine if the intended goal of providing additional resources to districts with high need students was being met.

This study replicated a study by Ogle (2007) to provide comparisons between the current and previous formula on horizontal equity measures. When considering all districts in the state, horizontal equity has not improved under the SB 287 formula. However, for non-hold harmless districts the equity values have improved. The hold harmless provision in the formula continues to limit overall horizontal equity. The impact on equity of prorating the funding distribution equally for all districts during recent state budget shortfalls has been minimal. Correlation calculations indicate the SB 287 formula has been successful at distributing more funds to districts with populations of students with higher needs.