The purpose of this study was to investigate the methods of determining adequacy and equity through SB 287. The study examined the assumptions used in the calculation of adequacy and the extent to which the formula is successful in improving equity over the former formula that was developed by SB 380 in 1993. Correlations were performed between expenditure per pupil and APR scores, expenditure per pupil and percent free and reduced, expenditure per pupil and percent special education, and expenditure per pupil and percent limited English proficient. In addition, revenues per ADA under SB 380 were compared to revenues per ADA under SB 287 by calculating the coefficient of variation and the federal range ratio. All public school districts in the state of Missouri were included in the study with the exception of three schools that were excluded because of missing data.

Results of the study indicated that there was no positive correlation between expenditure per pupil and school performance as measured by the Annual Performance Report. This seemed to indicate that the successful schools method used in SB 287 to determine adequacy was invalid because it is based on the assumption that these variables are related. The study indicated a small correlation between expenditure per ADA and the percent economically disadvantaged and between expenditure per ADA and the percent in special education. The percent in limited English proficient and expenditure per ADA did not show a significant correlation. In addition, SB 287 seemed to improve equity over the SB 380 formula, although perfect equity would not be possible unless certain components of the formula are removed. The coefficient of variation was 0.26 under the SB 380 formula. The coefficient decreased to 0.20 for the SB 287 formula, confirming that the variation in funding decreased under the new formula. The federal range ratio using SB 380 revealed a score of .83. This ratio decreased to .47 using SB 287. As a result, the variation in funding per pupil decreased under the SB 287 formula and thus increased the equitable distribution of funding.