

BAR-ILAN UNIVERSITY

**From Equitable Funding to Equality of Educational
Opportunity: The Case of Israeli Primary Schools**

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Abstract

This work examines the relationship between the distribution of educational funds allocated by the central government and the educational achievement distribution (EAD) at the primary school level. To this end, the extent of vertical equity (VE) in education funding, and the extent of equality of educational opportunity (EEO) in the EAD is analyzed. Finally, the relationship between equitable funding and EEO is investigated.

Ministry-of-Education data sets comprise of national examination scores, per student funds allocated by the central government, demographic and background characteristics of fifth grade students in Israel, were matched at the school level. Using regression models (for the entire population, the Hebrew-speaking schools, and the Arabic-speaking schools) different levels of VE are found. Specifically, for Hebrew-speaking schools, a moderate level of VE is found, as higher level of fund are allocated to schools with larger share students of low socio-economic status. Thus, for Arabic-speaking schools, a low extent of VE is found, as this relationship is found as not statistically significant ($\beta = -0.318^{**}$, $\beta = 0.093$, respectively).

Additionally, a low extent of EEO in the EAD of the entire student population is revealed, for all examined subject matters, with the exception of literacy. Specifically, higher socio-economic status is related with higher students achievement in science, mathematics and English ($\beta = .604^{***}$, $\beta = .264^*$, $\beta = .505^{***}$, respectively). Thus, in literacy mixed findings are revealed. A significant positive relationship is found between the achievement of literacy and the socio-economic status in Arabic-speaking schools ($\beta = .522^{***}$). However, for Hebrew-speaking schools this relationship is found as not statistically significant.

Finally, a positive relationship is found between equitable funding and EEO, while controlling for students demographics and background characteristics. Specifically, for the entire students population, a negative relationship is found between funds and the achievement in mathematics ($\beta = -.289^*$). In other words, higher funds are allocated to schools with relatively large share of disadvantaged students. A similar relationship between funds and the achievement in literacy is found for the Hebrew-speaking schools. Thus, for the Arabic-speaking schools, this relationship is found as not significant ($\beta = -.308^*$, $\beta = .087$, respectively). In addition, for the entire students' population, the relationships between funds and the science achievement and English achievement are found as not statistically significant.

Research findings indicate of the existence of a relationship between equitable funding and the achievement of EEO in the EAD. Thus, this relationship is emphasized when analyzing Hebrew-speaking schools data. This research highlights the need for a reform in the school finance policy of the central government, as well as improving systematical aspects of school support. Another implication is the importance of encouraging interventions in schools, in order to emphasize the connection between reforming the funding method and improving the EAD. A future research might inquire and examine more local orientations and directions of inequity.