School Funding Equity in Mexico

Risk and spending analysis of federal school payroll (FONE), nationally and by state

Bruce D. Baker · University of Miami · October 2026

Federal school payroll does not follow student need

0.77

High-need ÷ low-need payroll per pupil among similar schools in the same state

0.85

Same ratio before accounting for school size and remoteness

0 of 31

States where high-need schools receive more, after adjustment

19%

Fewer payroll staff per pupil in high-need schools than in similar low-need schools

Ratios compare predicted payroll per pupil at the 90th vs. 10th percentile of community need (1.00 = equal). 627,124 school-years at 113,221 public schools, 2019-20 to 2024-25.

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

Two questions from the equal-opportunity framework

1a Risk analysis

Which student and community characteristics most strongly predict lower outcomes?

Outcomes = f(Needs, Context)

1b Spending analysis

Is spending higher where those risk factors are concentrated, net of size, remoteness and labor costs?

Spending = f(Needs, Context)

2 Cost modeling (next)

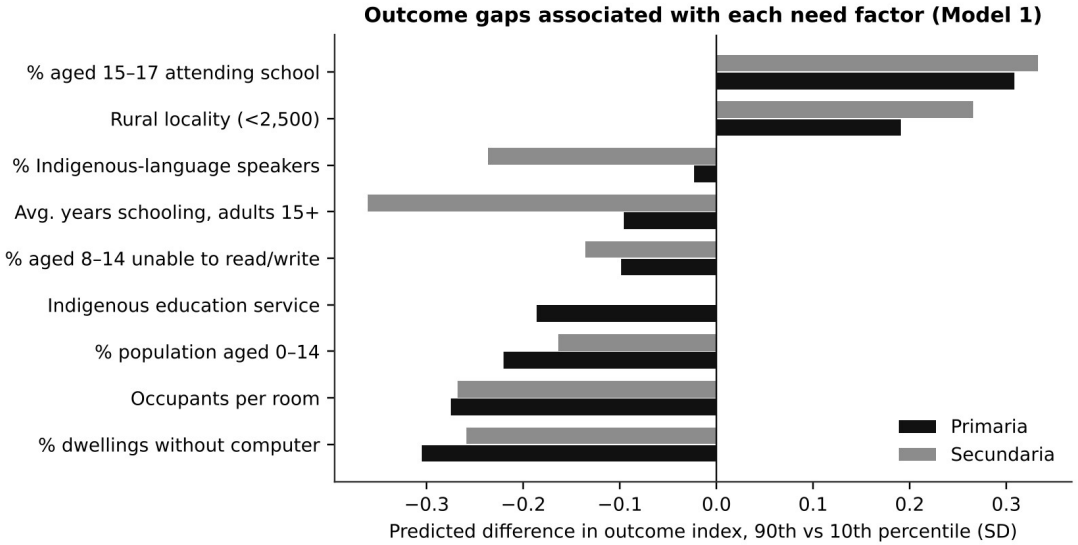
How much more would give high-need schools an equal opportunity to reach common goals?

Spending = f(Outcomes, Needs, Context)

Purpose of a school finance system: deliver the resources schools need to give every child an equal opportunity to achieve common, adequate outcome goals (Baker, Atchison & Levin, 2026; Mexico Const. Art. 3).

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

Local conditions predict low outcomes best



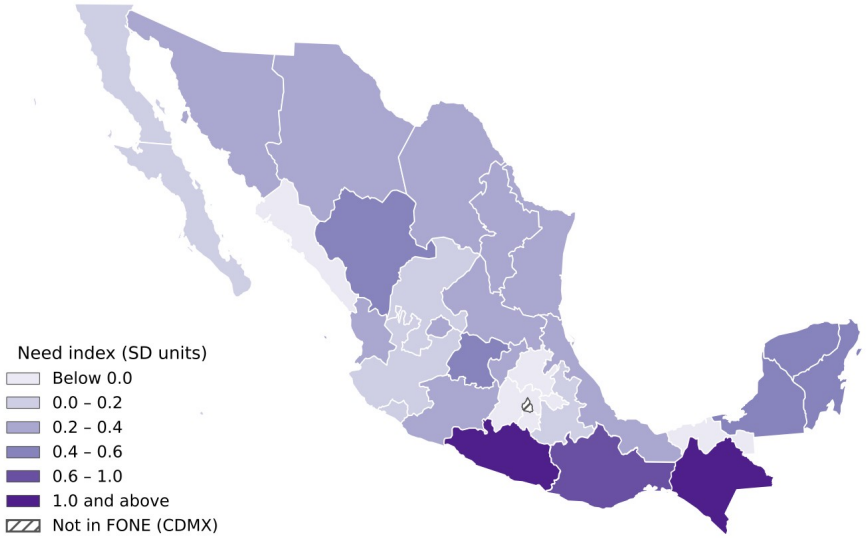
Adult schooling, crowding, young population, teen attendance and computer access in the school's **locality** explain about twice the variance municipal poverty rates do

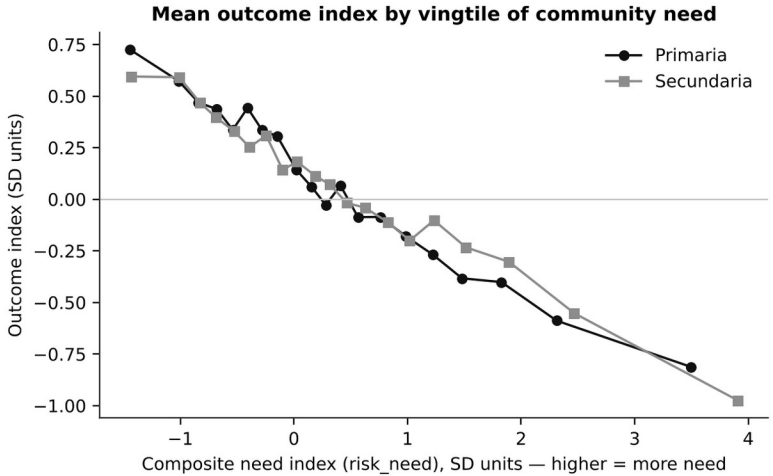
Indigenous-language communities and Indigenous-service schools carry added risk

Outcome index: PLANEA 2015–2019 plus repetition, attrition and completion

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

Risk is concentrated in the south

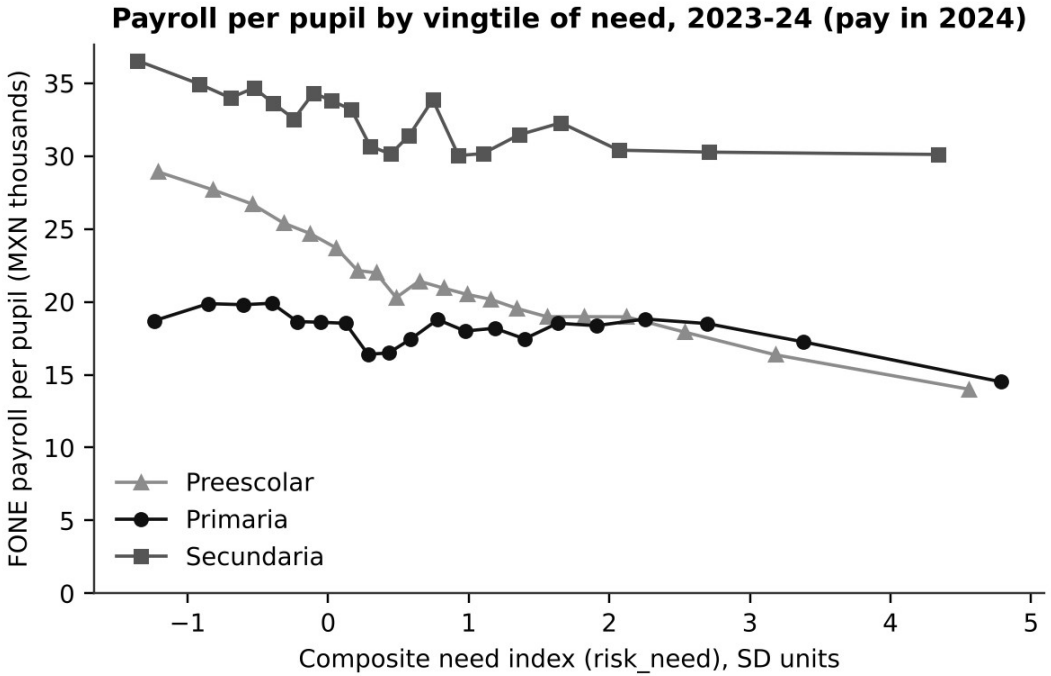




Left: average composite need index by state. Right: mean outcome index by twentieth of need. Top-to-bottom gap ≈ 1 SD.

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

Payroll per pupil falls as community need rises



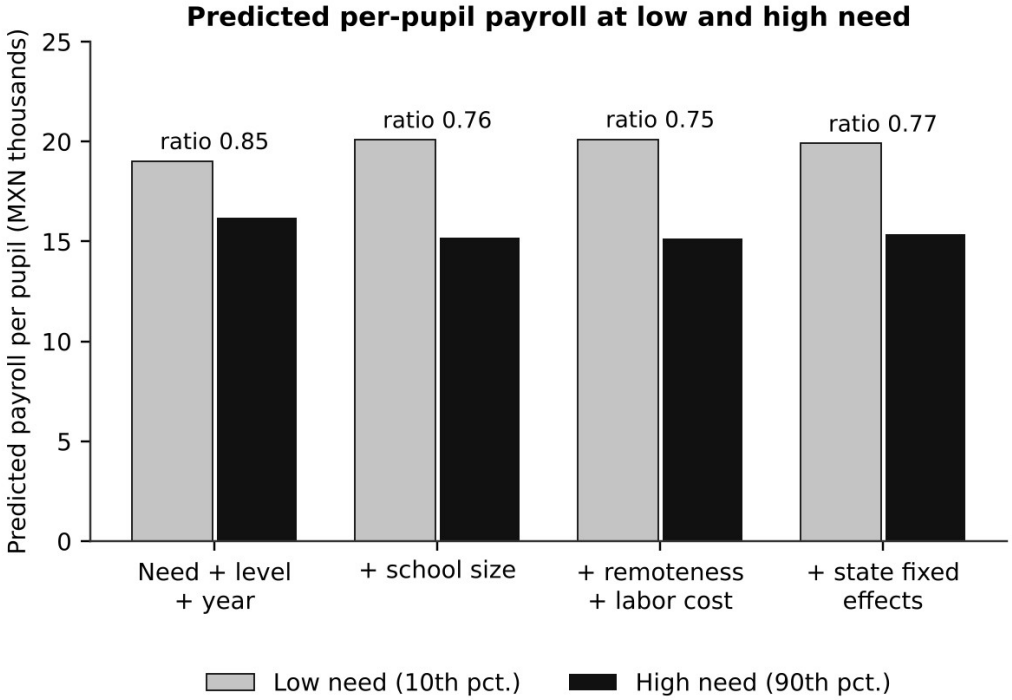
Highest-need fifth of schools: **18,923 MXN** per pupil vs. **24,884** in the lowest-need fifth (2023-24)

Steepest in **preschool**; nearly flat in secundaria

Happens even though high-need schools are smaller and more rural, which raises per-pupil costs

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

A small-school premium masks a negative need weight



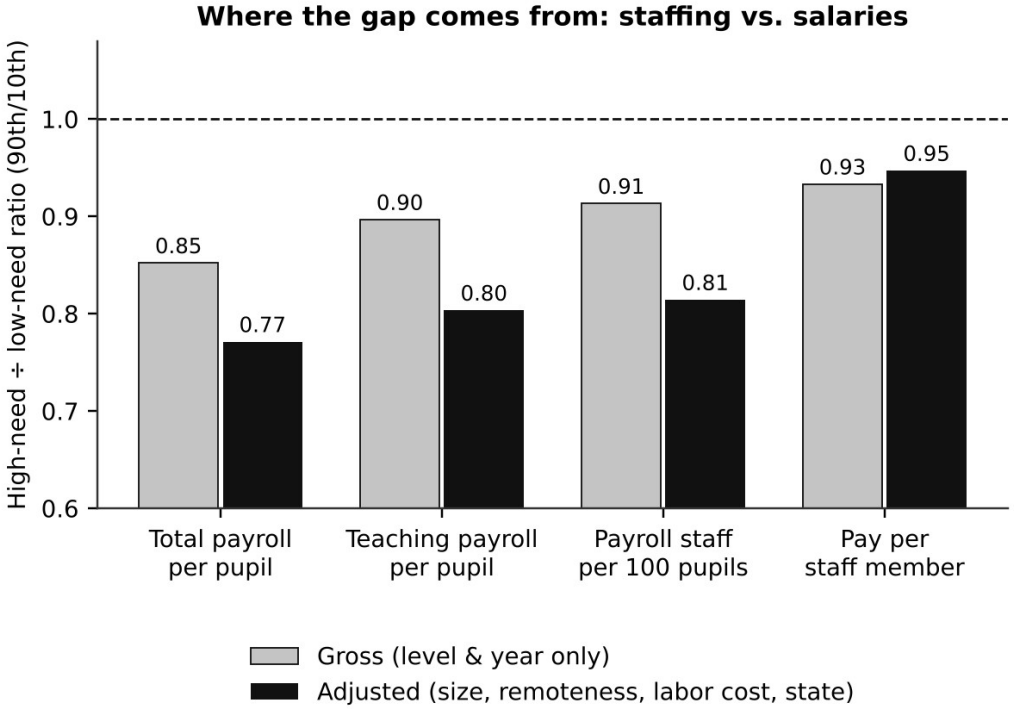
Level and year only: high-need schools get **0.85×**

Add school size: **0.76×**. High-need schools are small, and small schools get much more per pupil

Add remoteness, labor cost and state: **0.77×**, an implicit need weight of about **−27%**

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

The shortfall is mainly in positions, not salaries



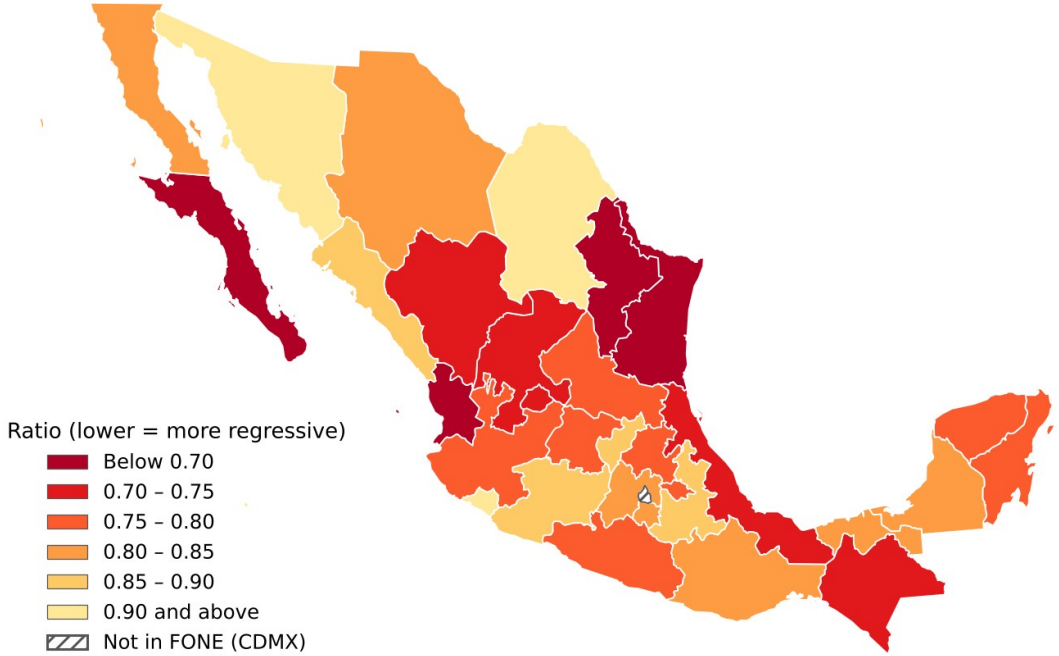
High-need schools have about **19% fewer** payroll staff per pupil than comparable low-need schools

Pay per staff member is about **5% lower**, consistent with less experienced teachers

Teaching payroll alone shows the same pattern (0.80)

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

No state targets more payroll to higher-need schools



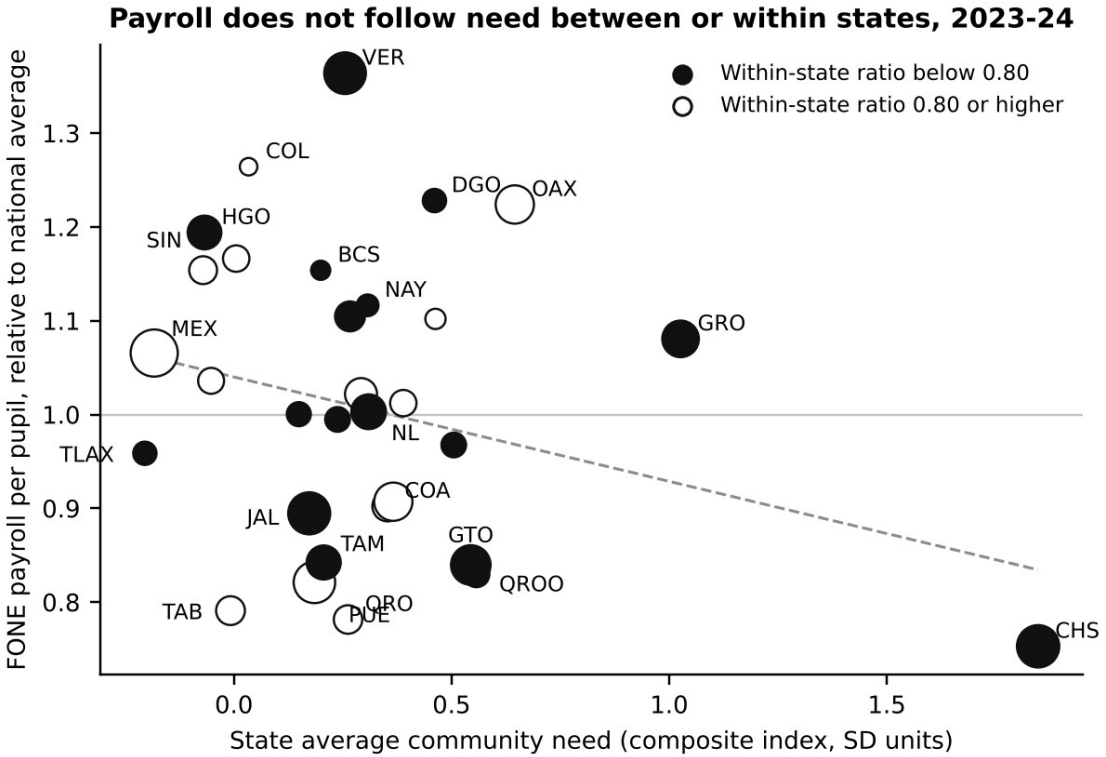
Adjusted within-state ratios range from **0.44** (Baja California Sur) to **0.99** (Coahuila)

Seven states look neutral or progressive before adjustment; none do after

National adjusted ratio: **0.77**

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

Between states, money also misses need



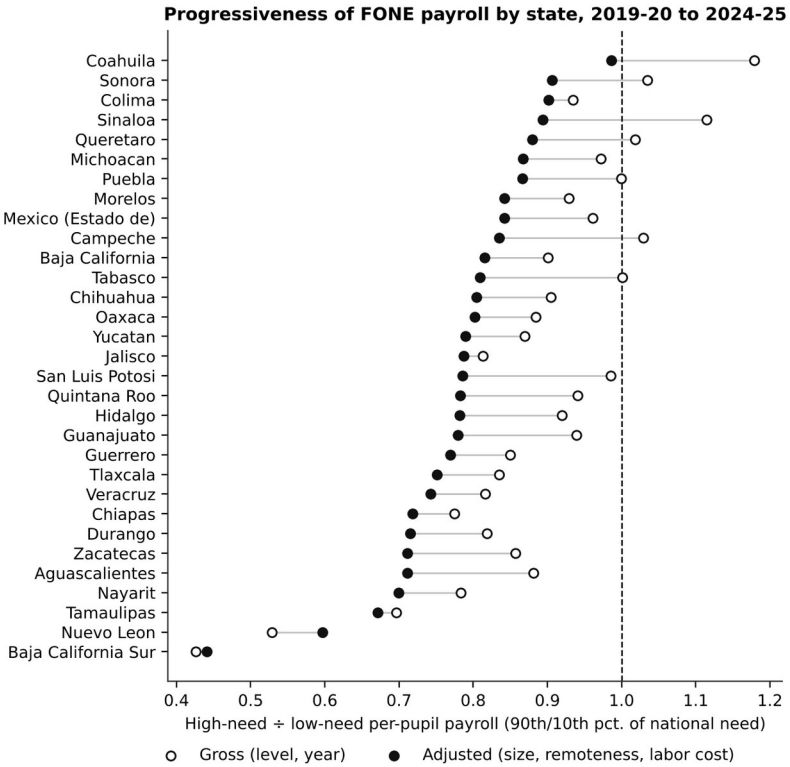
Chiapas has the highest need and the lowest payroll per pupil (0.75× national)

Oaxaca and Guerrero are above average, reflecting historic position allocations

Veracruz, Colima and Durango spend most despite moderate need

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

Gross and adjusted equity ratios, by state



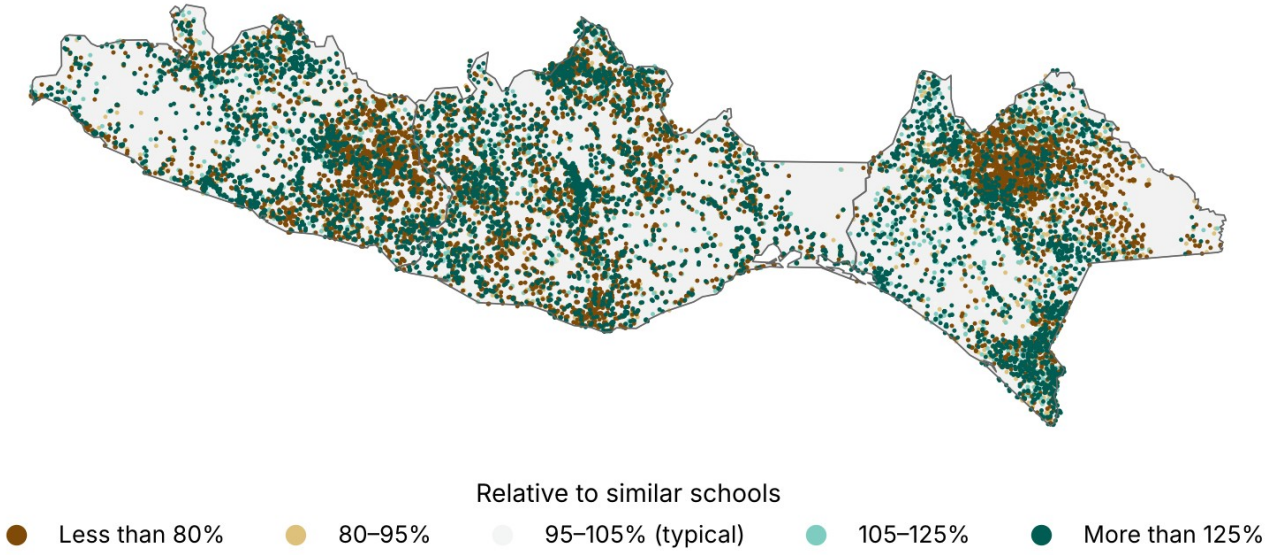
Open circles: holding only level and year constant

Filled circles: also holding size, remoteness and local wages constant

The gap between them shows how much a state's small-school premium makes its distribution look fairer than it is

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

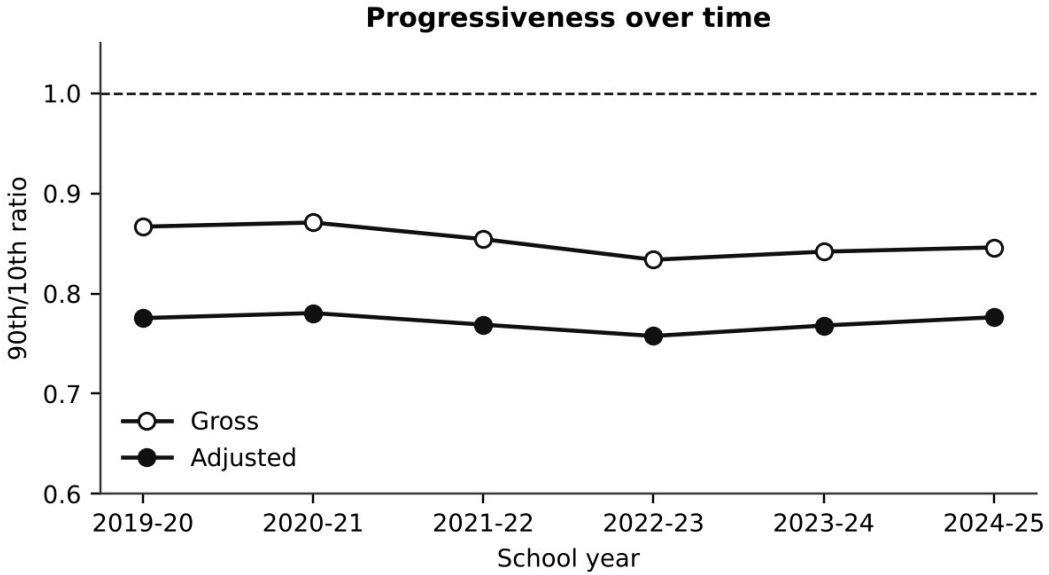
Inside the south: who gets less than similar schools



Each dot is a school in Guerrero, Oaxaca or Chiapas, colored by payroll per pupil relative to the state median for schools of the same level and size (brown = under 80%, teal = over 125%), 2023-24.

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

No change from 2019-20 to 2024-25



Level	Gross	Adjusted
Preschool	0.71	0.73
Primaria	0.91	0.79
Secundaria	0.83	0.76
All levels	**0.85**	**0.77**

Preschool is the most regressive level. The adjusted ratio stayed between 0.76 and 0.78 every year, spanning the 2019 reforms.

Source: B. D. Baker analysis of SEP FONE payroll, Formato 911, PLANEA and INEGI Census 2020. Mexico City is not paid through FONE.

Implications

- Add a need adjustment to how federal positions are allocated, using locality-based need measures available for virtually every school
- Prioritize preschool and the highest-need states, especially Chiapas
- Collect student-level economic indicators and publish complete school-level spending
- Next: cost modeling to estimate how progressive is progressive enough