WELCOME

Oct. 10th, 2017
Georgetown University

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“An organization’s resource allocation system is a manifestation of the organization’s strategies, whether those strategies are the result of thoughtful strategic planning process, of the inertia of long years of doing approximately the same thing, or of the competing political forces within the organization bargaining for shares of the resources.” (Lee, Johnson, and Joyce 2004)
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What about when districts...

- Allocate less to low salaried teachers in low income schools?
- Provide extra funds to a magnet school for high performing students.
- Allocate less per pupil to larger schools that predominantly Latino students.
- Allocate 20% more per pupil to one school than a comparable school.
Student Based Allocation (SBA) models

- Weights are deliberate
- Formula detail can be summarized on one page
- District leaders manage the weights, not each school’s allocations or how funds are used
- Spending across schools can be compared in percentages in terms their SBA allocation
- The district spends the same amount on a student regardless of where that student attends school.
### Boston Public Schools

**FY2014 formula**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Students with Disabilities</th>
<th>English Language Learners</th>
<th>Students with Interrupted Formal Education (SIFE)</th>
<th>Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low severity</td>
<td>Moderate severity</td>
<td>K0-K5 ELD Levels 1-3</td>
<td>6-8 ELD Levels 1-3</td>
</tr>
<tr>
<td>Grades K0-K1</td>
<td>1.80</td>
<td>$ 6,611</td>
<td>0.09</td>
<td>$ 331</td>
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<tr>
<td>Grade K2</td>
<td>1.60</td>
<td>$ 5,877</td>
<td>0.50</td>
<td>$ 1,837</td>
</tr>
<tr>
<td>Grades 1-2</td>
<td>1.40</td>
<td>$ 5,142</td>
<td>0.33</td>
<td>$ 1,212</td>
</tr>
<tr>
<td>Grades 3-5</td>
<td>1.30</td>
<td>$ 4,775</td>
<td>0.33</td>
<td>$ 1,212</td>
</tr>
<tr>
<td>Grades 6-8</td>
<td>1.40</td>
<td>$ 5,142</td>
<td>0.33</td>
<td>$ 1,212</td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>1.30</td>
<td>$ 4,775</td>
<td>0.33</td>
<td>$ 1,212</td>
</tr>
<tr>
<td><strong>High Severity</strong></td>
<td>1.40</td>
<td>$ 5,142</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Autism</td>
<td>4.30</td>
<td>$ 15,794</td>
<td>0.50</td>
<td>$ 1,837</td>
</tr>
<tr>
<td>Developmental Delay</td>
<td>6.00</td>
<td>$ 22,038</td>
<td>0.84</td>
<td>$ 3,085</td>
</tr>
<tr>
<td>Early Childhood Ages 3-4</td>
<td>3.20</td>
<td>$ 11,754</td>
<td>0.94</td>
<td>$ 3,453</td>
</tr>
<tr>
<td>Early Childhood Ages 5-6</td>
<td>3.00</td>
<td>$ 11,019</td>
<td>2.00</td>
<td>$ 7,038</td>
</tr>
<tr>
<td>Emotional Impairment</td>
<td>4.30</td>
<td>$ 15,794</td>
<td>1.00</td>
<td>$ 3,673</td>
</tr>
<tr>
<td>Full Inclusion - High Complexity</td>
<td>4.30</td>
<td>$ 15,794</td>
<td>1.00</td>
<td>$ 3,673</td>
</tr>
<tr>
<td>Intellectual Impairment</td>
<td>1.60</td>
<td>$ 5,877</td>
<td>0.50</td>
<td>$ 1,837</td>
</tr>
<tr>
<td>Multiple Disabilities</td>
<td>4.30</td>
<td>$ 15,794</td>
<td>0.50</td>
<td>$ 1,837</td>
</tr>
<tr>
<td>Physical Impairment</td>
<td>4.30</td>
<td>$ 15,794</td>
<td>0.50</td>
<td>$ 1,837</td>
</tr>
<tr>
<td>Sensory Impairment</td>
<td>4.30</td>
<td>$ 15,794</td>
<td>0.50</td>
<td>$ 1,837</td>
</tr>
<tr>
<td>Specific Learning Disability</td>
<td>4.30</td>
<td>$ 15,794</td>
<td>0.50</td>
<td>$ 1,837</td>
</tr>
</tbody>
</table>

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Current state of SBA

Currently, 30-40-ish larger districts now using/implementing SBA

Bipartisan ESSA authorizes a “WSF pilot” to give districts flexibility in budgeting federal funds.

Two federal research studies beginning on WSF

Growing number of tools, experts, supports for SBA:
• VisionSBA -- Edunomics tool for modeling SBA allocations
• Increasing number of experts/consultants to support districts.
• Templates for communication.
• Training modules for principals.
%SBA for districts that have adopted SBA

Percentage of District Funds Disbursed on the Basis of Students

- Baltimore Public Schools: 38.6%
- Boston Public Schools: 40.0%
- Chicago Public Schools: 31.1%
- Cleveland Public Schools: 38.8%
- Denver Public Schools: 37.7%
- Hartford Public Schools: 45.3%
- Houston Independent School District: 42.2%
- Metro Nashville Public Schools: 41%
- Milwaukee Public Schools: 34.0%
- Minneapolis Public Schools: 31.4%
- New York City Public Schools: 37.4%
- Newark Public Schools: 23.4%
- Poudre School District: 35.1%
- Prince George County: 23.5%
- Recovery School District: 100.0%
- San Francisco Unified School District: 34.2%
% SBA metric

\[
\frac{\text{\$ allocated on the basis of students or student types}}{\text{\$ total district spending less long-term obligations (debt, rainy day, capital)}} = \% \text{ SBA}
\]
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We will be adding Indianapolis and Shelby County.
Why SBA models are gaining traction in U.S.

- Equity
- Transparency
- Flexibility in resource use
- Accountability/Ownership
- Student choice and funding portability
- Financial sustainability
- Service-oriented central departments
How can decentralization matter?

**Customization**
- Schools customize decisions about resource use to:
  1. Needs of students
  2. Strengths and weaknesses of staff

**Ownership**
- Without changing mix of resources, schools change behavior:
  1. Own the tradeoffs and outcomes as theirs.
  2. Reduce blame.
  3. Increase sense of control
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Taking a pulse with
Four Corners activity
My district's first priority for considering/implementing or interest in SBA is...
For stakeholders in my community, the notion that students with greater needs should receive more funds is...

- Broadly accepted
- Generally accepted but thus far not discussed in dollar terms
- Unevenly accepted or generally rejected
- Not been discussed
Regarding finance, principals in my district see their role as...

Advocate for more money on behalf of their students (to district/state)

Implement the financial strategy as articulated by the district

They likely do not feel that finance is relevant to their job

Leverage existing funds to get greatest outcomes for their students
For my district, the biggest challenge (related to SBA) is ...

- Reallocation — shifting the budget with winners/losers (or under-enrolled schools)
- Managing board/senior leadership’s understanding/awareness/concerns
- District capacity — including principal and leadership training
- Other
The biggest financial challenge my district is facing at the moment is...

- Buy in, change process, communication of strategy that is underway
- Getting the most from the resources we have; targeting resources to specific student needs
- Labor demands (or other stakeholder demands on spending)
- Insufficient resources, rising costs, budget cuts, enrollment declines, under enrolled schools
Student Based Allocation
District Collaborative Meeting
Putting Finance Data to Work in Your Communities
ESSA – includes a new requirement to report spending by school!
Requires states to make public and report to the Secretary:

The per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual nonpersonnel expenditures of Federal, State, and local funds, disaggregated by source of funds, for each local educational agency and each school in the State for the preceding fiscal year.
Why Focus on School Level Finances

The school is an important unit in the ed system. SEAs already report outcomes by school. Now adding expenditures.

• Bipartisan support

• Not about compliance

• Many SEAs have been building school-level financial transparency systems already

⇒ An opportunity to build an information system that is useful for school improvement
Outcomes by school

Spending by school
ROLE PLAY

I LOVE

ROLE PLAY
Student Based Allocation
District Collaborative Meeting