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Supporting Strong Schools. Sustaining the Future.

Financial Transparency Working Group
LEAs and Financial Transparency Data

February 7, 2018

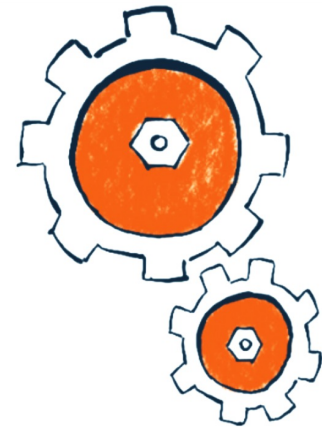# Today's Discussion on Financial Transparency

Our goals for this session are to consider:

- Potential LEA perspectives
- Opportunities
- Challenges
- Reflect on SEA roles

To achieve these goals, we will:

- View this through the lens of district stakeholders
- Discuss LEA opportunities and challenges
- Share recommendations for SEAs

# Let's view financial transparency data as LEA stakeholders

Count off 1-8 at your table

Let's view financial transparency data as LEA stakeholders

1. Superintendent
2. Business Official / CFO
3. Principal – Low funded school
4. Local News Reporter
5. Parent of a Student at a high funded school
6. Sr. Teacher
7. Special Education Advocate
8. Union leader

This is your new identify for the next fifteen minutes. Introduce yourselves to the Stakeholders at your table – they are your district!

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Individual review of District Site-based Expenditure Data
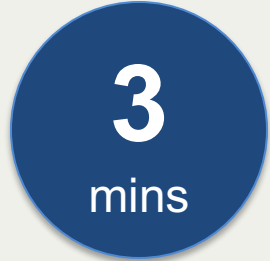
- Site-based expenditure data for your district is being handed out

- Review this data through the lens of your given role

- Prepare to share your reactions with your district
  - What is your "job" as it pertains to this data set?
  - What do these data tell you?
  - What questions do you have about it?
  - What more information do you need to do your "job" effectively?

Team discussion on District Site-based Expenditure Data
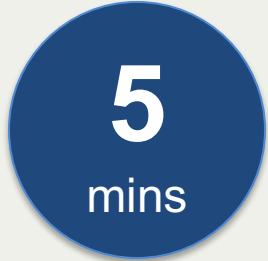
- As a group, in your roles, discuss your district's data.
- Prepare to share out with your collective thoughts on the following questions:
  - What do these data tell you as a District?
  - What questions do you have about it?
  - How do you want to use these data, and what do you need to be able to do so?

Share your reactions with a neighboring district

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What did we learn?

- Convene with your group
- Answer the following questions in this googledoc:

  http://bit.ly/2EkGqef

  - What challenges did your district have in communicating about and using this data?
  - What opportunities does this data provide for your district?

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How has this dataset actually been used at a District?

Per pupil spending varies widely across the sample District's schools (range of $6,093 per pupil). This had never been looked at on a school-level basis before.
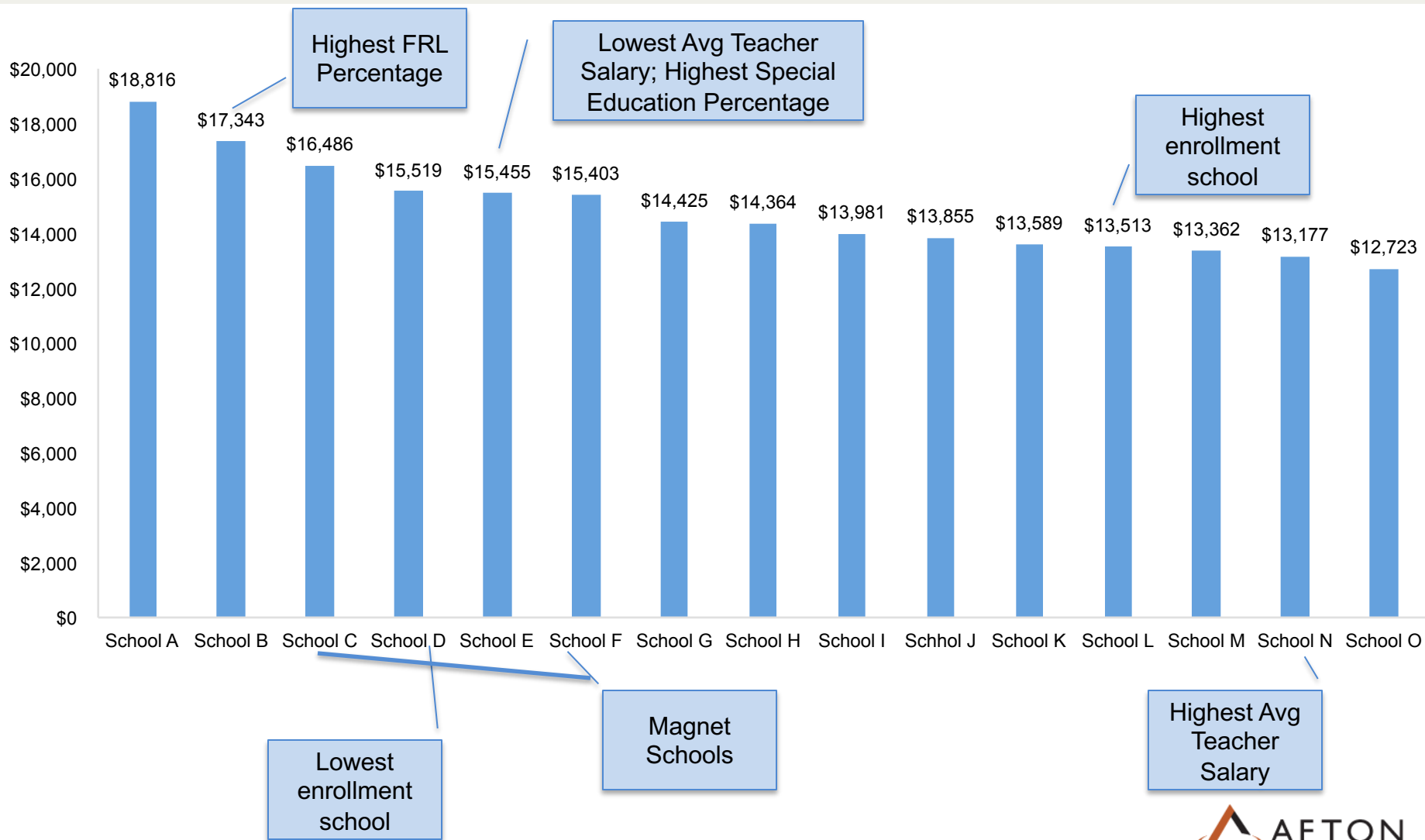
This chart shows how much more or less budget would be provided to each school if we implemented a weighted funding formula, based on student needs

There is $4.8M budgeted at 9 schools that a student-need based formula might redistribute to 6 other schools
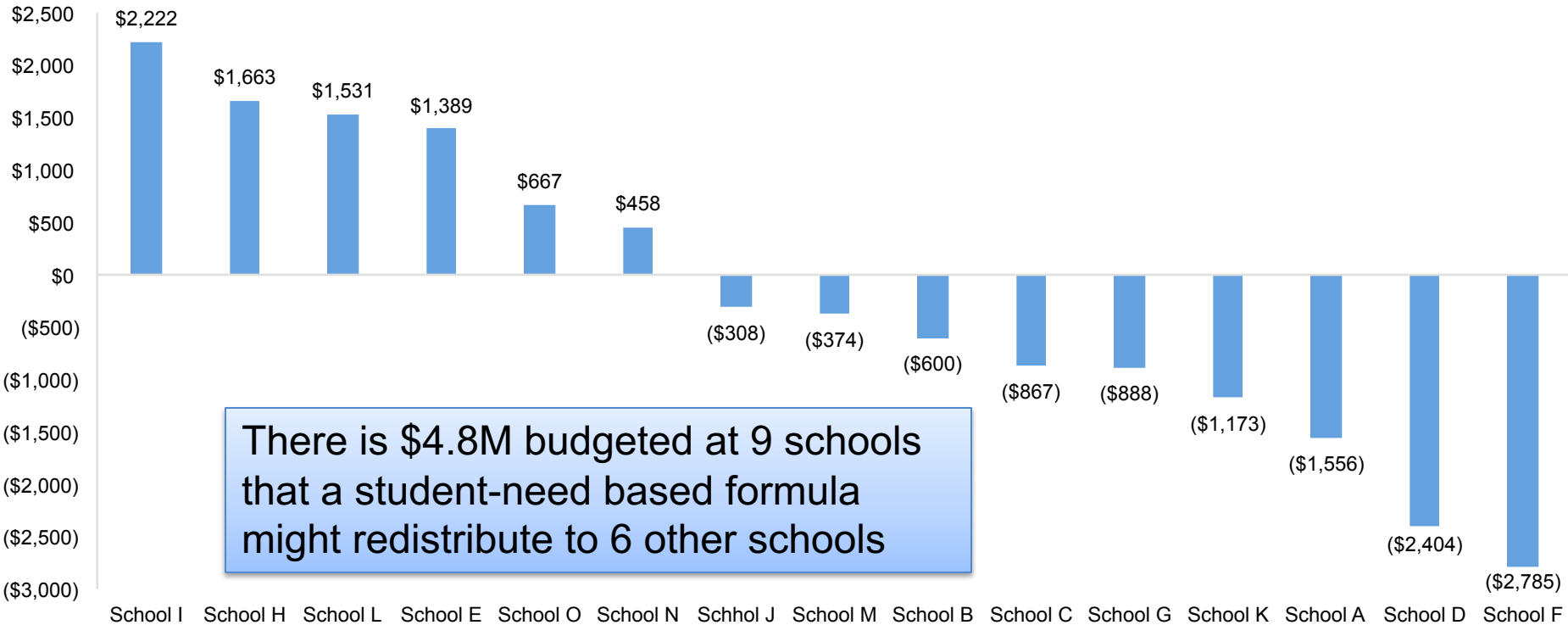
Considerations

1. What should the district **do now to prepare** for site-based expenditure reporting?

2. How can the district go about **defining fiscal equity** across schools and students (e.g. dollars vs. access to resources) in advance of this reporting?

3. For the schools who would theoretically lose funding in under weighted student funding formula, are there **school-level inefficiencies** that should be addressed in the upcoming budget process?

Realizing Opportunities and Addressing Challenges

Will LEAs harness these opportunities?

Are LEAs equipped to meet these challenges?

What can SEAs do to encourage productive use of financial transparency data?

Training
- Consider if statewide training will be necessary ahead of implementation to meet your value proposition

Rules / Guidance
- Build your accounting rules / reporting guidance with your value proposition and roles in mind

Roles
- Be clear on the role of the SEA and the role of the LEA

Shared Ownership
- Ensure critical stakeholders – including LEAs – are bought into the value statement

Value Proposition
- Identify what value financial transparency data should provide, and to whom; make the use of data intentional

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www.aftonpartners.com

Afton Partners: Who We Are

6
Years

95+
Initiatives

32
States

7500+
Schools

Afton's vision is that all of America's public education organizations are using ***financial strategies, policies, and practices that sustain effective academic initiatives***—allowing more students to succeed.

Three areas of work:
Sustainability Planning
Operational Efficiency & Effectiveness
Funding Equity & Fiscal Transparency

We have extensive experience helping districts develop, understand and apply site-level financial data

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Afton is currently engaged with Illinois State Board of Education to enable site-based expenditure reporting

Multi-year engagement resulting in:

- Accounting / Reporting Guidance
- Data Collection Process
- Data visualization
- Technical training statewide
- Communications support training statewide
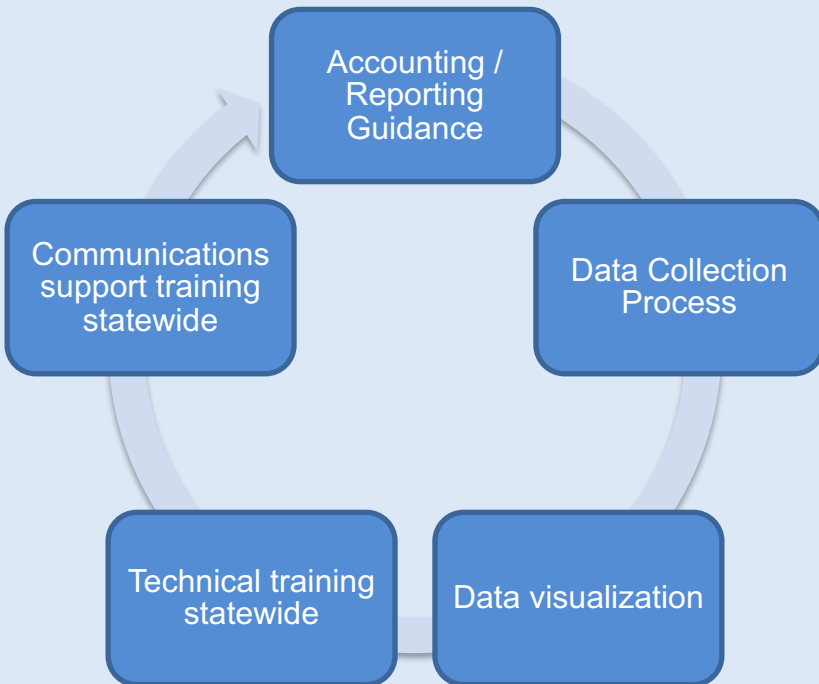
The vision for this initiative centers on the LEA, and aims to:

- Make resource allocation **more readily accessible** to schools and stakeholders

- Empower LEAs and communities to **assess and improve equity**

- Enable LEAs and communities to gain a better understanding of the relationship between **student outcomes and financial resources**

- Enable LEAs, schools, and the state to **identify evidence-based best practices** and opportunities to foster innovation between peers

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Illinois Case Study

Training
- Comprehensive training, addressing the following draft goals:
  - The Reporting Guidance is **understood** by superintendents, board members, and business officials throughout the state.
  - School districts and other reporting entities are **prepared to develop** this reporting.
  - School districts and other reporting entities are **prepared to use** this reporting toward our value proposition.

Rules / Guidance
- LEA autonomy on much of the development of reporting, including allocation methodology of centralized expenditures
- Limited mandating collection

Roles
- LEAs are best positioned to understand their data and to make equitable resourcing decisions

Shared Ownership
- An Advisory Group representing all key stakeholder groups developed this approach

Value Proposition
- Aimed at providing transparency to LEAs and local communities to make informed decisions on equity, connecting resourcing to outcomes, and identifying best practices

nder development; potential

The previous data set did not take into account student needs. Adjusting for student needs, the disparity lessens (range of $4,845 per pupil)

School	Per Pupil
School A	$17,261
School E	$16,843
School B	$16,742
School I	$16,202
School H	$16,026
School C	$15,619
School L	$15,044
School N	$13,636
Schhol J	$13,547
School G	$13,537
School O	$13,390
School D	$13,115
School M	$12,988
School F	$12,618
School K	$12,416

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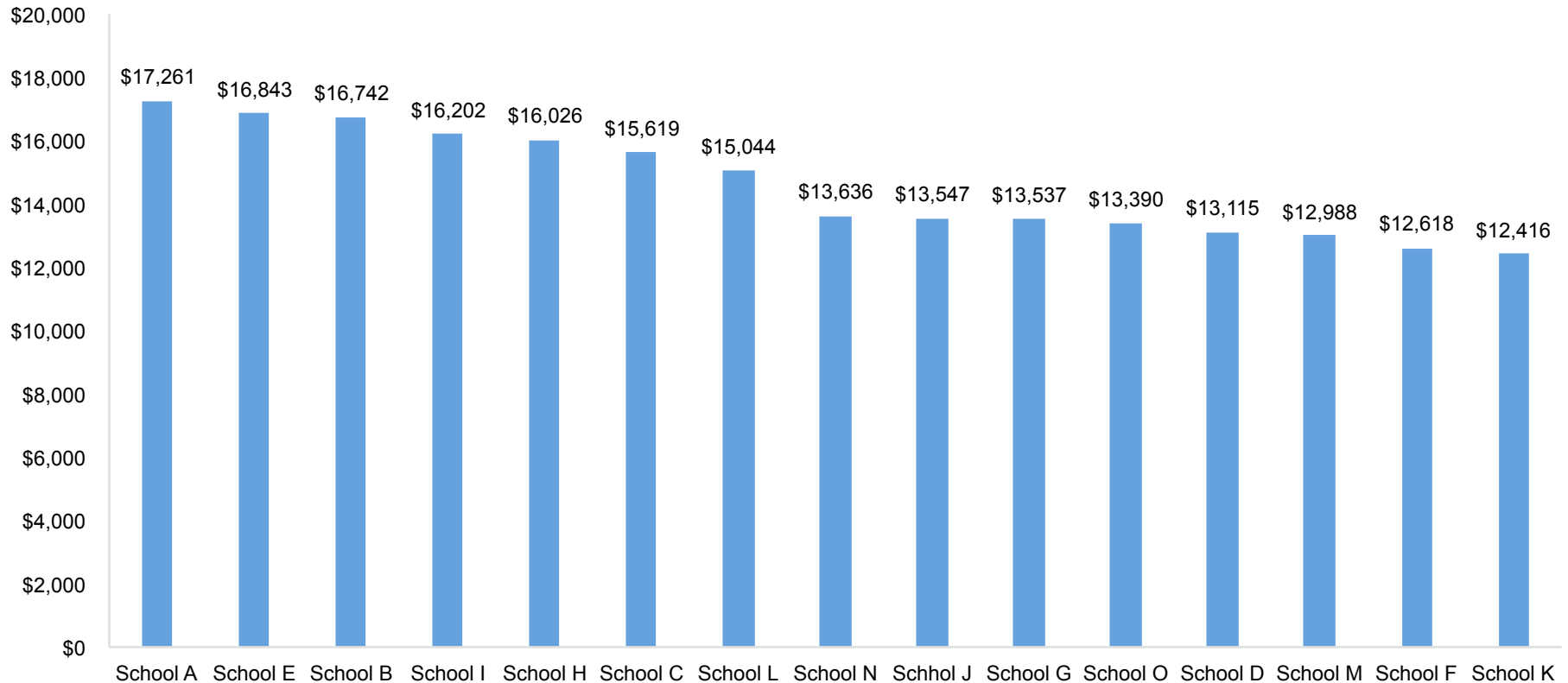
But what is "equitable" – class size or $ per pupil? Nearly 30% range in average teacher salary → same dollars per pupil = widely different class size

Chart showing average teacher salary by school:

School	Salary
School N	$89,908
School G	$88,607
School K	$87,496
School D	$84,165
School H	$84,142
School C	$83,277
School A	$83,068
School M	$81,702
School O	$81,229
Schhol J	$77,763
School I	$76,618
School B	$74,811
School L	$74,398
School F	$72,665
School E	$69,639

District average: $80,119

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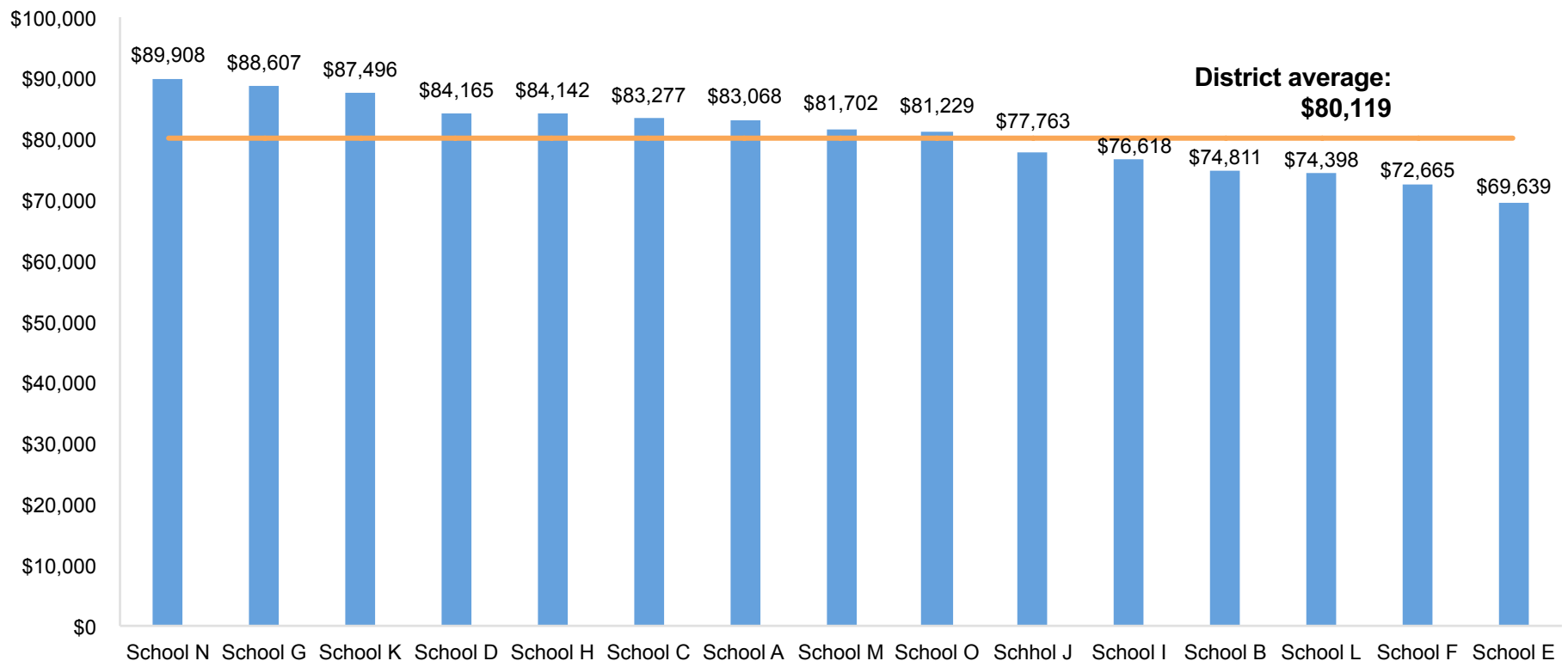
Charging the district average teacher salary to each school changes the equity analysis – but there is still significant disparity

There is $4.3M budgeted at 9 schools that a student-need based formula might redistribute to 6 other schools

School	Amount
School H	$1,960
School I	$1,941
School N	$1,095
School L	$1,065
School O	$739
School E	$488
School M	($267)
School G	($303)
Schhol J	($480)
School C	($592)
School K	($672)
School B	($1,111)
School A	($1,266)
School D	($2,062)
School F	($3,482)

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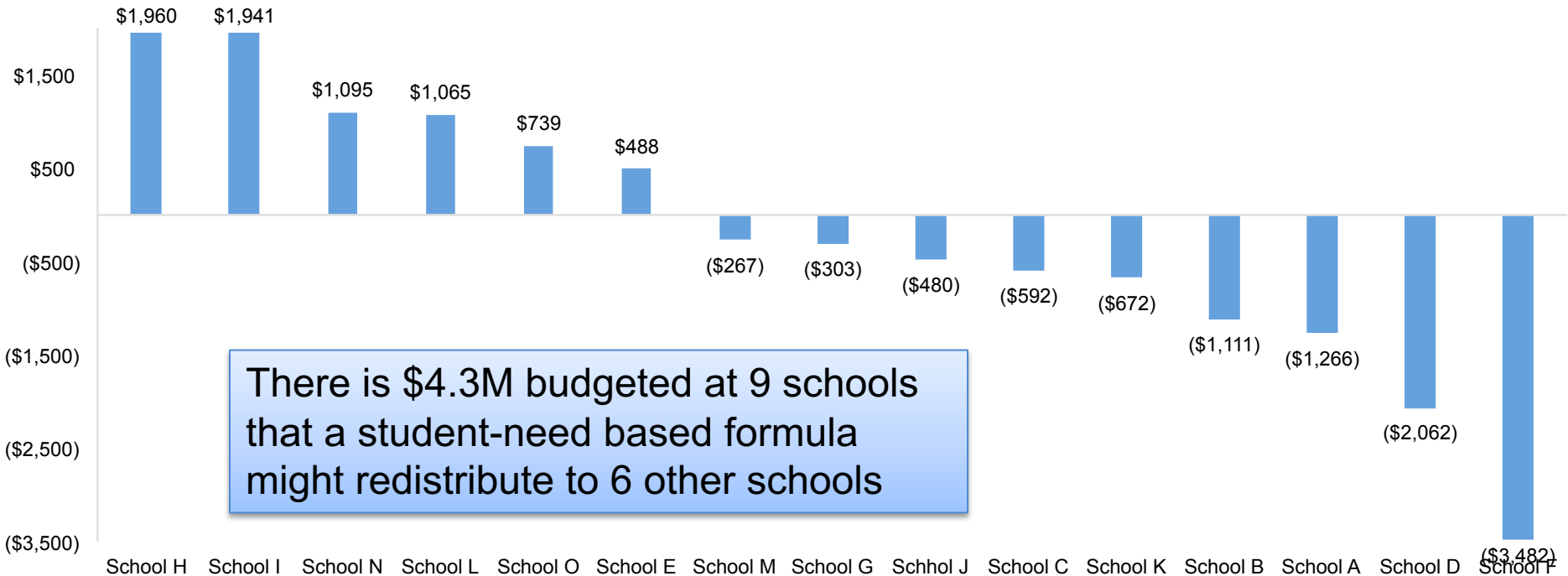
What about special programs that are funded incrementally beyond student needs?

Legend		
■ Teacher	■ TA	■ School Admin
■ Support	■ Central Admin	■ Maintenance/Ops
■ Other Personnel Cost	■ Benefits	■ Nonpersonnel Expenses
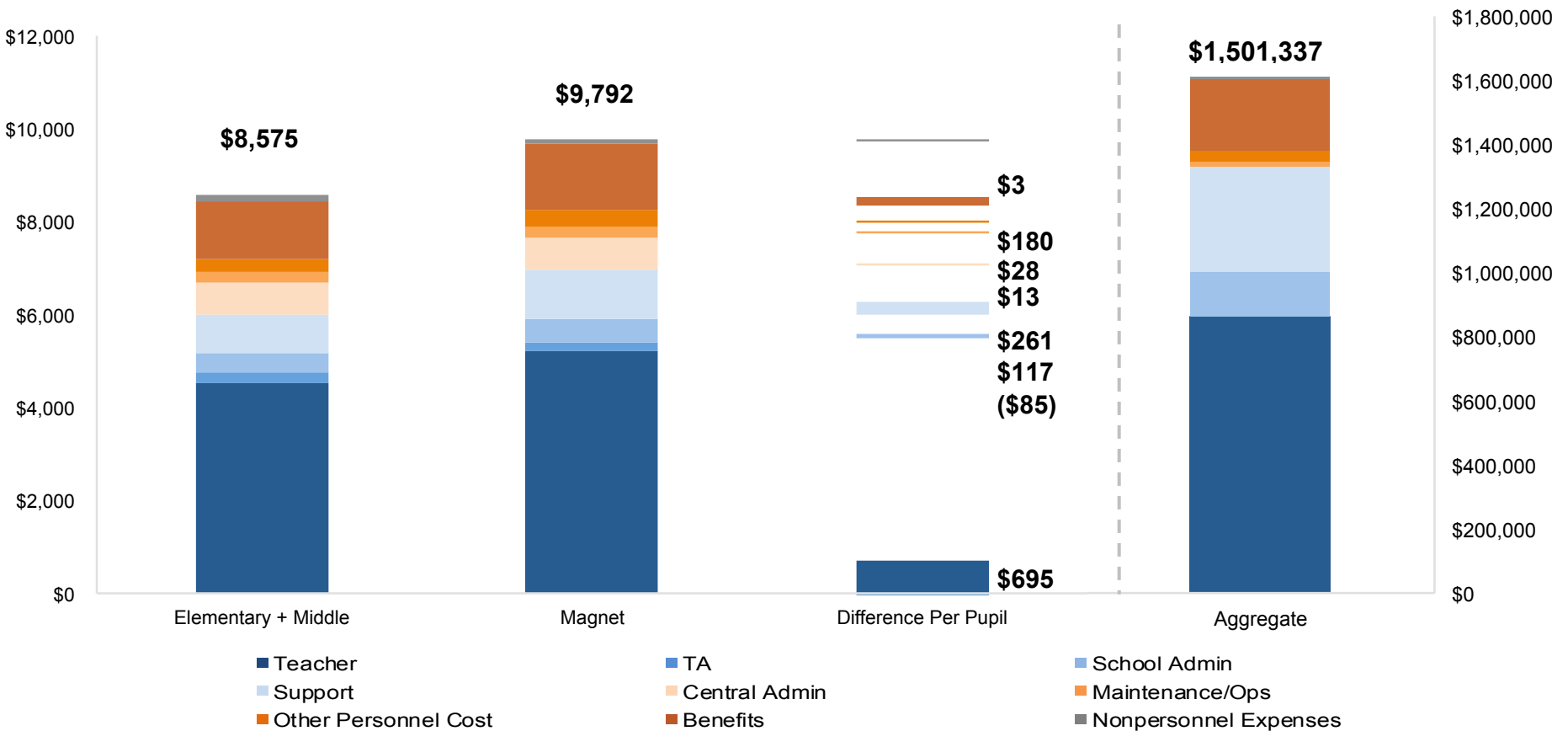
What did we find in this real-world example?

Challenges	Opportunities
1. This is a completely new way of looking at data – orienting to it is challenging	1. Force decisions to be viewed through the lens of equity
2. ESSA reporting does not reflect weighted needs; this must be accounted for to understand the data	2. Understanding how equitable (or not) resource allocation has historically been, and how that should change (or not) in the future
3. This data cannot be viewed in isolation; it must be supported by other data, including demographic and outcome data	3. Making intentional decisions about programs that have higher funding *not* due to student needs (e.g. magnet programs)
4. The "what about's" – *"what about teacher payscales", "what about facilities costs we can't control"* – can distract from the overall analysis, but are important conversations	4. Potential to incentivize teacher seniority distribution
5. Accounting systems are not set up for this reporting, potentially making it tedious	5. Can be useful in analyzing programmatic outcomes

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Sample District Data

Chart: Per-pupil amounts by school, sorted descending:

- School A: $18,816
- School B: $17,343 — Highest FRL Percentage
- School C: $16,486 — Lowest enrollment school
- School D: $15,519 — Magnet Schools
- School E: $15,455 — Lowest Avg Teacher Salary; Highest Special Education Percentage
- School F: $15,403 — Magnet Schools
- School G: $14,425
- School H: $14,364
- School I: $13,981
- Schhol J: $13,855
- School K: $13,589
- School L: $13,513 — Highest enrollment school
- School M: $13,362
- School N: $13,177 — Highest Avg Teacher Salary
- School O: $12,723

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