



Strategic School Funding for Results: The Evolution of the Weighted Student Formula into a Core Reform Strategy for Local School Districts

By

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The William and Flora Hewlett Foundation and the Ford Foundation have provided grants to support the initial year of work on a groundbreaking joint initiative by the American Institutes for Research (AIR) and Pivot Learning Partners (PLP) aimed at improving school finance, human resources, and management systems in large, urban school districts. The project is called *Strategic School Funding for Results (SSFR)*. To carry out the work of this initiative, AIR and PLP have formed a partnership with three prominent California school districts – Los Angeles, Pasadena, and Twin Rivers.

The goal of the project is to develop and implement more equitable and transparent strategies for allocating resources to schools within districts and to link those strategies to systems that encourage innovation and efficiency and strengthen accountability for student outcomes.

The project not only addresses the unique needs of each district but also provides multiple opportunities to share best practices across the three districts and explore ways in which new management systems can impact student learning. Within the framework of the SSFR project, the AIR/PLP team will provide the data analysis, technical assistance, coaching, and training to implement the funding and governance strategies in the schools and evaluate their success.

Theory of Action

The theory of action underlying the project is that by moving to a pupil-need-based strategy for distributing funding to schools, providing schools with greater autonomy over the use of those funds combined with accountability for the results, creating the structures and incentives for improving the equitable distribution of teachers between high- and low-need schools, and offering options for school choice by families and their students, each district will achieve a more equitable and transparent approach to funding schools. These core reform strategies will be designed to increase accountability, foster innovation, and ultimately raise overall student achievement and close the achievement gap. SSFR's results will inform federal, state, and local policymakers' decisions about policies impacting equity, transparency, accountability, and innovation in the operation of K-12 education.

Exhibit 1 provides a schematic representation of SSFR. This core reform strategy begins with policies established by the local board of education, which will be implemented by the district administration (see Box 1). The key reform strategies promoted under SSFR are implemented through changes in (A) school funding, (B) school governance, and (C) district support services (with a particular focus on human resources). Box 1 of the diagram points to the importance of linking SSFR with other core reform strategies being implemented by the district, and it explicitly incorporates input from a variety of key stakeholders (e.g., district and school leaders and staff, employee associations, and members of the local community) necessary to implement SSFR successfully.



[EXHIBIT 1 GOES ABOUT HERE]

The core reform strategy offered by SSFR includes six basic elements:

1. *Need-based funding of schools*
2. *School autonomy linked with accountability for results*
3. *Expanded educational choices*
4. *Access to a highly qualified teacher for every child*
5. *Options for schools to purchase central office services*
6. *Increased transparency for resource allocation policies and practices*

This diagram describes how the key concepts of **equity**, **transparency**, **accountability**, **efficiency**, and **innovation** under SSFR, shown in **red**, are encouraged and promoted. At the district level (Box 1), SSFR promotes **equity** through pupil-need-based allocations of funds to schools. It promotes **transparency** by involving school leaders in the design of the funding formula that allocates funds to schools. It promotes **innovation** and **efficiency** by providing support and funding of incentives for performance as well as by giving school leaders discretion over uses of school resources and the ability to design programs to meet unique student and community needs in their schools. SSFR promotes **accountability** by ensuring that district leaders set clear district goals for student learning, hold schools accountable for results, exercise their prerogative to select school leaders, and offer educational choices to families and children. Finally, SSFR promotes **efficiency** by establishing choices for schools in how they allocate resources to the purchase of district support services.

In addition to promoting these concepts at the district level, SSFR policies provide a framework within which schools function (Box 2) and where educational services are connected to children. At the school level, **accountability** is promoted by asking school leaders to set clear goals for the school and align them with district goals, and to gather data on student learning to support resource allocation decisions to be made by instructional staff, school leaders, district leaders, parents, and members of the local community. SSFR promotes **transparency** and **accountability** at the school level by involving school staff, parents, and the local community in resource allocation and programmatic decisions. SSFR promotes **equity** at the school level by ensuring that goals and programs are designed to meet unique student needs, by providing choice to families and children, and by ensuring all schools have access to highly qualified teachers. SSFR further promotes **accountability** and **efficiency** by encouraging school leadership to be responsive to the needs and desires of children and their families through options permitting some school choice.

The bottom line in all of this is student outcomes (in Box 3), measured by an array of quantitative and qualitative measures of academic and non-academic outcomes for students. Of course, how the specific outcomes are prioritized is ultimately established by the school and district, and is influenced by the demands of the local community and the state and federal laws under which the school districts operate.

Participating Districts

Each of the three district partners in the project has committed time on the part of its leadership and staff to participate effectively in this project and has acknowledged that the project represents a collaborative effort between the AIR/PLP and district leadership teams. Because each district is at a different stage of planning and each will bring different strengths and needs to the project, the work will vary across districts.



Los Angeles Unified School District is the second largest school district in the country, serving more than 700,000 students, 68 percent of whom are eligible for free or reduced price lunch and roughly 35 percent of whom are English language learners. The district is attempting to meet the challenge of increasing competition from charter schools. Ramon Cortines, the superintendent of the Los Angeles Unified School District, said this about the SSFR project:

“This partnership with AIR and PLP allows us to accelerate our work to become a district that creates a personalized learning experience for students and adults. We believe those closest to our students are best equipped to decide how to allocate and leverage resources. I am very excited to implement a budgeting process that is transparent, equitable, and allows schools to target resources to the needs of their students.”

Pasadena Unified School District enrolls roughly 20,000 students, including 55 percent who are eligible for free or reduced price lunch and 24 percent who are English language learners. Pasadena is moving toward developing an improved performance management system. Edwin Diaz, who is the district’s superintendent, said of the project:

“In this environment of diminishing state funding, it is critical that we align our resources with student needs and practices that achieve the greatest results for children. SSFR will provide the framework and tools for Pasadena Unified School District to adapt to this new fiscal landscape for public education.”

Twin Rivers Unified School District, located near Sacramento, enrolls approximately 27,000 students. More than 60 percent are eligible for free or reduced price lunch and one of every four is an English language learner. The district is in the process of consolidating four districts into one new one and building public confidence in this new district while developing an equitable approach to allocating resources to schools. Frank S. Porter, the superintendent of the new Twin Rivers Unified School District, said:

“As California’s newest unified school district, Twin Rivers is engaged in reinventing our schools on a system-wide basis. The SSFR project provides our teaching and leadership staff with a very timely opportunity to effectively link and align resources and accountability with professional and school autonomy. I’m excited and looking forward to working on this transformative project.”

Connecting Practice, Research, and Policy

This project is designed to connect practice, research, and policy on two levels: one through the skill sets of the two organizations leading the effort and one by conducting the project on the ground in three school districts. The AIR/PLP leadership team for this project reflects a collaborative effort between Pivot Learning Partners (PLP), an organization dedicated to improving practice and helping to document and inform policymakers about what works; and AIR, which has experience bridging rigorous education research, practice, and policy. This innovative project draws on the extensive research and resource allocation expertise of AIR and the knowledge of practice brought to the work by Pivot Learning. AIR, a leader in applied behavioral and social science research, is nationally recognized for its work in evaluation and school finance, including a recent study on student-based funding in Oakland and San Francisco (Chambers et al., 2008).

PLP, which began its school improvement work 15 years ago as the Bay Area School Reform Collaborative (BASRC), views district-level reforms in finance, human resources, and governance as key components of the whole-system change that is required for California school districts to raise student achievement and close the achievement gap. PLP has developed and implemented services that support district-wide systemic change for districts throughout California.



The AIR/PLP team is dedicated to working in collaboration with the three participating districts by building on existing funding, budgeting, and data systems where appropriate and leveraging existing administrative structures to support SSFR. The formative nature of the proposed project allows for a mutual learning experience between the participating districts and the AIR/PLP team and allows for the creation of a strong partnership in successfully implementing SSFR.

The research component of the SSFR project builds on previous work at the state and local level by the AIR team (e.g., Chambers et al., 2008; Chambers and Levin, 2009; Shambaugh, Chambers, and Delancey, August 2008). In a study of the implementation of the Weighted Student Formula and Results Based Budgeting in San Francisco and Oakland Unified School Districts, respectively, Chambers et al. (2008) reported that, although student-based funding policies (similar to those proposed under SSFR) require more work, school and district respondents voiced an overwhelming preference for the student-based funding policy over the traditional budgeting approach because of the discretion it provided them over how their resources are allocated. The SSFR project is moving even more boldly toward equity and toward linking the school autonomy component more effectively with accountability and innovation.

The State of California has also moved toward providing increased flexibility to local districts by relaxing some of the restrictions on the use of state categorical funding, and this will give schools greater discretion in using the funds they receive under the SSFR policies.

Project and Task Overview

The AIR/PLP team envisions the SSFR project as a five-and-a-half year effort, in three phases:

- **Phase I** is being carried out during the 2009-10 school year, and encompasses a needs assessment combined with the development and implementation of the basic elements of SSFR in each of the three districts.
- **Phase II** of the project, in 2010-11, will focus on continued refinement and ongoing assessment of the SSFR policies in preparation for full implementation.
- **Phase III** will begin during the 2011-12 school year and run through 2013-14, and will include full implementation, ongoing adjustment, institutionalization, evaluation, and final reporting.

Ascertaining the impact of the SSFR policy will require observing each of the three districts over three years of full implementation, during which the AIR/PLP team will be collecting and analyzing data and providing ongoing technical assistance, coaching, and training as needed. It will require three years to reveal meaningful changes in district and school behaviors and student outcomes in response to new sets of opportunities, conditions, and incentives created by SSFR. Moreover, changes in behavior are only likely to happen once district and school employees view the new policies and structures as permanent.

The AIR/PLP team also envisions that its experiences will be of interest over time to other school districts throughout the country that are considering the kinds of major restructuring efforts that are required to support higher degrees of equity, transparency, accountability, innovation, and efficiency. We will be planning a series of policy briefs and presentations that will share these experiences.



Funding of the Project

AIR/PLP has received a combined award from the William and Flora Hewlett and Ford Foundations to support the first-year activities for the project and is continuing to seek support for the subsequent implementation and evaluation components of the work.

Kristi Kimball, Program Officer at the Hewlett Foundation, said,

“We are pleased to support the development of bold reform plans in three school districts that are thinking differently about how to increase equity and education outcomes for all of their students.”

Fred Frelow, program officer with the Ford Foundation’s education and scholarship unit, said,

“The Ford Foundation has long supported efforts to reform school financing systems around the country. We need to build a greater understanding of the impact that these systems have on the quality of our schools and the education they offer our students. This research will help in the development of more fair and equitable funding models.”

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Authors

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Exhibit 1. Conceptual Framework for the Strategic School Funding for Results Project

