



A Handbook for Student-Based Budgeting, Principal Autonomy and School Choice

By Lisa Snell



Reason Foundation



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Executive Summary

The growth of student-based budgeting in school districts and a few states mirrors a national trend toward more decentralized school funding where the money follows the child. In the United States, we are in a transition period, moving from funding institutions to funding students. K-12 education funding is moving closer to the funding model for higher education, where the money follows students to the public, private or nonprofit school of their choice. We are moving away from a K-12 system funded by local resources and driven by residential assignment to a system where funding is driven by parental choice and student enrollment.

Public funding systems at the state and local level are adapting to a “school funding portability” framework, where state and local school funding is attached to the students and given directly to the institution in which the child enrolls. More than 30 “school funding portability” systems (in cities like New York, Baltimore, Denver, Hartford and Cincinnati, and states including Rhode Island, Hawaii and Indiana) are funding students through student-based budgeting mechanisms. In 2012, Prince George’s County, Newark and Boston have moved to full weighted student formula systems where the money follows the child. Los Angeles Unified has more than 100 pilot schools funded on a per-pupil basis. In California, Colorado, Connecticut, Georgia, Nevada, Ohio and Utah there are ongoing legislative debates about fixing the state school finance system through a weighted student formula.

Student-based budgeting proposes a system of school funding based on five key principles:¹

1. Funding should follow the child, on a per-student basis, to the public school that he or she attends.
2. Per-student funding should vary according to the child's needs and other relevant circumstances.
3. Funding should arrive at the school as real dollars—not as teaching positions, ratios or staffing norms—that can be spent flexibly, with accountability systems focused more on results and less on inputs, programs or activities.
4. Principles for allocating money to schools should apply to all levels of funding, including federal, state and local dollars.
5. Funding systems should be as simple as possible and made transparent to administrators, teachers, parents and citizens.

This guide will take a step-by-step look at the issues involved in moving to a student-based budgeting financing system. In order to move to a student-centered funding system, districts must weigh several key issues including:

- District Equity and Spending Analyses
- Right-sizing School Districts
- Pilot Versus Full Implementation
- Reducing Categorical and Restricted Funding
- Developing a Student-Based Budgeting Formula
- Level of Principal and School Autonomy
- Budgeting Tool Development
- School Choice Student Assignment
- School Level Accountability

While student-based budgeting is not a silver bullet, it is a school funding practice that makes resources more transparent, increases school level equity for students with similar characteristics, and allows the funding to follow the child. When parents and students have portable funding and can choose between schools within a district it provides a financial incentive for those schools to improve education practices to attract and retain families.

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Part 1

Student-Based Budgeting and School Funding Decentralization in a National Context

The growth of student-based budgeting in school districts and a few states mirrors a national trend toward more decentralized school funding where the money follows the child. In the United States, we are in a transition period, moving from funding institutions to funding students. K-12 education funding is moving closer to the funding model for higher education, where the money follows students to the public, private or nonprofit school of their choice. We are moving away from a K-12 system funded by local resources and driven by residential assignment to a system where funding is driven by parental choice and student enrollment. Private school choice programs where the money follows the child are growing rapidly. As of December 2012, there are 32 school voucher and tax credit programs in 16 states, with more than \$1 billion in school funding following students to schools. There are more than 2 million students enrolled in charter schools, and more than 100 cities with 10 percent or more charter school market share. In New Orleans, for example, more than 80 percent of students are enrolled in charter schools, with funding attached to the students and following them to their school of choice.

Taking this one step further, with the growth of digital learning and the desire to customize education at all levels, we are beginning to see school funding following students not just to the school of their choice, but also to multiple education-service providers. In Utah, for example, the Statewide Online Education Program allows high school students to select two courses from multiple high-quality options and numerous providers, while still being enrolled in their public high school. The money follows the child to his course selection. In April 2011, Arizona Governor Jan Brewer signed into law Arizona Empowerment Accounts. The first of their kind, Empowerment Accounts allow parents—in this case, parents of special-needs children—to remove their children from the public-school system and receive the money the state would have spent on them in an education savings account. Every quarter, the state deposits up to 90 percent of the base support level of state funding into a parent-controlled ESA. Parents can then use that money to pay for a variety of educational options including private-school tuition, private tutoring, special education services, homeschooling expenses, textbooks and virtual education, enabling them to customize an education for their child's unique needs. In 2012, eligibility to participate in the

Empowerment Savings Accounts program was expanded to students in failing schools, foster children and children from military families.

Public funding systems at the state and local level are also adapting to a “school funding portability” framework, where state and local school funding is attached to the students and given directly to the institution in which the child enrolls. More than 30 “school funding portability” systems (in cities like New York, Baltimore, Denver, Hartford and Cincinnati, and states including Rhode Island, Hawaii and Indiana) are funding students through student-based budgeting mechanisms. In 2012, Prince George’s County, Newark and Boston have moved to full weighted student formula systems where the money follows the child. Los Angeles Unified has more than 100 pilot schools funded on a per-pupil basis. In California, Colorado, Connecticut, Georgia, Nevada, Ohio and Utah there are ongoing legislative debates about fixing the state school finance system through a weighted student formula.

The new formula is a “sea change” from the past. We’re no longer funding schools. We’re funding students.

In Louisiana, seven school districts are piloting a student-based budgeting system, including the largest school district in the state, Jefferson Parish, with 50,000 students. Finally, Idaho, New Jersey, Rhode Island and Indiana have all recently changed their statewide school funding systems to a formula where the money is attached to the child. As Indiana’s *Tribune Star* reported “Of all the sweeping legislative changes coming to K-12 education, from private-school vouchers to performance-based pay for teachers, the one that may have the most impact is tucked inside the 270-page budget bill. It changes the way schools are funded, following a new formula to divvy up nearly \$13 billion in K-12 education dollars. The new formula follows the mantra that ‘money follows the child.’”² As Representative Ed Clere, who sits on the House Education Committee explained: “The new formula is a ‘sea change’ from the past. We’re no longer funding schools. We’re funding students.”³

Part 2

What is Student-Based Budgeting?

Student-based budgeting proposes a system of school funding based on five key principles:⁴

1. Funding should follow the child, on a per-student basis, to the public school that he or she attends.
2. Per-student funding should vary according to the child's needs and other relevant circumstances.
3. Funding should arrive at the school as real dollars—not as teaching positions, ratios or staffing norms—that can be spent flexibly, with accountability systems focused more on results and less on inputs, programs or activities.
4. Principles for allocating money to schools should apply to all levels of funding, including federal, state and local dollars.
5. Funding systems should be as simple as possible and made transparent to administrators, teachers, parents and citizens.

Student-based budgeting is a policy tool and financing mechanism that can be implemented by governors, school boards and school superintendents within the confines of existing state education budgets. It aims to create more-efficient, transparent and equitable funding systems across all schools in a state or a school district. The broad concept of student-based budgeting goes by several names, including “results-based budgeting,” “equitable student funding,” “per-pupil budgeting,” “weighted student funding,” “backpacking” and “fair-student funding.” In every case the meaning is the same: dollars rather than staff positions follow students into schools.

But a full school empowerment program is more than just a portable funding mechanism. Integral to meaningful accountability is (1) empowering principals to act as leaders of their schools over matters such as budgeting, expenditures, curricula and hiring, and (2) empowering parents to pick the public schools they believe best meet their children’s unique, individual needs.

Thus, under the weighted student formula model, schools are allocated funding based on the number of students that enroll at each individual school, with extra per-student dollars for students who need services such as special education, English language learners instruction or help catching up to grade level. School principals have control over how their school's resources allocate salaries, materials, staff development and many other matters that have traditionally been decided at the district level. Contractual accountability measures are implemented between schools and school districts, to ensure that performance levels at each school site are met.

Crucially, every school in a district becomes a school of choice, and individuals are given autonomy to make local decisions. Student-based funding is, then, a system-wide reform that allows parents the right of exit to the best performing schools and gives every school an incentive to change practices to attract and retain families from their communities.

For case studies and detailed descriptions of student-based budgeting in the United States see the *Weighted Student Formula Yearbook 2009*.⁵

Part 3

Preliminary Steps for Student-Based Budgeting

This guide will take a step-by-step look at the issues involved in moving to a student-based budgeting financing system. In order to move to a student-centered funding system, districts must weigh several key issues.

A. Analyzing Equity Funding

One of the most significant justifications for student-based budgeting is that it funds students in an equitable way so that students with similar characteristics generate the same level of funding regardless of which school they attend. Therefore, an important step to set the stage for student-based budgeting at the state or local level is an analysis of how school funding is distributed. This first analysis will reveal how the current school-finance system operates at the state or district level and answer two fundamental questions: are similar students funded equitably? And do school resources actually support student needs? In California, for example, the “Getting Down to Facts” series by Stanford University formed the basis for legislation and school finance reform proposals at the state level, which recommend a move to a weighted student funding system.⁶ In Connecticut, “The Tab: How Connecticut Can Fix Its Dysfunctional Education Spending System to Reward Success, Incentivize Choice and Boost Student Achievement” took a close look at how Connecticut’s school finance system works before arguing for a student-centered funding system.⁷

At the district level, school leaders can also examine how fiscal resources and personnel are distributed across schools within the district. For example, in support of the Los Angeles Unified School District’s decision to move to a per-pupil funding system, the American Institutes for Research completed a district fiscal analysis that found that schools with the highest percentage of low-income students had lower amounts of unrestricted funding from the general fund and had less experienced and lower paid teachers, with more teachers teaching out of field (i.e. in a subject area or at a level for which they are not authorized).⁸ In addition, a November 2011 analysis by the U.S. Department of Education found that if Los Angeles Unified had to report actual dollars at the school level, 141 Los Angeles schools would not be receiving per-pupil funding equal or comparable to the average per-pupil amount received by schools that are not eligible for Title I support from the federal government.⁹

Los Angeles is not alone. This is a prevalent problem in school districts across the United States. The U.S. Department of Education (DOE) report documents that schools serving low-income students are being shortchanged because school districts across the country are inequitably distributing their state and local funds. The DOE analysis of new data on 2008–09 school-level expenditures shows that many high-poverty schools receive less than their fair share of state and local funding, leaving students in high-poverty schools with fewer resources than schools attended by their wealthier peers. The data reveal that more than 40 percent of schools that receive federal Title I money to serve disadvantaged students spent less state and local money on teachers and other personnel than schools that don't receive Title I money at the same grade level in the same district.¹⁰

A good start for considering a student-based budgeting system is to explore the fairness issue up front. Students within a school district with similar characteristics should be funded on an equal basis. This idea of equity becomes a compelling argument to engage education stakeholders and the community as the school-funding change is considered.

Many high-poverty schools receive less than their fair share of state and local funding, leaving students in high-poverty schools with fewer resources than schools attended by their wealthier peers.

B. Analyzing District Spending Patterns

Once a school district is committed to moving forward with a student-centered funding framework, the next step is to analyze what parts of an overall budget at the district level are currently being used in unrestricted and restricted ways. What portion of the budget supports school-level operations versus central office administration versus school-level services that are provided by the central office? The district should strive to answer the question of how much unrestricted funding can be made available to be distributed to schools on a per-student basis.

In California, for example, with the ongoing fiscal crisis, the state legislature has suspended multiple restricted categorical education programs to give school districts maximum flexibility over unrestricted resources. It is in this same spirit that school districts need to free up money for school-level funding. For example, a spending analysis that Los Angeles Unified completed of the district budget showed that the district had a \$12 billion dollar budget in 2010–2011 but only \$7 billion was available for operations. Before the district even began to look at resources for the school level they had to take categories like debt service—at \$1.1 billion—off the top. In the Los Angeles Unified analysis, the district eventually got to a figure of \$3.2 billion as the regular program resources available to schools on a per-pupil basis.¹¹ One useful exercise in Los Angeles Unified might be to ask why, out of a \$12 billion budget, only \$3.2 billion is ultimately available for school operation on a per-student basis?¹²

The Los Angeles Unified analysis also examined cost pressures on the district including declining enrollment, health care costs and special education program costs. However, before one can argue over how a district might be right-sized to move more money into the unrestricted operating budget for schools, an analysis must be carried out to see where the district is currently spending resources and how much money currently supports school-level operations versus central office versus other district obligations. This step is necessary because before a district can come up with a per-pupil formula, it needs an overall number for district resources available to comprise the total budget that will be distributed to schools on a per-student basis.

Los Angeles Unified might ask why, out of a \$12 billion budget, only \$3.2 billion is ultimately available for school operation on a per-student basis.

C. Right-Sizing the School District

As districts consider student-based budgeting, they need to answer a fundamental question: which cost centers can be scaled back to increase the amount of unrestricted funding available to follow the students to the school-level?

Jefferson Parish school district, which is currently in the planning stages of student-based budgeting reforms, provides a good example of right-sizing the school district in order to maximize resources available for student-based budgeting. One of the first steps that Superintendent James Meza took was to redirect more money to the classroom by closing some under-used schools and restructuring the central office. In 2012 the plan eliminated 259 positions, while creating 50 new jobs to support the reorganization of the central office—a net reduction of 209 jobs. The reorganization plan saves the school system about \$5 million a year. Meza is also working to transform the central office from a top-heavy bureaucracy to a support system that works directly with schools.

Accordingly, Meza's reorganization plan divides the system's 89 schools into five networks, with campuses grouped according to their school type and performance levels. Executive directors will work directly with the schools in their network. Under the plan, which will take full effect in the 2012–2013 school year, the networks will support principals who will have more authority in how they run their schools, allowing them to develop their own budgets, hire their own staffs and choose programs that best meet the needs of their students.

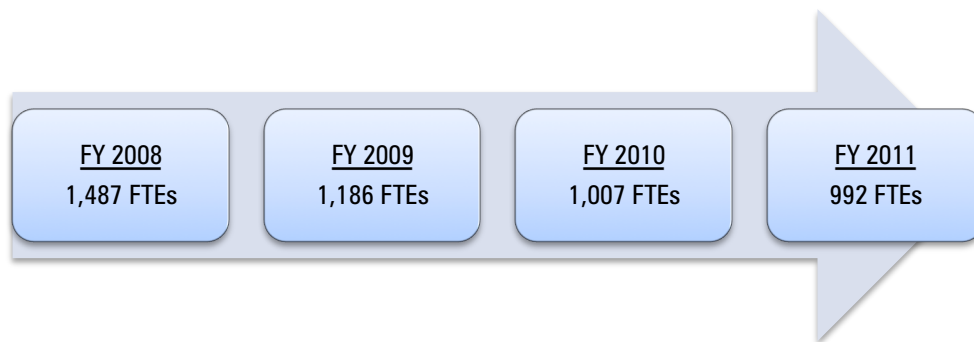
Many other school districts that use a student-based budgeting model have reduced spending on the central office, restructured the central office to support schools, and closed low-performing and under-enrolled schools.

1. Baltimore

As part of its adoption of student-based budgeting reforms, Baltimore significantly streamlined its central office, reducing the number of full-time employees by 33 percent between 2008 and 2011. As schools assumed more responsibility, the administrative role of the district central office was targeted to focus on three key functions: guiding schools, supporting schools and holding schools accountable for student achievement. The central office would improve support to schools by creating “school networks.” Under this plan, 14 networks would each serve up to 15 schools, and each would be comprised of four people—two in the area of academics, one in special education and student support, and one in operations such as finance, facilities, etc. The networks would assume and improve the school “support” or liaison functions now performed by the central office. They would spend most of their time in schools, and they would offer schools one-stop shopping solutions, preventing them from having to navigate the central office’s myriad departments. To measure and ensure the quality of this school support, school principals would evaluate the networks and provide these evaluations to district leadership.

Baltimore has seen rapid improvement across multiple indicators—from graduation rates to test scores, and even improvement in federal scores on the National Assessment of Education Progress.

Figure 1: Streamlining the Central Office



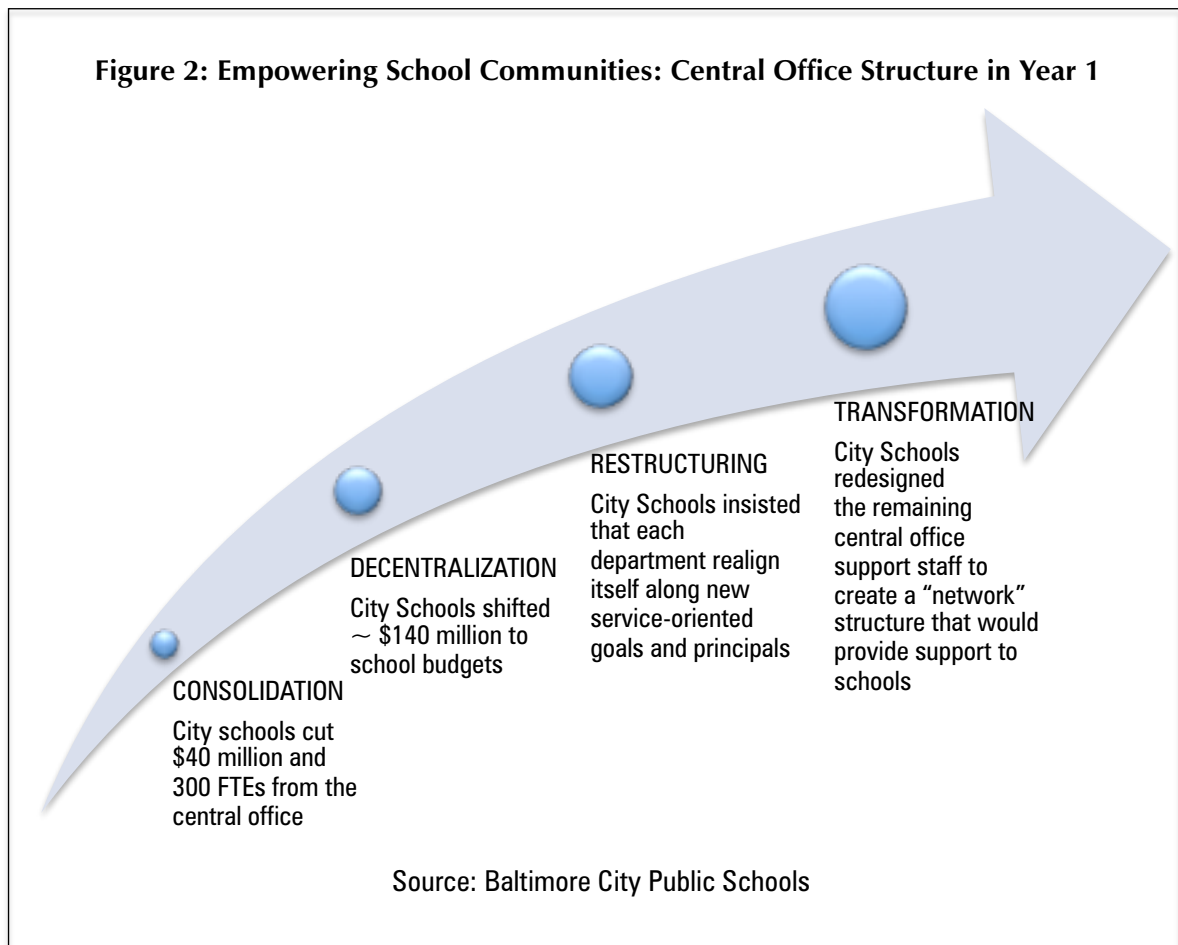
33% Reduction in central office* FTEs since FY08

*The following positions are backed out of the central office roll-up above:

- Certain school-based operations employees
- School Police

Source: Baltimore City Public Schools

Figure 2: Empowering School Communities: Central Office Structure in Year 1



2. Denver

Experience in Denver shows that closing under-enrolled and low-performing schools can redirect scarce district resources to students who were previously enrolled in the low-performing schools. That money can follow those students into better schools. It can also provide the resources necessary to create new, high quality schools.

In 2007, the Denver school board approved the closure of eight schools that were under-enrolled and low-performing. The board estimated that the realignment of students from these schools to higher performing schools would achieve projected yearly operating savings of \$3.5 million. Those resources were used to improve the education of students who were affected by the school closures, to deliver additional resources to under-performing schools, and to create funding opportunities for new schools and new programs.

In addition to the standard per-pupil revenue that followed students to their new schools, the district reinvested \$2 million—or 60 percent of the savings from school closures—which followed the students into their schools of reassignment.

According to a district analysis reported in the *Denver Post*:

Students from schools in Denver that were closed two years ago in a reform effort are performing better academically in their new schools, according to a district analysis. The 2,000 affected students made more academic growth in their new schools in reading, writing and math than they did in the schools they left behind, according to DPS.¹³

D. Deciding on the Scope of the “School Funding Portability Process”: Pilot Versus Full Implementation

Another preliminary step is to decide whether to roll out student-based budgeting district-wide or begin with a pilot program. There are advantages to both approaches. Some districts want to avoid the prolonged process that a pilot program entails and move rapidly to increase equity and principal autonomy, and thereby create a more-level playing field for all schools. Baltimore provides a very successful example of the advantages of aggressively employing student-based budgeting district-wide. Baltimore has seen rapid improvement across multiple indicators—from graduation rates to test scores, and even improvement in federal scores on the National Assessment of Education Progress. Baltimore has also seen increased enrollment as school leaders respond to the threat of monetary losses if students do not stay in school.

On the other hand, districts such as New York City and Los Angeles Unified used pilot programs to anticipate and work through many potential student-based budgeting challenges. This allowed them to design a better school-level budgeting tool, and to create principal leaders and mentors through the pilot program. The benefit of the pilot approach is that guidelines and support structures for student-based budgeting implementation can be field-tested before the district-wide program is rolled out.

Baltimore provides a very successful example of the advantages of aggressively employing student-based budgeting district-wide.

E. Deciding What Schools Control

A school district must also decide which expenses will remain the responsibility of the central district level and which expenses will be budgeted at the school level. If any resources are to remain at the district level, there ought to be a compelling reason for such central management—one example might be economies of scale for non-instructional services like school food, another would be non-negotiable district-wide expenses such as debt service.

Table 1 below provides an example of the kinds of expenses that the Louisiana Department of Education says should be distributed at the school level versus central office level for its student-based budgeting pilot:

Table 1: District-Level and School-Level Expenditures (May vary from district to district)		
School Level	District Level	Optional (Determined by each district)
Regular Education	General Administration	Other Instructional Programs
Special Education	Business Services	Special Programs
Career and Technical Education	Central Services	Adult Education and Literacy Programs
Guidance Services (excluding supervisors)	Other Support	Support of Individual Special Needs Students
Library / Media Services (excluding supervisors)	Operation of Non-Instructional Services	Instruction and Curriculum Development Services
School Administration	Facilities Acquisition / Construction Service	Instructional Staff Training
Object 116 (school-level custodians)	Debt Service and Other Use of Funds	Other Instructional Staff Services
		Pupil Support Services
		Supervision of Guidance
		Health Services
		Psychological Educational Assessment
		Speech Pathology and Audiology Service
		Occupational Therapy and Related Services
		Parental / Family Involvement
		Other Pupil Support Services
		Instructional Staff Services
		Supervision of Library / Media Services
		Operation / Maintenance of Plant Services
		Student Transportation Services

Source: Louisiana Department of Education

F. Reducing District-Level Categorical and Restricted Funding

An important goal of the preliminary work is to examine district-level programs carefully and work to devolve the maximum amount of resources into the student-based budgeting allocation.

Hawaii has developed a good test for whether resources should be included in the student-based budgeting formula. Its “committee on weights” uses the following specific criteria to determine whether funds should be added to the weighted student funding (WSF) allocation:

- **Criteria for Funds to Be Included in WSF**

Program funds are recommended for inclusion in WSF if those funds:

1. Were provided to all schools;
2. Were provided to all schools of a particular level (e.g., high schools);
3. Could be distributed equitably by formula;
4. Would provide greater flexibility to the school community; or
5. Were previously distributed in a manner that resulted in an inequity.

In 2008, for example, the Board added the Peer Education Program to the unrestricted weighted funds, both because all secondary students in Hawaii should have access to these funds, and because individual schools should be given the flexibility to determine whether such peer education was a priority for them.

Reducing restricted funding is difficult because each specific district-level program will have its own stakeholders, who will likely argue that their district-level program is crucial. An analogy can be drawn with state-level categorical funding, which mandates that school districts operate specific programs such as small class sizes or school violence prevention. The more states fund specific categorical programs, the less money is available for districts to spend flexibly on student needs. This same dynamic takes place at the district level. The underlying aim of student-based budgeting is to get as much money as possible into an unrestricted budget, which can be controlled at the school level by school leaders, and which allows local communities to prioritize based on individual student needs and academic goals.

The more states fund specific categorical programs, the less money is available for districts to spend flexibly on student needs.

Part 4

The Student-Based Budgeting Formula

A. Determine the Base Formula and the Weights

Once a district has arrived at an overall budget of unrestricted funds for school-level operations, the next significant step is to determine the best way to distribute the money equitably to schools based on student characteristics. This distribution is typically calculated using a formula comprised of three elements: a foundation grant, a base weight and an individual student weight. Combined with student enrollment data, this formula determines how much funding each school will receive. The base weight is an amount that every student receives. Individual weights are based on characteristics of student populations with specific needs. The foundation grant is to support minimum administrative staffing or small schools.

The crucial questions here are how much should the base weight be for every student, what student characteristics will the formula weight, and how significant should those weights be? There is a necessary trade-off between the base rate and the student characteristics, because every individual weight reduces the amount available for the base rate for every child. Weighted characteristics should be based on the additional cost of serving students with those unique characteristics. A few guidelines for determining the formula include:

- Weight characteristics that affect a significant portion of students, but not every student. For example, if every student in the district qualifies for a weight based on economic disadvantage, it is better to just put more money into the base weight.
- Try to avoid double-weighting students. If every student that is an English Language Learner (ELL) is also disadvantaged, a district should offer schools a weight for one or the other characteristic, but not both. For example, when Governor Jerry Brown was proposing student weights for the state of California, he planned to give districts student weights for either ELL status *or* poverty characteristics. That way an ELL child who was not low-income would still have extra resources, as would a low-income child who was not ELL.
- Consider weights for special programs for gifted and talented children, and for career and technical education.
- Consider weights for specific district goals. For example, Baltimore wanted to reduce its dropout rate and raise its graduation rate, so every high school student generates a dropout prevention weight.

- Consider grade-level weights and whether the district spends more on certain grade spans, such as high school.
- Connect student weights to academic achievement. Districts should reward academic achievement by connecting the weights to academic performance, as Baltimore has, rather than poverty. Low-scoring students and high-scoring students generate additional revenue rather than low-income students.

As noted above, the Baltimore school district weights academic need for both students that score “basic” (below grade level) and for those that score “advanced” (above grade level) at \$1,000 in 2012. In 2009, since performance outcomes went up, the overall number of students who qualified for “academic need basic” went down. On the other hand, the number of students who qualified for the “academic need advanced” went up. This use of basic and advanced weights demonstrates how Baltimore’s Superintendent Alonso was able to promote academic achievement. In 2012, a smaller number of students qualified for the basic (lower-performing) weight and a larger number of students qualified for the advanced weight. It is a positive outcome when the amount of money going to lower-scoring students is shrinking and the amount of revenue going to higher-performing students is growing—based on higher overall achievement.

Year & Weight	Eligible Students	Total % Qualifying	Base Weight	Base Funding	% of Total FSF Funding
FY '09 Basic Weight	63,845	38.94%	\$2,200	\$54,698,600	11.09%
FY '09 Advanced Weight	63,845	15.56%	\$2,200	\$21,841,600	4.43%
FY '10 Basic Weight	57,514	37.08%	\$2,200	\$46,916,606	9.73%
FY '10 Advanced Weight	57,514	18.99%	\$2,200	\$24,031,640	4.99%
FY '11 Basic Weight	58,368	32.53%	\$1,500	\$28,484,846	5.97%
FY '11 Advanced Weight	58,368	22.02%	\$1,500	\$19,276,263	4.04%
FY '12 Basic Weight	57,632	30.19%	\$994	\$17,297,079	3.67%
FY '12 Advanced Weight	57,632	25.28%	\$994	\$14,479,471	3.07%

* Minor differences due to rounding.

Source: Baltimore City Public Schools, FY2013 Budget, March 6, 2012.

<http://www.baltimorecityschools.org/cms/lib/MD01001351/Centricity/Domain/6625/20120306-BoardPresentationWorkSession.pdf>

New York City has also fostered performance and school improvement by rewarding achievement. For example, New York schools that earn both an A on their progress report and the top score of “well developed” on their quality review are awarded additional funding. Schools can spend the “excellence rewards” of approximately \$30 per student at their discretion on whatever programs or other school-related expenses will best support their continued progress.

See Appendix A. for a list of current 2012–2013 school district weights.

B. Address Enrollment Issues

It is important to work out how enrollment will be calculated to actually distribute dollars to schools. Most schools begin with an enrollment projection that the initial school allocation is based upon. That enrollment projection would be based on prior year enrollment and expectations of growth or decline in enrollment, and would include a count of students with specific characteristics—such as economic disadvantage or special educational needs—that attract weighted funding. This enrollment projection should be open to negotiation or correction by principals, who may have local knowledge enabling them to improve the accuracy of the projection. There should also be established dates to reconcile actual enrollment with projected enrollment and adjust per-pupil funding allocations. It is also worth considering the role of average daily attendance. In Los Angeles Unified, where schools are funded based on average daily attendance and not student enrollment, student-based budgeting provides an incentive not only to keep students enrolled in school, but also to improve attendance in order to increase school-level funding. In interviews conducted with pilot school principals in Los Angeles, they reported using an explicit strategy of improving attendance in order to increase revenue at their schools. For example, if average daily attendance at an individual school in Los Angeles is 95 percent, the funding formula gives that school 95 percent of its per-student allocation. If a principal can succeed in increasing attendance to 97 percent, that would lead to a significant increase in per-pupil funding.

C. Consider a Foundation Grant

Districts should consider giving every school a foundation grant to cover the basic administrative costs of running a school. This allows schools of every size to cover the basics and it does not work against small schools. It allows districts to continue to embrace small schools even under a system that funds schools on a per-pupil basis.

- In San Francisco, the weighted student formula gives each school a foundation allocation that covers the cost of a principal's salary and a clerk's salary.
- In New York City all schools, regardless of size or type, receive a lump-sum foundation grant of \$225,000. The dollars are not tagged to particular positions, and schools—not central administration—determine whether they need more core administrative staff and fewer teachers, or the reverse. The foundation grant also allows small schools to maintain a core administrative staff.

D. Decide on Actual Versus Average Salary

While sending schools revenue rather than staffing positions increases equity, it does not go far enough. In most districts schools are charged for average teacher salaries rather than actual teacher salaries. This means that a more popular school with more experienced teachers is often subsidized by less popular schools with less senior staff members. In most districts, all teachers are charged

based on an average salary of perhaps \$52,000. If one school has ten first-year teachers and another school has ten five-year teachers, on paper each school would be charged \$520,000. Yet, the resources that each school is receiving based on staffing are vastly different. In essence, schools with newer teachers are subsidizing schools with veteran teachers. If both schools received dollars and were charged for actual salaries, the school with less-expensive teachers would have money left over to spend at the discretion of the principal on teacher training, the arts or to hire additional teachers. Equity increases when schools are charged for actual teacher salaries. New York and Oakland provide a good demonstration of this.

- In Oakland, the district charged schools for actual salaries using the rationale that since schools spend most of their budget on personnel costs, the decision to use actual salaries in school budgets to calculate school-level costs would better address equity. Oakland implemented the use of actual salaries so that schools with less-experienced teachers would have lower teacher-related costs in their budgets and could redirect this money toward resources (e.g., professional development) that would support and help retain experienced teachers in schools serving larger percentages of high-poverty students.
- New York City charges schools for the average of each school's teachers rather than the school district average. The school-level average more accurately reflects the mix of teachers' salaries at each individual school and allows principals to have more control over the cost of the teachers at their individual school.

Most districts schools are charged for average teacher salaries rather than actual teacher salaries. This means that a more popular school with more experienced teachers is often subsidized by less popular schools with less senior staff members.

E. Get Rid of Norm Table and Minimum Staffing Requirements

Most school districts assign core staff positions (teachers, administrators, counselors) to schools based upon the number of students at the school. This is often called norm-based budgeting or a minimum staffing schedule. One mistake that many school districts make is only giving principals autonomy over budgets *after* they have met district-wide minimum staffing levels. In Los Angeles, because of Title I regulations, principals reported that even when given school autonomy, they are compelled to follow the district-wide minimum staffing table, which greatly limits their flexibility and control over resources.¹⁴

Norm-based budgeting cuts against the intent of student-based budgeting by locking in school positions that may not meet the needs of individual students. Norm-based budgeting also stifles innovation by preventing creative solutions like blended learning, which may reduce minimum staffing by using technology to shoulder some of the staffing time in a particular school. Norm-

based budgeting also prevents school leaders from making strategic trade-offs. For example, a principal might decide to have a higher ratio of students to college counselors in exchange for an extra counselor focused on dropout prevention, which would help to keep kids in school in the first place. The bottom line here is that norm-tables and minimum staffing requirements stifle autonomy, flexibility and innovation. Principals should not be held accountable through inputs like staffing levels, but by outcomes like student performance in math or graduation rates.

F. Phase-In School Funding Adjustments

Most districts have a hold-harmless clause that transitions schools to budget equity over two to five years. For example, Poudre School District in Colorado has established a safety net so that no school will lose more than 20 percent of its current budget. To offset that cost, no school will gain more than 80 percent. And in California, Governor Brown's proposal for a state-level weighted student formula would have been phased in over seven years. A phase-in period makes the transition to an equity-based formula easier as it gives any districts or schools that are getting more resources than their students generate time to adjust their budgets.

G. Build in Opportunities for Schools to Make, Save and Keep Money Long Term

School leaders should have opportunities be more efficient, to save money, and to keep the resources to meet the needs of their students. In Los Angeles, entrepreneurial principals have been able to direct more resources to their instructional goals by participating in the per-pupil budgeting pilot. As Rosemarie Martinez from Academic Leadership Community explained, principals should “think strategically about budget areas where you may be able to improve performance and generate savings you can redirect for your school to do more of the things you want to do. ALC has been able to add teaching positions and support staff by improving teacher and student attendance.”¹⁵ If schools save resources at the school level or generate more student funding for the next year, district policy should allow schools to keep and reinvest the savings at the school level.

Part 5

Critical Issues for Student-Based Budgeting and School Empowerment

A. Level of Autonomy

Some districts choose to give principals more autonomy and hold them accountable for school performance. Other districts set the level of district intervention and support based on school performance.

In 2009, Cincinnati began a new initiative in which schools were grouped according to performance, with a progression of services provided according to need. High-performing schools would receive coaching only by request, improving schools would receive part-time coaching, and schools in need of academic intervention would receive intensive, prescriptive coaching. The district created three “turnaround teams,” each consisting of a principal and two lead teachers, to work with the district’s 16 lowest-performing elementary schools.

Hartford Public School District also demonstrates the value of a clear accountability matrix that evaluates and sets the level of autonomy for each school based on student performance. Low-performing schools there face intensive intervention from central office teams and eventual closure if performance does not improve.

B. Principal Discretion over Personnel Decisions and School-Level Practice

Principals need to have maximum flexibility over staffing, schedules, position control and curricula. When principals can hire and fire staff with fewer collective bargaining constraints and fewer stipulations like seniority and bumping rights, they can staff their schools in ways that fit their students’ specific needs. Using the weighted student formula, principals can often choose their employees as teaching positions become available. However, they typically have less autonomy over replacing existing staff for performance issues.

Several districts demonstrate that it is possible to negotiate with unions for a range of concessions to give principals more autonomy over school-level decisions that were previously constrained by collective bargaining rules.

- In Los Angeles, Superintendent John Deasy recently gained more autonomy for principals via a new union contract, according to which teachers are hired based on mutual consent between the principal and the teacher, and principals have more control over school hours and scheduling.
- In Boston, teachers are exempt from teacher union contract work rules, while still receiving union salary, benefits and accrual of seniority within the district. Teachers voluntarily choose to work at pilot schools. When hired, they sign what is called an "elect-to-work agreement," which stipulates the work conditions in the school for the coming school year. This agreement is revisited and revised annually.
- New York and Denver have an "open market" teacher hiring process where principals can interview multiple candidates and make decisions about which teachers will best fit with their schools.
- As noted above, most student-based budgeting programs give schools discretion over hiring teachers at the front end of the process, but do not give principals the option to transfer teachers who are incompatible with the school model. However, in Nevada, Clark County School District's union contract has a provision that details how empowerment schools can deal with incompatible teachers. The contract states that the school empowerment team, in conjunction with the school principal, may implement a peer review process and may remove and replace a teacher deemed to be incompatible with the model established at the school. The principal ultimately has the authority to make staffing decisions.

A critical component of student-based budgeting is a strong principal training program to support principals' financial and academic leadership.

C. Principal Training

A critical component of student-based budgeting is a strong principal training program to support principals' financial and academic leadership. A district should offer some kind of formal principal training to help principals learn management best practices. There are several possible models including principal academies, principal coaches and mentors, district liaisons and networks, and extra help from district finance personnel for budget development. Many districts recruit innovative new principals to lead empowerment schools and have retraining programs for current principals. The bottom line is that districts need a mechanism to support principals and help them become entrepreneurial leaders of their schools.

Many districts that have implemented student-based budgeting—from New York to Denver—provide intensive professional development and training for principals using independent principal academies that are developed by nonprofits, universities or through other district partnerships.

These principal academies are designed to train and empower principals to be strong entrepreneurial and instructional leaders. For example, Oakland offers a strong program of assistance to principals and school staff from central office personnel. Principals receive support from district’s assistant superintendents. In addition, Oakland school principals can also hire operations support coaches who help to create budgets and serve as liaisons to the district office.

Many districts also offer intensive support during the budget cycle with hotlines for principals or specific one-on-ones with budget analysts to provide extra support during the months principals are developing their budgets.

Schools should also invest in data systems that offer teachers and principals “one-stop” data-centers for student information and strategic planning for academic goals. The New York City Department of Education has invested in the technology and data systems necessary to allow schools to use evidence from student performance to inform their strategic planning and accountability goals. The “achievement reporting and innovation system” (ARIS), is a groundbreaking tool introduced in 2007 to help teachers and principals raise student achievement. As of 2008, it has been available to all New York City classroom teachers. ARIS gives educators one-stop access to critical information about their students—ranging from enrollment history, diagnostic assessment information and credits accumulated toward graduation, to test scores, special education status and family contact information. ARIS combines this information with an online library of instructional resources and with collaboration and social networking tools that allow users to share ideas and successes with other educators in their school and across the city.

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D. School-Level Budgeting Tools Development

It is critical that school districts focus on making budgeting tools and guidance documents user-friendly and transparent to help principals clearly develop budgets and interact with central office budget and accounting systems. In Los Angeles, one of the most difficult challenges has been adapting the centralized budget structures to a per-pupil budgeting system. Los Angeles Unified has developed a Web-based School Budget Planning Tool to help schools align their budgets to their academic goals.¹⁶ It extends the budget planning period by allowing schools to begin prioritizing their investments before they receive next year’s budget allocations. Furthermore, it allows schools to “play” with potential budget scenarios, so that they can plan for potential changes in funding. Prioritizing investments and working through scenarios create authentic and meaningful budget discussion engagement with school staff and other stakeholders.

Newark implemented a weighted student formula in 2011 and is using a streamlined budget technological interface called “MyBudget” to support the weighted student formula program. The Web-based system, which is produced by MyBudgetFile Inc., eliminates the need for spreadsheets, while being extremely versatile and fast to operate. “The new MyBudgetFile.com system is excellent for a large organization such as the Newark Public Schools,” said Newark Public Schools School Business Administrator Valerie Wilson.¹⁷ “Administrators at central and school locations require access to budget information at a moment’s notice and the new system is extremely user friendly. This allows for more autonomy for principals and at the same time is less time-consuming so they can focus more on academics in the schools.”¹⁸ In addition, the system is capable of tracking the district’s finances in real time, thereby allowing the user or users to see exactly how much money is in an account. The system also calculates automatically. MyBudgetFile.com is especially practical when applied to the Weighted Student Formula, which was introduced with this year’s budget and is built into the MyBudgetFile software.

Parents and taxpayers should also have access to detailed and transparent budgets at the school level that show school enrollment and staffing trends. These budgets should specify the funds for student-based budgeting and the funds spent at the school-level but controlled by the central office. In addition, some districts report detailed weighted information about student populations and the resources that follow these student groups. Finally, some districts include school-level performance and student achievement data as part of the budget transparency:

- Hartford Public School District publishes very detailed school-level budgets that report the student populations at each school as well as the funds generated by each group of students. The school-level budgets also include the school’s performance data.
- In the Houston Independent School District (HISD), budget report data is broken down by the student sub-groups at each school and the weights and funding for each group of students is shown. In addition, HISD’s school-level budgets report student achievement data for each school.

E. School Choice-Based Student Assignment

In order for student-based budgeting to improve outcomes for students, families need to be able to choose between schools. This gives less popular schools an incentive to improve to retain and attract families. School choice also shows district officials which schools hold the most value to customers. While the majority of schools will show improvement once principals control school budgets and public schools begin to compete with one another, if some schools cannot improve they may be merged with higher-performing schools or they may close. In either case, students and resources can be redirected toward higher-performing schools. School choice is an accountability mechanism that reveals which schools are serving students effectively, by giving dissatisfied families the right to exit to a higher-performing school.

Several districts, including Saint Paul, New York City, Hartford and Denver, have “all choice” systems where students can enroll in any school on a space-available basis and schools that are oversubscribed use a lottery to allocate places.

In 2012, Denver public schools completed its first round of school choice using an innovative computer program that matches students and schools. The program, called SchoolChoice, uses a unified approach where families list their top five choices and complete one form that covers charters, magnets and neighborhood schools. In the past there were more than 60 possible application processes to choose a school. The first evaluation of the school choice system found positive results, including:¹⁹

- 83 percent of students received one of their top three choices;
- There was a strong correlation between the quality of the school and the demand for a place at that school;
- More families were making choices, allowing students to move to higher-performing schools.

Similarly, the Poudre School District in Colorado implemented an online process for school choice applications. The process provides parents the opportunity to complete and submit their applications from the comfort of their own homes and eliminates the need to take the application to the school and/or schools where they are applying. Other benefits of the online system include providing parents the opportunity to apply for multiple schools with one application. Parents will receive an automatic confirmation number that can be printed and kept on file for reference, and the first consideration lottery process will now be automated.

School choice is an accountability mechanism that reveals which schools are serving students effectively, by giving dissatisfied families the right to exit to a higher-performing school.

F. School-Level Accountability Framework

A district should have explicit performance measures for each school. These performance measures are often described in school-level academic plans and detail a school’s specific goals for academic improvement for various groups of students. In addition, many districts have overarching accountability frameworks that set specific district-wide minimums for performance, and reward or intervene in schools based on each school’s ability to meet district targets. These accountability systems often include performance pay systems and escalating levels of intervention for schools with poor performance.

In order to measure performance, each school should develop school-level profiles on a variety of outcomes, including overall achievement distinguished by sub-group, value-added achievement

gains, achievement gaps, graduation rates, attendance and other school-level outcome measures. This information should be published in easily accessible profiles for every school in the district and made available for parents and taxpayers. These profiles often contain rating systems such as grades or labels that help parents easily identify the status of each individual school.

- In 2008, the Denver Public School District launched a “school performance framework” to measure the progress of actual students against themselves and against peers from the entire state of Colorado. This metric not only ensures that all students move forward, it also measures and compares growth year by year. About 60 percent of the framework is based on students’ growth and the rest of the framework is based on overall proficiency.
- San Francisco also demonstrates the need to focus on the achievement gap within a school district. San Francisco’s new “school quality, equity and access matrix” allows comparisons between schools with similar student populations. It provides a tool to examine negative and positive trends toward closing the achievement gap, and helps to connect those trends with specific instructional strategies and budget decisions.
- In Denver, every public school, except those in their first year of operation, is assigned one of the following accreditation ratings every September using data collected during the previous school year: distinguished, meets expectations, accredited on watch, or accredited on probation. Ratings affect how much support schools receive, corrective action taken, and compensation earned by principals, assistant principals and teachers.
- In New York City, progress reports grade each school with an A, B, C, D, or F to help parents understand how well their school is doing and compare it to other, similar schools. These progress reports are the centerpiece of the City’s effort to arm educators with the information and authority they need to lead their schools and to hold them accountable for student outcomes. The reports also provide parents with detailed information about school performance, both to hold their schools accountable and to inform family decisions.

Part 6

Conclusion and Implications

Given the rapid growth in charter schools, public and private school choice programs and technology-based school choice, antiquated public school-finance programs based on residential assignment and local property taxes are ill-equipped to handle the new choice-based education landscape. Student-based budgeting means the funding follows the student (hence, “portability”). Because dollars are decentralized and follow students rather than programs, portability puts every public school on a level playing field. Per-student funding varies based on a student’s educational needs, and students take their allocation directly to the public school of their choice, giving schools a strong incentive to compete for those dollars through improved performance.

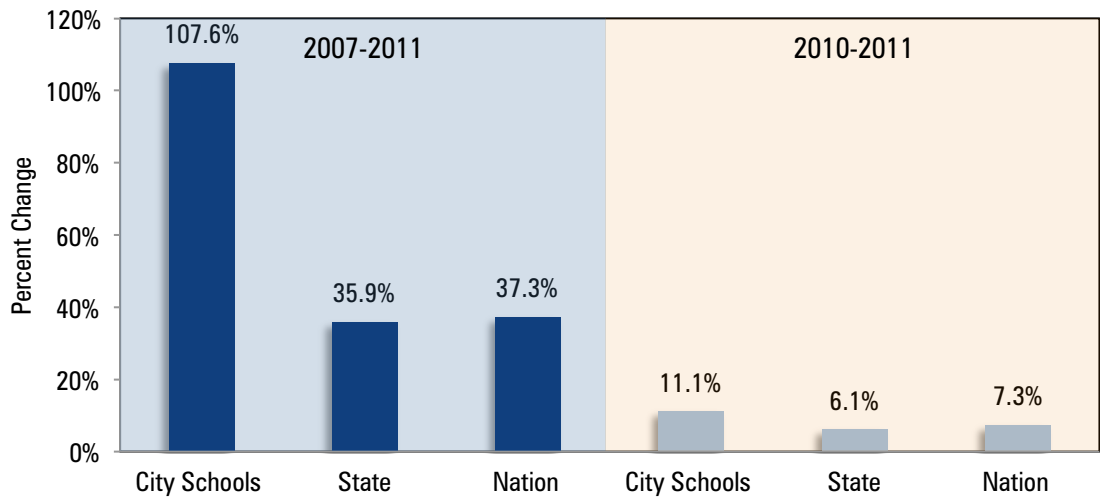
This guide has taken a step-by-step look at the issues involved in moving to a student-based budgeting system. In order to move to a student-centered funding system, districts must weigh and examine school district finance, developing a new school formula, and tackling school empowerment issues of autonomy and school choice.

These issues are complex and difficult, but the Baltimore City School District presents a compelling case for how sorting through these difficult financial issues can transform a school district. In Baltimore, school-funding portability played a significant role in a set of education reforms that allowed the district to improve outcomes for the students and the community.

Since 2009, Baltimore closed failing and under-enrolled schools and moved 11 percent of students (8,600) into higher-quality schools with reading and math scores that were higher than the closed schools *and* the district average.²⁰ Baltimore has made real progress in terms of within-district equity from one school to another. In 2008 only 52 percent of the schools were within 10 percent of the district median dollars per pupil figure. By 2011 80 percent of the district schools were within 10 percent of the median-funded school—the highest percentage among a set of similar comparison districts.²¹

Baltimore has also seen improvement over several different performance outcomes, from graduation rates and test scores to the number of students taking and passing more difficult AP courses. School district enrollment is also up by 3 percent after several years of decline. However, the most compelling outcomes are for high school students. Juvenile shootings in Baltimore city were down by 67 percent, and juvenile arrests were down by 58 percent between 2007 and 2011. Over the same period in Baltimore dropouts were down 56 percent, truancy down 30 percent, and suspensions were down 34 percent. Graduation was up 12 percent.²²

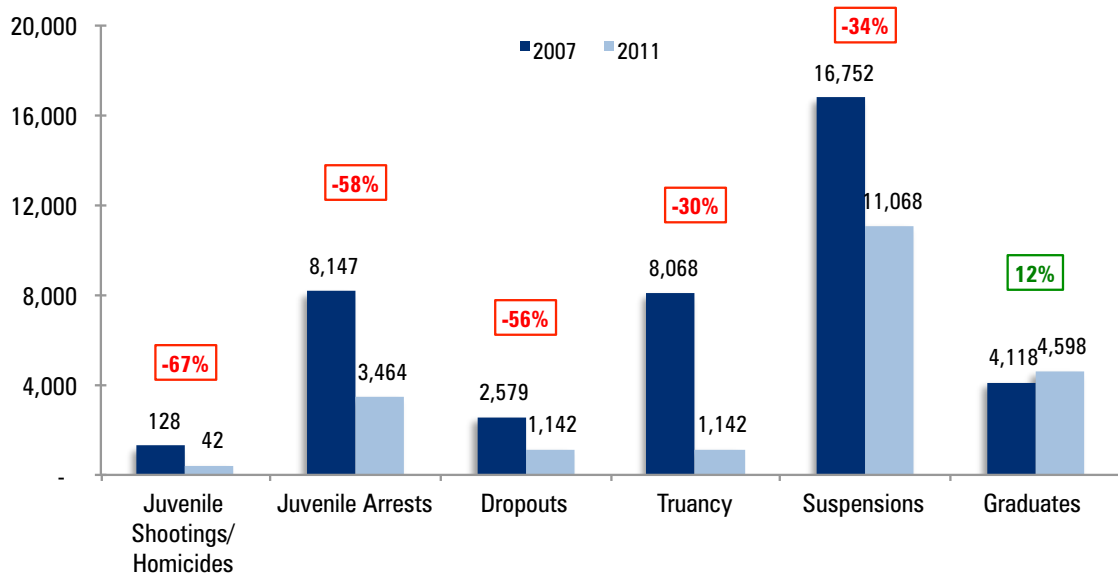
Figure 3: Baltimore City AP Exams Takers Over Time from 2007–2011



Number of Exam Takers	City Schools	State	Nation
2007	829	38,635	1,239,336
2010	1,549	49,504	1,585,679
2011	1,721	52,518	1,701,934

Source: District Integrated Summary 2010–2012, College Board

Figure 4: Baltimore City High School Student Outcomes 2007–2011



Source: Baltimore City Public Schools

While student-based budgeting is not a silver bullet, it is a school funding practice that makes resources more transparent, increases school level equity for students with similar characteristics, and allows the funding to follow the child. When parents and students have portable funding and can choose between schools within a district it provides a financial incentive for those schools to improve education practices to attract and retain families. Accordingly, this guide has presented a set of steps school districts or states can take to move toward a school finance system that is focused on increasing equity, transparency, school choice and ultimately education quality.

Appendix A

Appendix A: Selected Examples of School District Weighted Funding Formulas 2012–2013

Baltimore Public Schools (for 2012–13)		
Weight Title	Monetary Value	Decimal Value (compared to base weight)
Base	\$5,000	1.0000
Self-Contained/Disabilities	\$641	0.1282
Dropout Prevention	\$750	0.1500
Basic	\$994	0.1988
Advanced	\$994	0.1988

Boston Schools (for 2012–2013)			
Weight Category	Weight Title	Monetary Value	Decimal Value
Grade Level			
	K0-K1	\$6,617	1.80
	K2	\$5,881	1.60
	1-2	\$5,146	1.40
	3-5	\$4,779	1.30
	6-8	\$5,146	1.40
	9-12	\$4,779	1.30
High Risk Students—9 th Grade		\$735	0.20
Poverty			
	Free and Reduced Lunch Students	\$368	0.10
	# Above the District Average	\$368	0.10
English Language Learners			
	K0-5 SIFE/NLL Students	\$1,838	0.50
	K0-5 ELL Levels 1-3 Students	\$331	0.09
	K0-5 Levels 4-5 Students	\$74	0.02
	6-8 SIFE/NLL Students	\$3,088	0.84
	6-8 ELL Levels 1-3 students	\$1,213	0.33
	6-8 ELL Levels 4-5 Students	\$74	0.02
	9-12 SIFE/NLL Students	\$3,455	0.94
	9-12 ELL Levels 1-3 Students	\$1,581	0.43
	9-12 ELL Levels 4-5 Students	\$74	0.02
Students with Disabilities			
	Low Severity (partial inclusion)	\$3,676	1.00
	Moderate Severity (partial inclusion)	\$5,146	1.40
	Multiple Disabilities	\$15,806	4.30
	Specific Learning Disability	\$5,881	1.60
	Emotional Impairment	\$15,806	4.30
	Intellectual Impairment	\$5,881	1.60
	Developmental Delay	\$22,055	6.00
	Early Ch. 3-4	\$11,763	3.20

Boston Schools (for 2012–2013)			
Weight Category	Weight Title	Monetary Value	Decimal Value
	Early Ch. 5-6	\$11,028	3.00
	Sensory Impairment: Hearing	\$16,909	4.60
	Sensory Impairment: Vision	\$11,028	3.00
	Autism	\$15,806	4.30
	Physical Impairment	\$15,806	4.30
	Full Inclusion—High Complexity	\$15,806	4.30
Vocational Students			
	Vocational Students	\$3,676	1.00

Denver Public Schools (for 2012–13)			
Weight Category	Weight Title	Monetary Value	Decimal Value
SBB Base Allocation	For K-12; K=0.5	\$3,872	1.00
Supplemental Funding for Schools w/ Center Programs		ES/K-8=\$12 MS/6-12=\$13 HS=\$11	<0.01
Free and Reduced Lunch	Elementary/K-8	\$461	0.119
	Secondary	\$496	0.128
Performance Allocation			
	Maintenance (K-12; K=0.5)	\$65	0.016
	Growth schools receive Maintenance OR Growth	Per Pupil Rate K-12 (K=0.5)	SPF Growth Category
		\$100	Growth to Orange
		\$105	Growth to Yellow
		\$110	Growth to Green
		\$115	Growth to Blue
Gifted & Talented			
	.25 Equivalent FTE (excluding High Schools)	\$16,327 *for each school; not per pupil	4.216
	Additional GT Funding (K-8)	\$120 per pupil	0.03
ELL Funding			
	ELL at CELA 1, 2, &3 Levels K-12 (K=0.5)	\$400	0.103
	*DPS also allocates annual ELL paraprofessional hours per expected student enrollment		
Student Literacy	K-12; K=0.5	\$69	0.017
Technology	ECE-12	\$22	<0.01
Elementary Arts	K-8; K=0.5	\$7	<0.01
Textbooks	K-12	\$10	<0.01
Library Resources	ECE-12	\$6	<0.01
	*note: this allocation is centrally managed by Library Services		
ECE Supply	Half Day ECE	\$48.25	0.012
	Full Day ECE	\$96.50	0.024
Kindergarten Supply		\$48.25	0.012
State/Federal Funding			
	Title I Free or Reduced Lunch	\$400 *if 66-89.9% of students qualify	0.103
		\$450 *if 90-100% of students qualify	0.116
	Title I Parental Involvement (K-12)	\$7.96	<0.01
	Title II Professional Development (K-12; K=0.5)	\$38	<0.01
Guest Teacher	ECE-12	\$52	0.013

Hartford Public Schools (for 2012-13)			
Weight Category	Weight Title	Monetary Value	Decimal Value
Grade Weights			
	Pre-K	\$6,000	0.96
	Kindergarten	\$6,395	1.00
	1-3	\$7,675	1.20
	4-6	\$7,035	1.10
	7-8	\$7,035	1.10
	9-12	\$8,314	1.30
Need Weights: Academic Intervention			
	DRA (K-3 Below Proficient)	\$1,279	0.20
	CMT/DRP/CAPT (5-11 Below Proficient)	\$1,024	0.16
	Gifted/Talented	\$640	0.10
Need Weights: English Language Learners			
	ELL 0-20 Months	\$2,751	0.43
	ELL 20-30 Months	\$1,408	0.22
	ELL 30+ Months	\$704	0.11
Need Weights: Special Education			
	Level 1	\$4,541	0.71
	Level 2	\$7,355	1.15
	Level 3	\$13,559	2.12
	Level 4	\$23,025	3.60

State of Hawaii (for 2012–2013)			
Weight Category	Weight Title	Monetary Value	Decimal Value
Base Allocation (all grades)		\$3,452.00	1.00
Student Characteristics			
	Grade Level Adjustment: Middle	\$150.00	0.0435
	K-2 Class Size	\$517.80	0.1500
	ELL: Fully English Proficient	\$188.55	0.0546
	ELL: Limited English Proficiency	\$565.64	0.1639
	ELL: Non-English Proficient	\$1,131.27	0.3277
	Economically Disadvantaged	\$345.20	0.1000
	Gifted & Talented	\$914.78	0.2650
	Transiency	\$172.60	0.0500
School Characteristics			
	Neighbor Island[?]	\$13.81	0.0040

Houston Independent School District (for 2012–2013)			
Weight Category	Weight Title	Monetary Value	Decimal Value
	Free/Reduced Lunch (Count)		0.0075
	At-Risk (Count)		0.0075
	Special Education (Count)		0.1500
	Gifted and Talented (Count)		0.1200
	Career and Technology (FTE's)		0.3500
	ELL (Count)		0.1000
	Homeless (Count)		0.0500
	Refugee (Count)		0.0500

Newark Public Schools (for 2012-2013)			
Weight Category	Weight Title	Monetary Value	Decimal Value
Base		\$7,100	1.00
General Education			
	Kindergarten	\$450	0.0633
	Gr. 1-5	\$600	0.0845
	Gr. 6-8	\$700	0.0985
	Gr. 9-12	\$1,400	0.1971
Special Education			
	Cognitive Mild	\$7,275	1.0246
	Cognitive Moderate	\$7,300	1.0281
	Learning Disability	\$7,600	1.0704
	Auditory Impaired	\$8,400	1.1830
	Behavioral Disability	\$8,000	1.1267
	Multiple Disability	\$7,800	1.0985
	Autism	\$7,900	1.1126
	Resource Room	\$7,100	1.00
Additional Funding			
	LEP	\$800	0.1126
	At Risk	\$640	0.0901

Poudre School District, Colorado (for 2012-2013)			
Weight Category	Weight Title	Monetary Value	Decimal Value
Base Funding		\$3,432.65	1.00
Gifted & Talented		\$343.27	0.10
At-Risk (free lunch)		\$686.53	0.20
English Language Learners		\$686.53	0.20
Both (ELL and At-Risk)		\$2,763.28	0.8050
Primary Level (K-3)		\$480.57	0.14
Geographic (or Mountain Schools)		\$2,763.28	0.8050

Prince George's County Public Schools (for 2012-2013)			
Weight Category	Weight Title	Monetary Value	Decimal Value
Base		\$3,110	1.00
Grade Level			
	K-1	\$168	0.0540
	6 (ES)	\$336	0.1080
	6-8 (K8, MS)	\$839	0.2697
	9	\$336	0.1080
Poverty			
	Free and Reduced Meals	\$95	0.0305
Low Academic Performance			
	All grades	\$134	0.0430
High Academic Performance			
	All grades	\$92	0.0295
ELL—Beginner			
	K-1	\$1,679	0.5398
	2-9	\$1,868	0.6006
	10-12	\$1,679	0.5398
ELL—Intermediate			
	All grades	\$1,595	0.5128
ELL—Advanced			
	All grades	\$1,259	0.4048

San Francisco Unified School District (for 2012–2013)			
Weight Category	Weight Title	Monetary Value	Decimal Value
Base			
	Kindergarten	\$3,599	1.2640
	Primary (1-3)	\$3,599	1.2640
	Intermediate (4-5)	\$2,848	1.00
	Middle School (6-8)	\$3,247	1.1402
	High School (9-12)	\$3,389	1.19
ELL			
	Long-Term Non-Redesignated (Middle and High School)	\$240	0.0843
	Beginning/Intermediate: (Kindergarten-Intermediate)	\$200	0.0702
	Beginning/Intermediate (Middle School)	\$240	0.0843
	Beginning/Intermediate (High School)	\$530	0.1861
	Advanced/Transitional (all grades)	\$155	0.0544
Socio-Economic Status (all grades)		\$256	0.0900
Special Education (Materials and Prof. Dev.)			
	Resource Specialist Program (all grades)	\$28	0.0097
	Special Day Class Non-Severe (Kindergarten-Intermediate)	\$51	0.0179
	Special Day Class Non-Severe (Middle and High School)	\$54	0.0189
	Special Day Class Severe (Kindergarten-Intermediate)	\$90	0.0315
	Special Day Class Severe (Middle and High School)	\$93	0.0328

About the Author

Lisa Snell is the director of education and child welfare at Reason Foundation, a nonprofit think tank advancing free minds and free markets.

Snell has frequently testified before the California State Legislature and numerous other state legislatures and government agencies. She has authored policy studies on school finance and weighted student funding, universal preschool, school violence, charter schools, and child advocacy centers.

Snell is a frequent contributor to *Reason* magazine, *School Reform News* and *Privatization Watch*. Her writing has also appeared in *Education Week*, *Edutopia*, *The Wall Street Journal*, *USA Today*, *San Francisco Chronicle*, *Orange County Register*, *Los Angeles Times*, and numerous other publications.

Ms. Snell is also an advisory board member to the National Quality Improvement Center for the Children's Bureau; is on the charter school accreditation team for the American Academy for Liberal Education; and serves as a board member for the California Virtual Academy.

Before joining Reason Foundation, Snell taught public speaking and argumentation courses at California State University, Fullerton. She earned a Master of Arts in communication from California State University, Fullerton.

Endnotes

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- ¹ These principles are described in *Fund the Child: Tackling Inequity & Antiquity in School Finance*, Thomas B. Fordham Institute, June 2006, <http://www.edexcellence.net/fundthechild/Manifesto%20Report.pdf>
 - ² Maureen Hayden, “Funding Mantra: Money Follows the Child,” *Tribune-Star*, May 1, 2011.
 - ³ Ibid.
 - ⁴ These principles are described in *Fund the Child: Tackling Inequity & Antiquity in School Finance*, Thomas B. Fordham Institute, June 2006, <http://www.edexcellence.net/fundthechild/Manifesto%20Report.pdf>
 - ⁵ Lisa Snell, *Weighted Student Formula Yearbook 2009* (Los Angeles: Reason Foundation, April 30 2009). <http://reason.org/news/show/weighted-student-formula-yearb>
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 - ⁸ Jay G. Chambers et al., “Assessing the Distribution of Fiscal and Personnel Resources Across Schools,” A Report Prepared for Los Angeles Unified School District, American Institutes for Research, May 2010, <http://www.schoolfundingforresults.org/reports/LAUSDResourceAllocation2010.pdf>
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 - ¹⁰ Ibid.
 - ¹¹ “Strategic Roadmap Update: Budgeting for Student Achievement,” Los Angeles Unified School District, October 26, 2010, http://notebook.lausd.net/pls/ptl/docs/PAGE/CA_LAUSD/LAUSDNET/OFFICES/CFO_HOME/102610%20BUDGETING%20FOR%20STUDENT%20ACHIEVEMENT.PDF
 - ¹² Ibid.
 - ¹³ Jeremy P. Meyer, “’07 School Closings Boost Student Achievement, DPS Analysis,” *Denver Post*, September 24, 2009. http://www.denverpost.com/frontpage/ci_13406689

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- ¹⁴ In 2011, I conducted a series of interviews with Los Angeles Unified Principals participating in the Budgeting for Student Achievement pilot, and these interviews became a series of best practices for the school district.
- ¹⁵ Best Practices: Academic Leadership Community and Principal Rosemarie Martinez, <http://bsa.lausd.net/sites/bsa.lausd.net/files/Academic%20Leadership%20Community.pdf>
- ¹⁶ Los Angeles Unified School District, “School Budget Planning Tool,” Frequently Asked Questions, April 13, 2012, <http://bsa.lausd.net/sites/bsa.lausd.net/files/BPT%20FAQ%20041312.pdf>
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- ¹⁹ Mary Klute, *Evaluation of Denver’s SchoolChoice Process for the 2011-12 School Year* (Denver: Buechner Institute for Governance, University of Colorado, June 2012). http://www.aplusdenver.org/_docs/SchoolChoiceTransparencyCommitteeReportFinal6.12.12.pdf
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