Strategic School Funding for Results (SSFR):
First Year Findings and Lessons from Implementing a Per-Pupil Funding System in Two California Districts

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Penn GSE IES talk

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Outline

- **Background**

- **Introduction to the SSFR project**

- **Qualitative analysis- surveys and interviews**

- **Quantitative analysis- resource allocation**

- **Policy implications**

My background

- **School choice, educational transitions, postsecondary access and success, social experiments, mixed methods research**

- **Penn, Education Policy and Sociology PhD, 2010**

- **American Institutes for Research, Research Analyst**

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Background

- **School funding research has found that money matters.**

- **Prior research has also found that autonomy and flexibility over resources matters.**

(Some) big questions in school finance

- **Should schools receive more money to educate disadvantaged students (low-income, English learners, special education)?**

- **Should schools with higher concentrations of disadvantaged students receive more money?**

- **How do you modify teacher hiring, evaluation, and compensation systems?**

- **How much autonomy and flexibility should principals have over the dollars in their school budget?**

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SSFR Mission

Transparency

➡

- *Simplify processes for allocating dollars to schools*
- *Increase stakeholder participation in formula and budget development*

Autonomy, Innovation, and Accountability

➡

- *Increase school autonomy linked to accountability*
- *Align the school and district's planning and budgeting processes*
- *Create a market for traditionally centralized services*

Equity

➡

- *Allocate dollars based on student needs*
- *Facilitate equitable distribution of effective teachers and principals*

Key changes SSFR enables in its partner districts

- **Three main resource allocation issues SSFR addresses:**

  - Increased resource equity (including comparability of state and local resources)*

  - Allocating dollars instead of positions and programs

  - Allocating dollars per pupil (including weights for student needs)

- **Two main school-level outcomes:**

  - Principal autonomy (and accountability)

  - Improved student outcomes

Who's involved?

Two Partners

Two Districts

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TwinRivers UNIFIED SCHOOL DISTRICT

This project is funded by the Institute of Education Sciences (IES), the William and Flora Hewlett Foundation, and the Ford Foundation.

AIR's role

- **Conduct annual, formative evaluations**
  - To examine attitudes and perspectives (surveys and interviews)
  - To examine patterns of resource allocation (quantitative analysis)

- **Assist PLP with developing a tool that incorporates site planning, budgeting, and resource allocation**
  - Contribute expertise on state fiscal data systems

- **Conduct a summative evaluation in Y4 (2013-14)**
  - To examine changes in resource allocation and student outcomes pre- and post- district-wide implementation

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QUALITATIVE ANALYSIS

Qualitative analysis

- **Annual Surveys (2010-11 to 2013-14)**
  - Principals
  - Teachers
  - School Site Councils

- **Questions examine key SSFR components:**
  - Transparency (and understanding)
  - Equity
  - Autonomy (and flexibility)
  - Innovation
  - Accountability
  - Support

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Qualitative analysis (continued)

- **Annual interviews with district staff (2010-11 to 2013-14)**

- **Questions include:**
    - Major successes
    - Challenges
    - Lessons learned
    - Next steps

Survey overview

- **LAUSD survey approach**
  - AIR added items to existing district <u>principal and teacher surveys</u>
    - (+) minimize respondent burden and maximize potential sample size
    - (-) limited number of items, one item format
  - AIR sampled SSCs and conducted independent <u>SSC survey</u>
    - (+) more items to measure attitudes and understanding of key SSFR components
    - (-) ended up with a low response rate

Survey overview (continued)

- **TRUSD survey approach**
  - AIR conducted independent <u>principal survey</u> for all principals
  - AIR added items to existing district <u>teacher survey</u>
    - (+) minimize respondent burden, included all key SSFR-related questions
    - (-) no school ID, no pilot status item, allowable response format made some items imprecise
  - AIR conducted independent survey for all <u>SSCs</u>

LAUSD principal response rate

- **Response rate**
  - 449 principals participated overall
  - 53% overall response rate (449/853)
  - On the five SSFR-related questions:
   - 26 pilot principals (out of ~75)
    - ~ 410 non-pilot principals

Key questions asked of principals

- ***To what extent do you agree with the following statements?***

  - I understand how resources (staff, funds, etc.) are allocated to my school. (TRANSPARENCY)*

  - I believe funds are equitably allocated to schools within our district. (EQUITY)*

  - I have discretion over how the dollars in my school budget are spent. (AUTONOMY)*

  - I have sufficient autonomy to implement an instructional program that meets the needs of the students in my school. (AUTONOMY)*

  - I feel that the evaluation of my performance is related to my students' achievement. (ACCOUNTABILITY)

  - I feel that I receive adequate support from the central office to develop my school's budget. (SUPPORT)*

TRANSPARENCY: Principals generally reported understanding how resources are allocated to their school, but pilot principals expressed less agreement.

I understand how resources (human, fiscal, etc.) are allocated to my school.
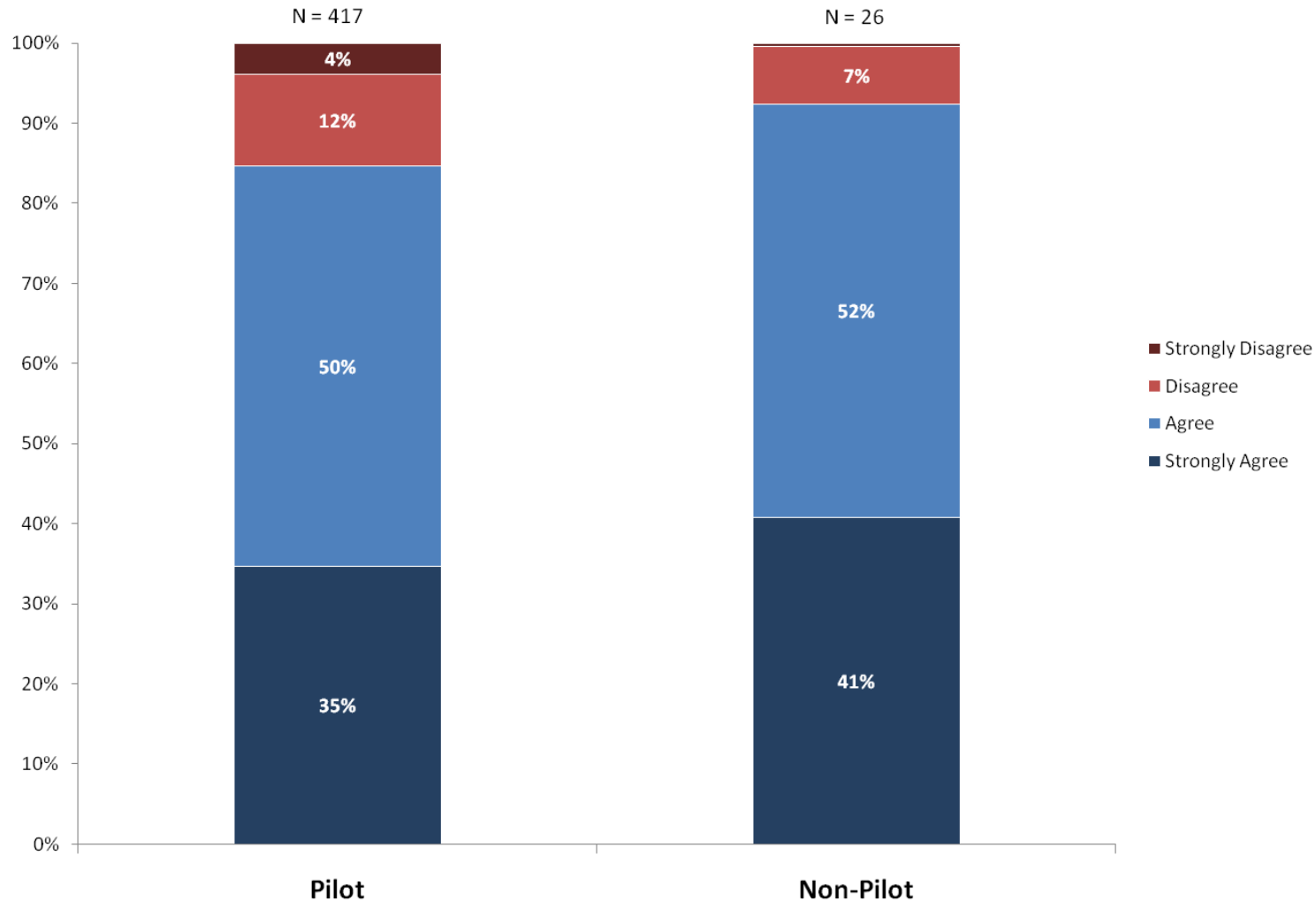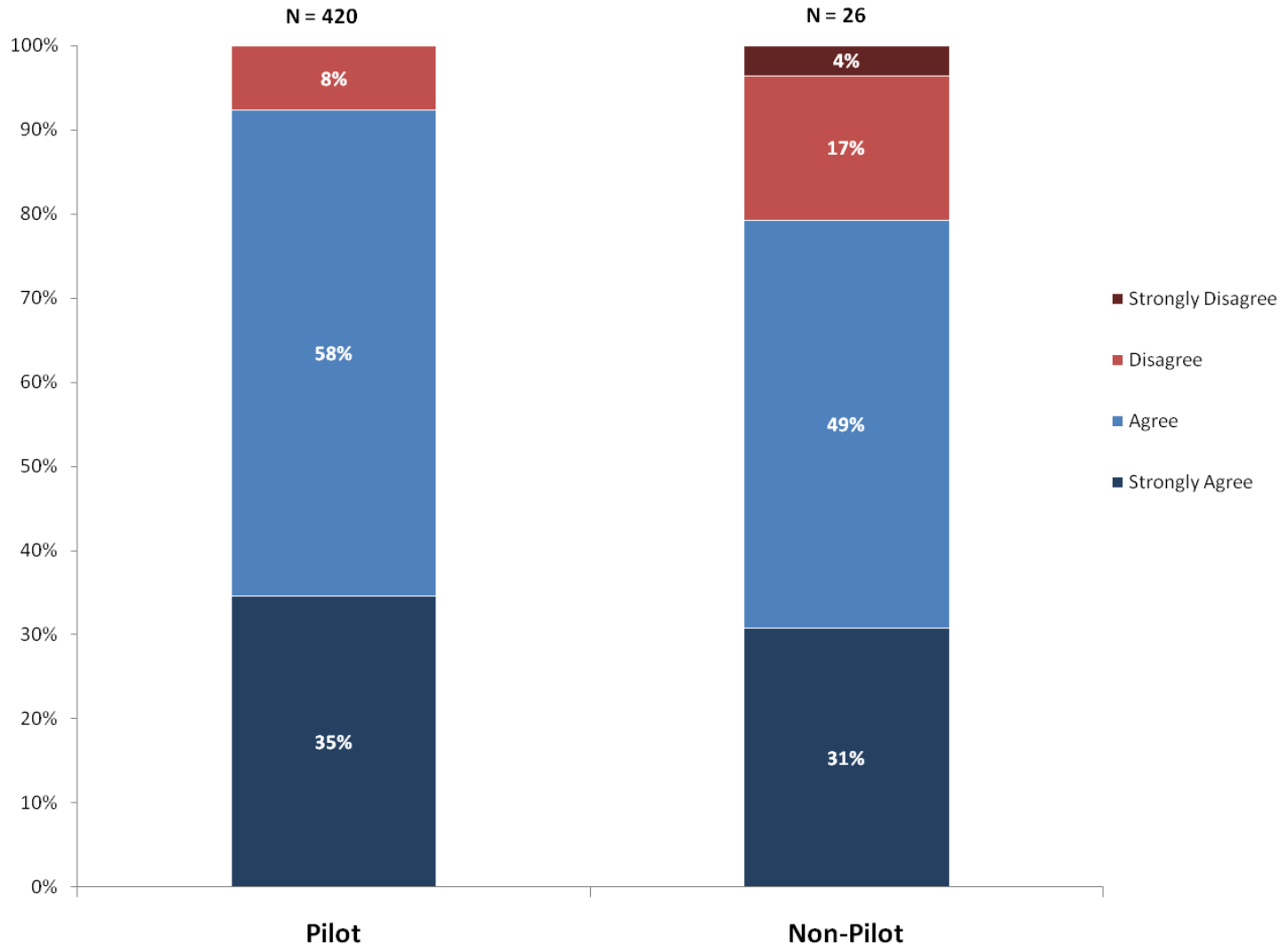
EQUITY: Fewer than half of principals felt that funds are allocated to schools equitably.

Funds are equitably allocated to schools within LAUSD.
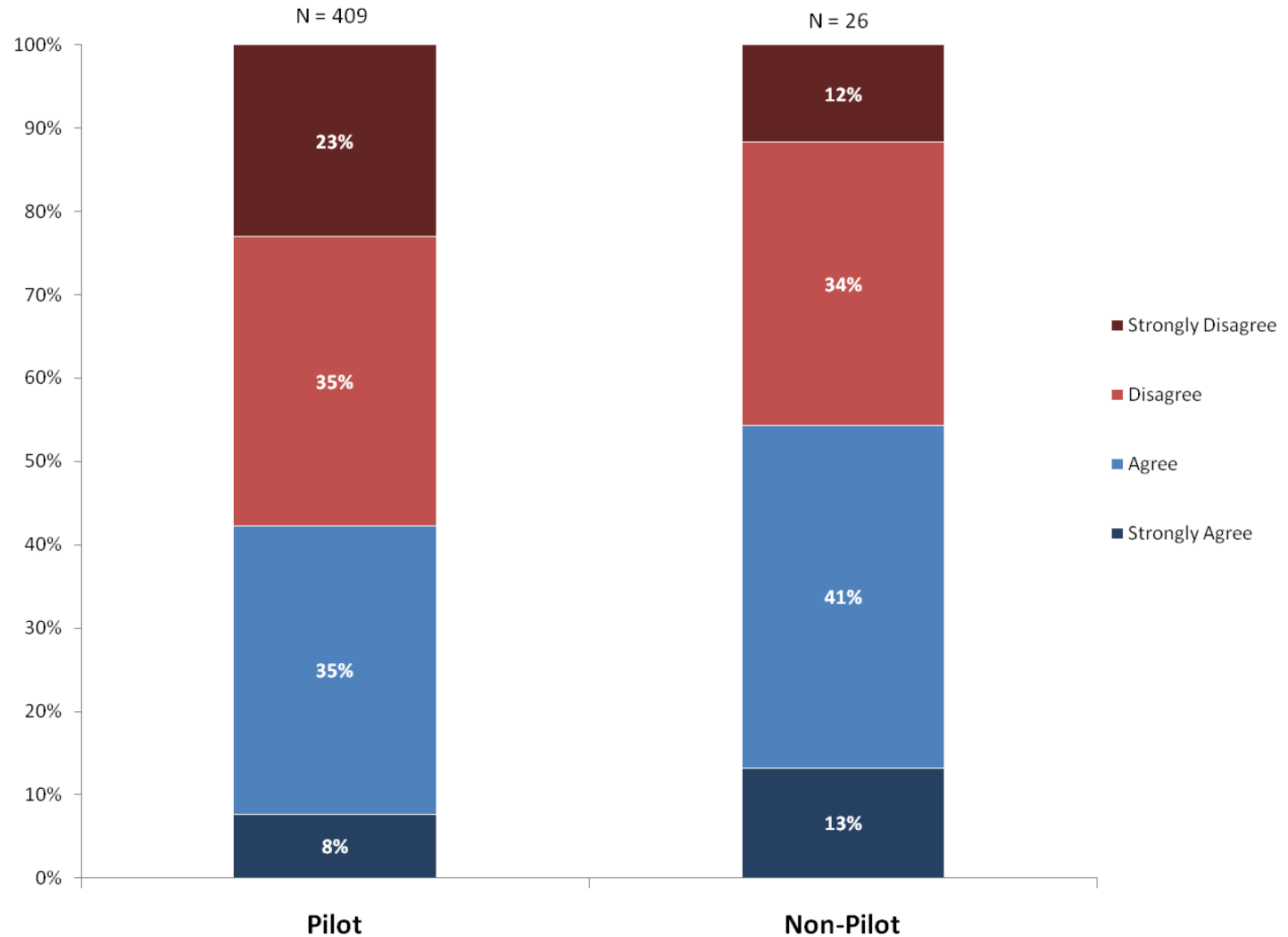
AUTONOMY: Pilot principals expressed greater agreement that they have discretion over the dollars in their school budget.

AUTONOMY: Pilot principals expressed greater agreement that they have autonomy to implement an instructional program to meet their students' needs.

I have sufficient autonomy to implement an instructional program that meets the needs of the students in my school.
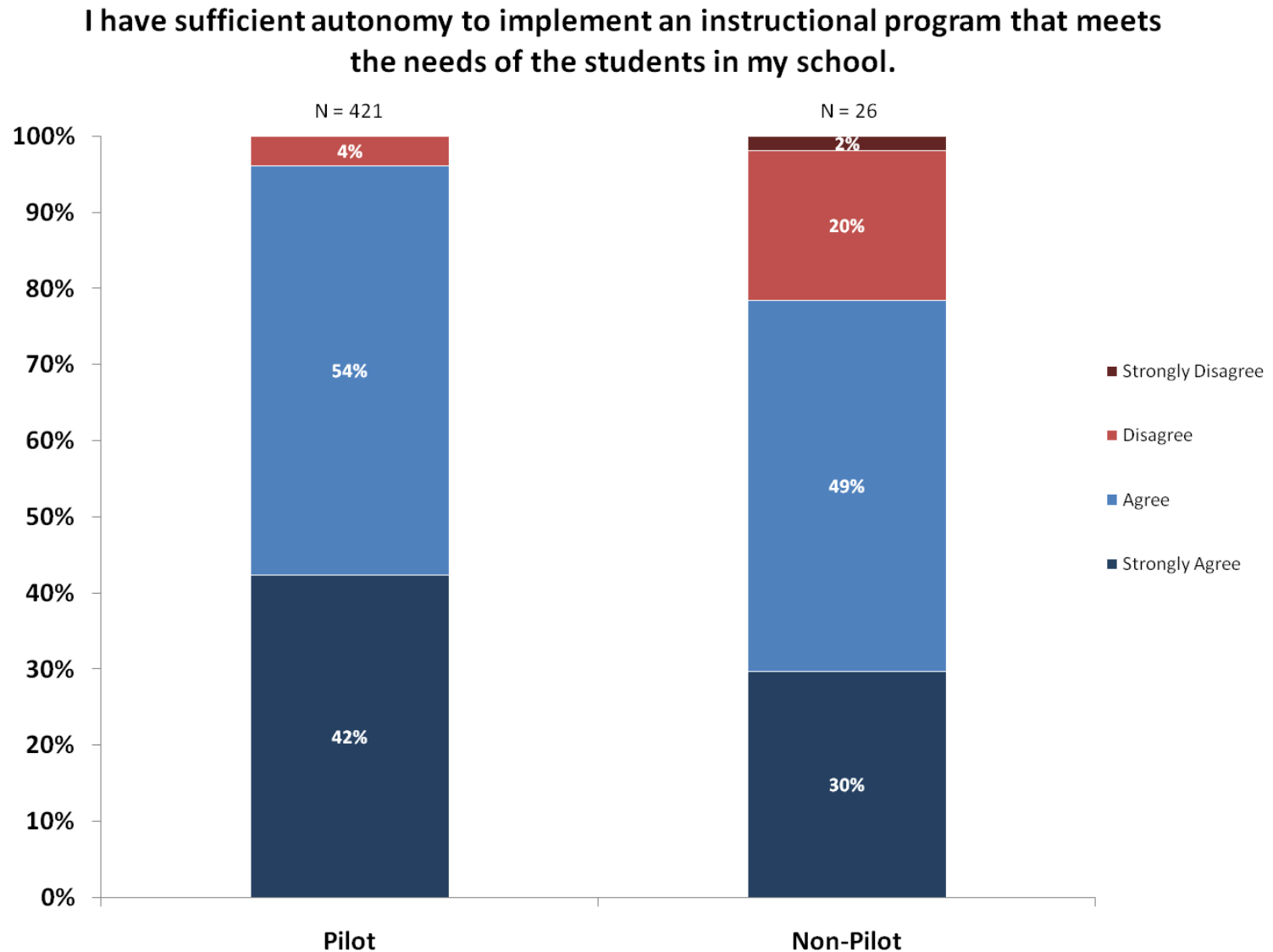
SUPPORT: Pilot principals expressed greater agreement that central office support for developing the school budget is adequate.

I receive adequate support from the central district to develop my school's budget.
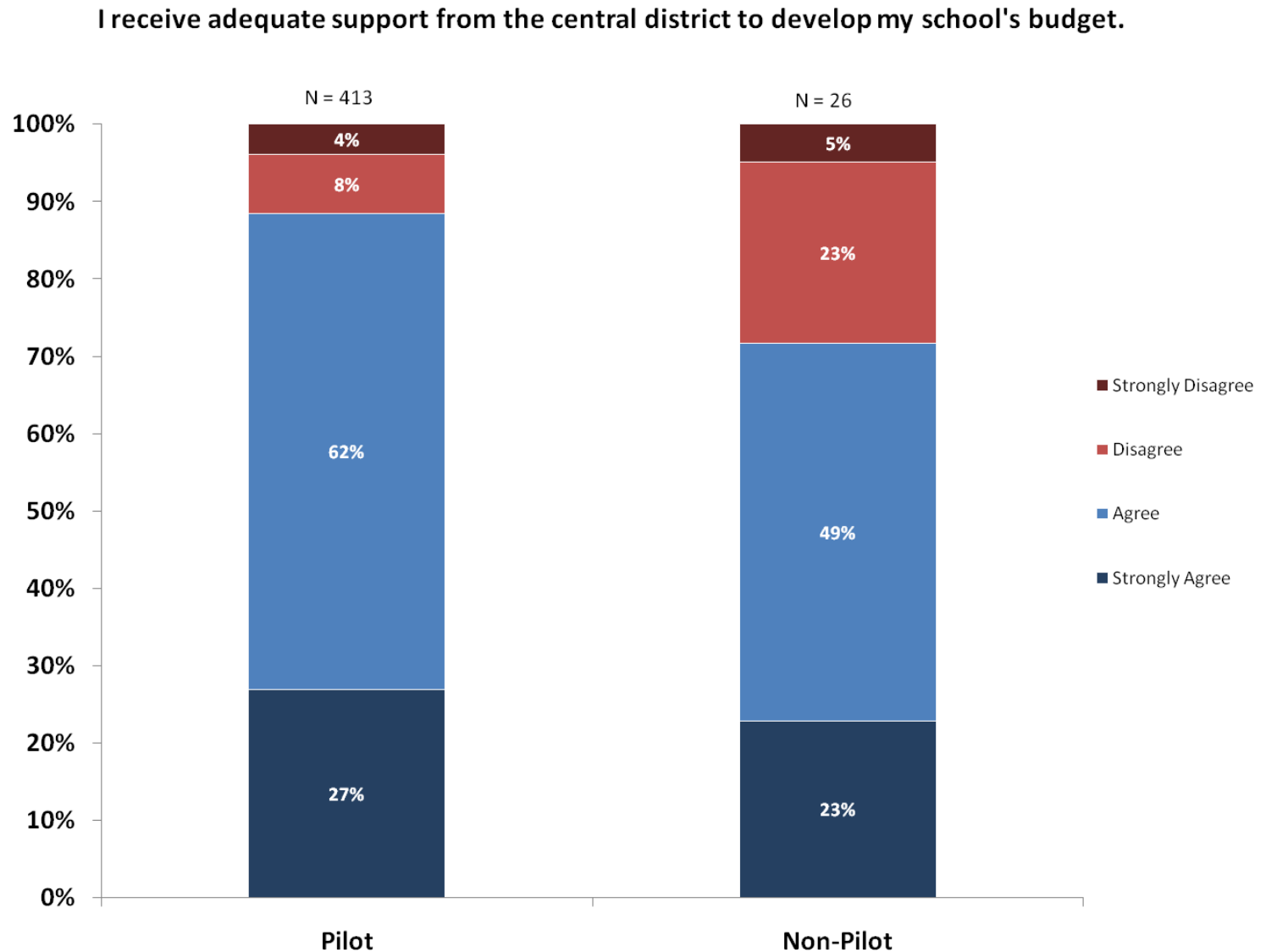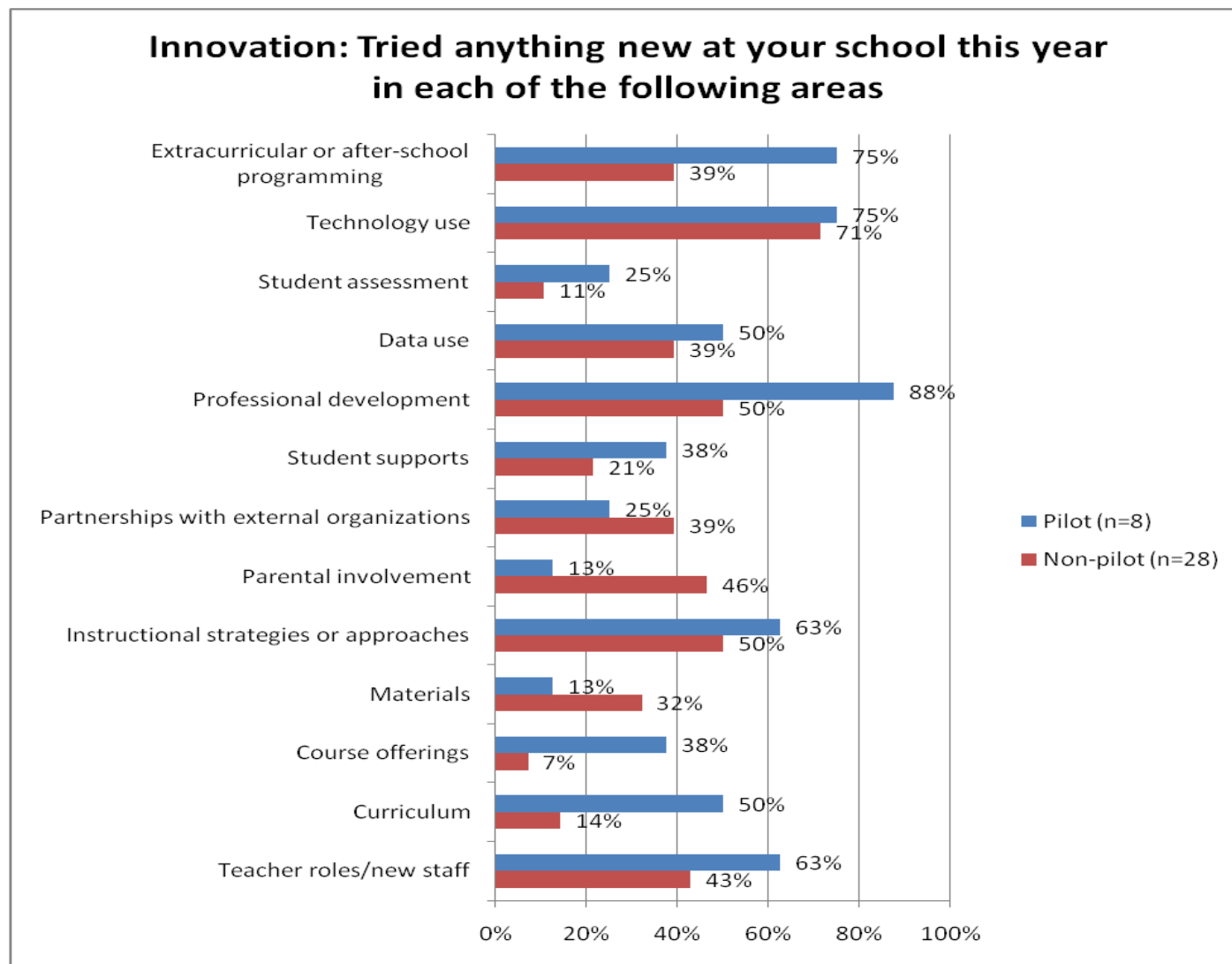
Additional survey findings

- **The pattern demonstrated on the LAUSD principal survey is similar for the TRUSD principal survey.**

  - Pilot principals report more autonomy and support (but also more understanding).

  - Principals did not feel that funds are equitably distributed to schools.

- **TRUSD pilot principals reported "trying new things" in a variety of areas.**

In TRUSD, pilot principals were more likely to report trying new things in a variety of areas.

Innovation: Tried anything new at your school this year in each of the following areas

Area	Pilot (n=8)	Non-pilot (n=28)
Extracurricular or after-school programming	75%	39%
Technology use	75%	71%
Student assessment	25%	11%
Data use	50%	39%
Professional development	88%	50%
Student supports	38%	21%
Partnerships with external organizations	25%	39%
Parental involvement	13%	46%
Instructional strategies or approaches	63%	50%
Materials	13%	32%
Course offerings	38%	7%
Curriculum	50%	14%
Teacher roles/new staff	63%	43%

Additional survey findings (cont.)

- **Across the two districts, teachers expressed less agreement than principals about understanding resource allocation, equity, autonomy, and support.**

- **School Site Councils were generally positive, but non-pilots reported not receiving training on budgeting and resource allocation.**

Interview overview

- **Interviews were conducted in summer 2011 with cabinet-level district staff in charge of SSFR implementation.**

    – Superintendent's office, Budget Office, Title I office, communications team/community liaison, SSFR project director

- **Key questions:**

    – Successes

    – Challenges

    – Lessons learned

    – Next steps

Interview findings: 2010-11 successes

- **Both districts provided pilot principals with categorical flexibility, "pushing out" dollars to schools instead of allocating positions or specific programs.**

- **In trainings, pilot principals saw and discussed each other's budgets and the district-wide implications.**

- **Both districts are currently working to align the planning and budgeting process.**

Interview findings: 2010-11 challenges

- **Lack of superintendent focus, lack of district buy-in**

- **Need staff and the "right staff"**

- **Lack of clear and consistent communication and messaging– internal and external**

- **Need more training and support**
    - Need to build capacity

- **Bad timing**
    - Budget crisis
    - New district (TRUSD)

QUANTITATIVE ANALYSIS

What is comparability?

- **The Comparability Provision:** For Title I to fulfill its purpose, it needs to be added on top of a "comparable" base of state and local resources.

- **The Purpose:** Demonstrate that state and local funding for Title I schools have been supplemented, not *supplanted,* by the federal Title I funds.

- **Districts have flexibility in how they demonstrate comparability, including the metric they use and which schools are grouped together.**

Comparability overview

- **You can use a district-wide calculation or demonstrate comparability by grade span and/or enrollment.**

  – An LEA must reflect the actual grade span configurations of the schools in the LEA.

- **You can choose the metric** (student/instructional staff ratios, student/instructional staff salary ratios, per pupil expenditures, or a resource allocation plan based on student characteristics such as poverty, etc.)

  – Title I schools must be within 10% +/- of the average of non-Title I schools (90 to 110% band).

Comparability overview (continued)

- **Inclusions/exemptions from comparability calculations:**
  - Schools with fewer than 100 students are exempted from the calculations.
  - When an LEA skips a school eligible for Title I funds in order to fund a lower ranked school, the LEA must include the skipped school as a Title I school when making comparability determinations.
  - Schools such as locally-funded charter schools, alternative schools, and special education schools must be included in the calculations of their respective grade spans.

Comparability in LAUSD

- **LAUSD uses student/instructional staff ratios.**

- **LAUSD analyzes comparability for each grade span (K-1, K-7, K-11, etc.)**

- **Sometimes, LAUSD also uses enrollment grouping (small, large).**

Comparability research questions

- **RQ1: On average, how are per-pupil expenditures funded?***

- **RQ2: On average, how are State and Local, Title I, and Other Federal dollars being used?***

- **RQ3: How much do district per-pupil expenditures vary across schools with varying % poverty?**

  – RQ3a: How much do district per-pupil expenditures vary across "traditional schools" with varying % poverty?*

- **RQ4: How much do district instructional per-pupil expenditures vary across "traditional schools" with varying % poverty?***

- **All analyses were conducted by schooling level (elementary, middle, high).**

* These analyses are conducted only for "traditional schools."

School Exclusion Criteria

1. **Schools that were served by state or local program that meets the requirement of Title I, Part A (65 schools were excluded)**

2. **Schools that had an enrollment of less than 100 students**

3. **Non-traditional schools:** charter, special education, alternative, community, continuation, and opportunity schools

What we did: Average per-pupil expenditures by revenue source and object category

- **RQ1: Calculated average per-pupil expenditures by revenue source:**
  - State/Local
  - Title I
  - Other Federal

Per-Pupil Expenditures by Revenue Source Across Schooling Levels
2009-10, Los Angeles Unified
(Overall Expenditures in Bold)
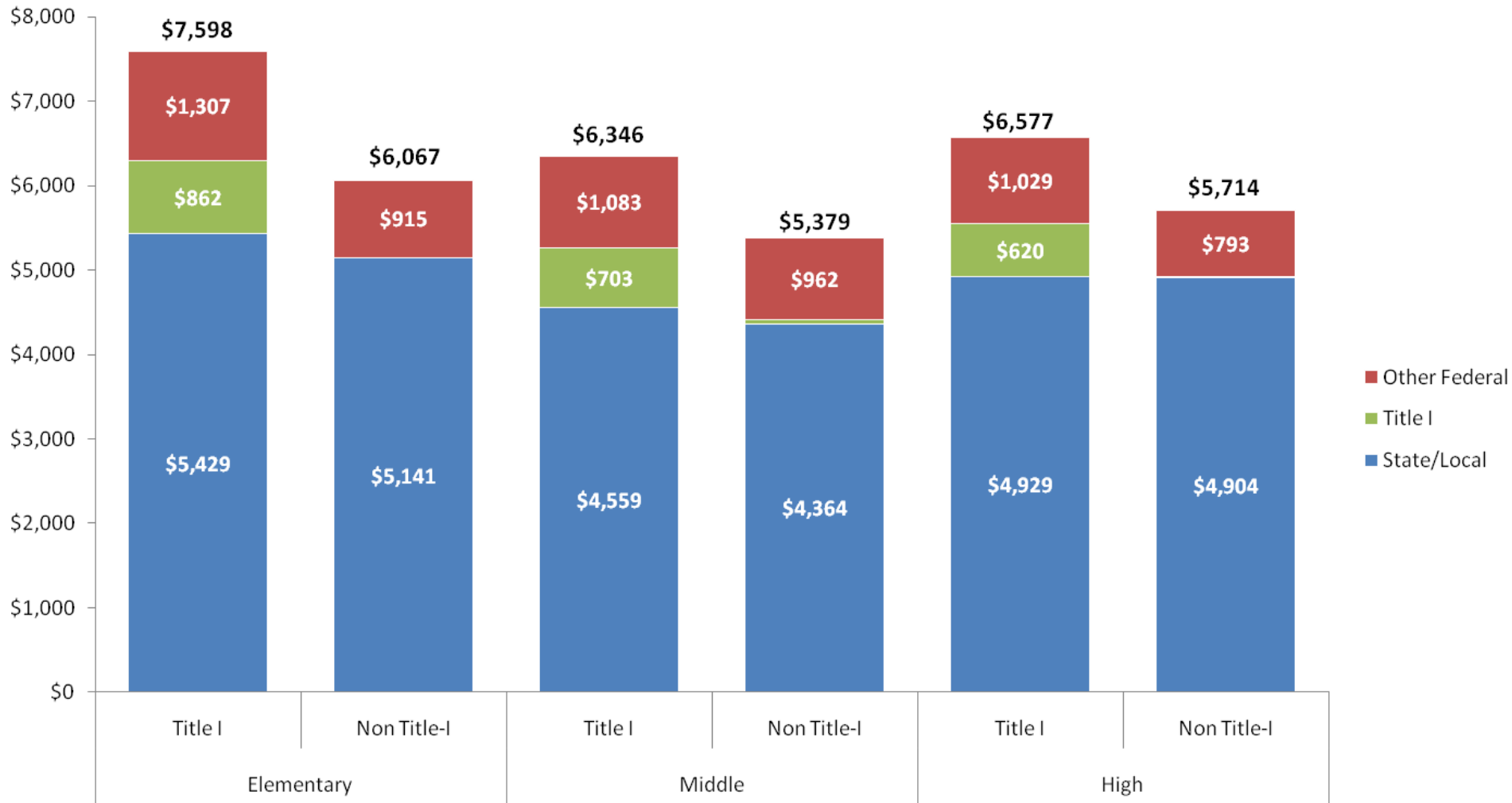
Notes: 1) Schools with less than 100 enrolled students, alternative schools, charter schools, continuation schools, opportunity , special education schools are excluded from this analysis.
2) Per-pupil expenditures totaling less than $100 are not displayed.
3) Per-pupil expenditures represent expenditures on an average student in either a Title I or Non-Title I School at each schooling level.

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What we found: Average per-pupil expenditures by revenue source

- RQ1: On average, how are per-pupil expenditures funded?*

- **FINDINGS:**

  - On average, Title I schools have higher per pupil expenditures.

    - The state and local base is higher in Title I schools.

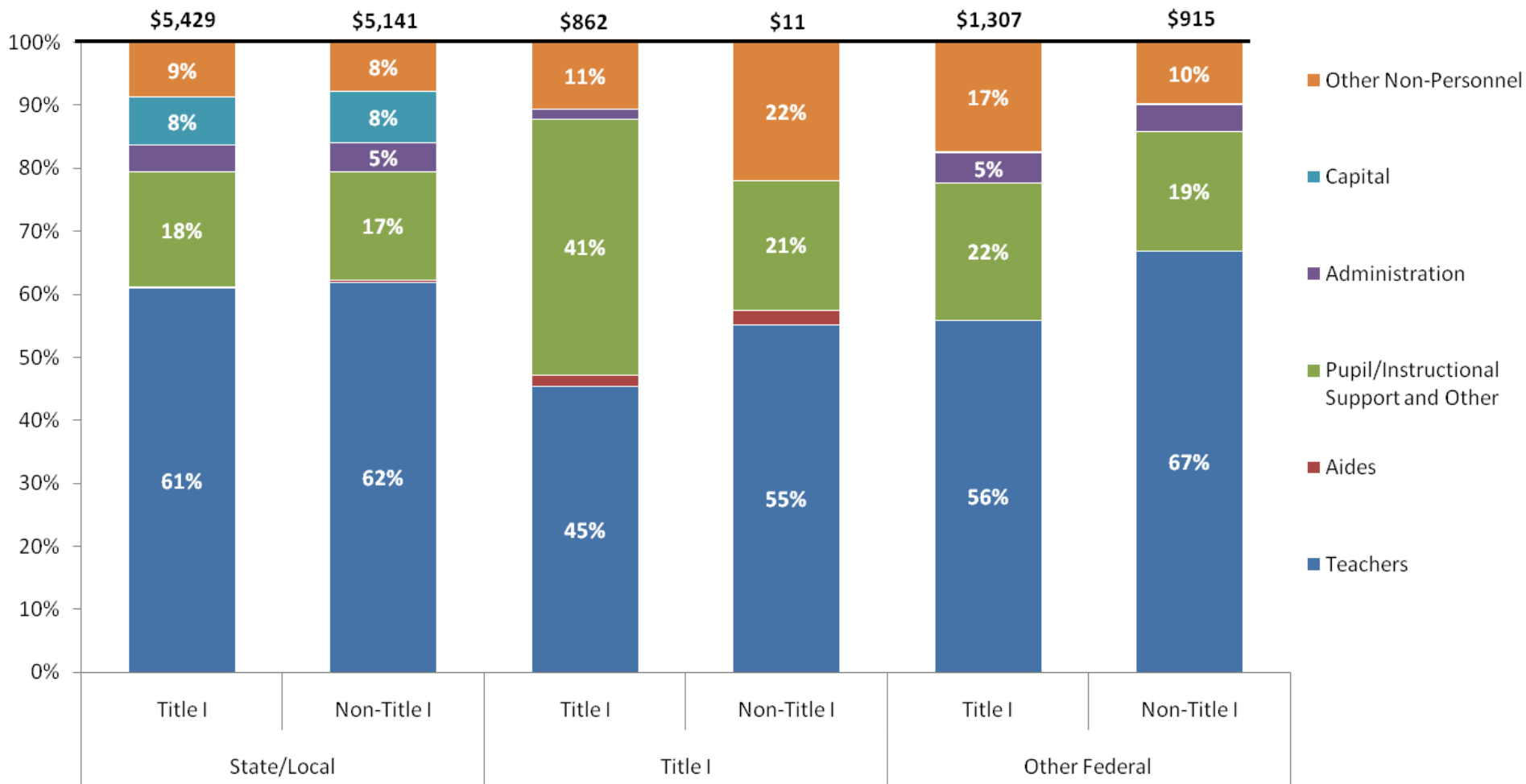   - Title I and Other Federal funds add to the base in Title I schools.

* These analyses are conducted only for "traditional schools."

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- **RQ2: Categorized average per-pupil expenditures funded by three revenue sources into six object categories:**

  - Teachers

  - Aides

  - Pupil/Instructional Support

  - Administration

  - Capital

  - Other Non-personnel

Average Per-Pupil Expenditures by Object across Revenue Sources
Elementary Schools - 2009-10 - Los Angeles Unified
(Overall Expenditures in Bold)

Supporting Data

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What we found: Average per-pupil expenditures by revenue source and object category

- RQ2: On average, how are State and Local, Title I, and Other Federal dollars being used?*

- **FINDINGS :**

  - **Title I and non-Title I schools have similar proportional State and Local expenditures.**

  - **Instructional expenditures are the largest share, across funding sources (teachers and instructional support).**

* These analyses are conducted only for "traditional schools."
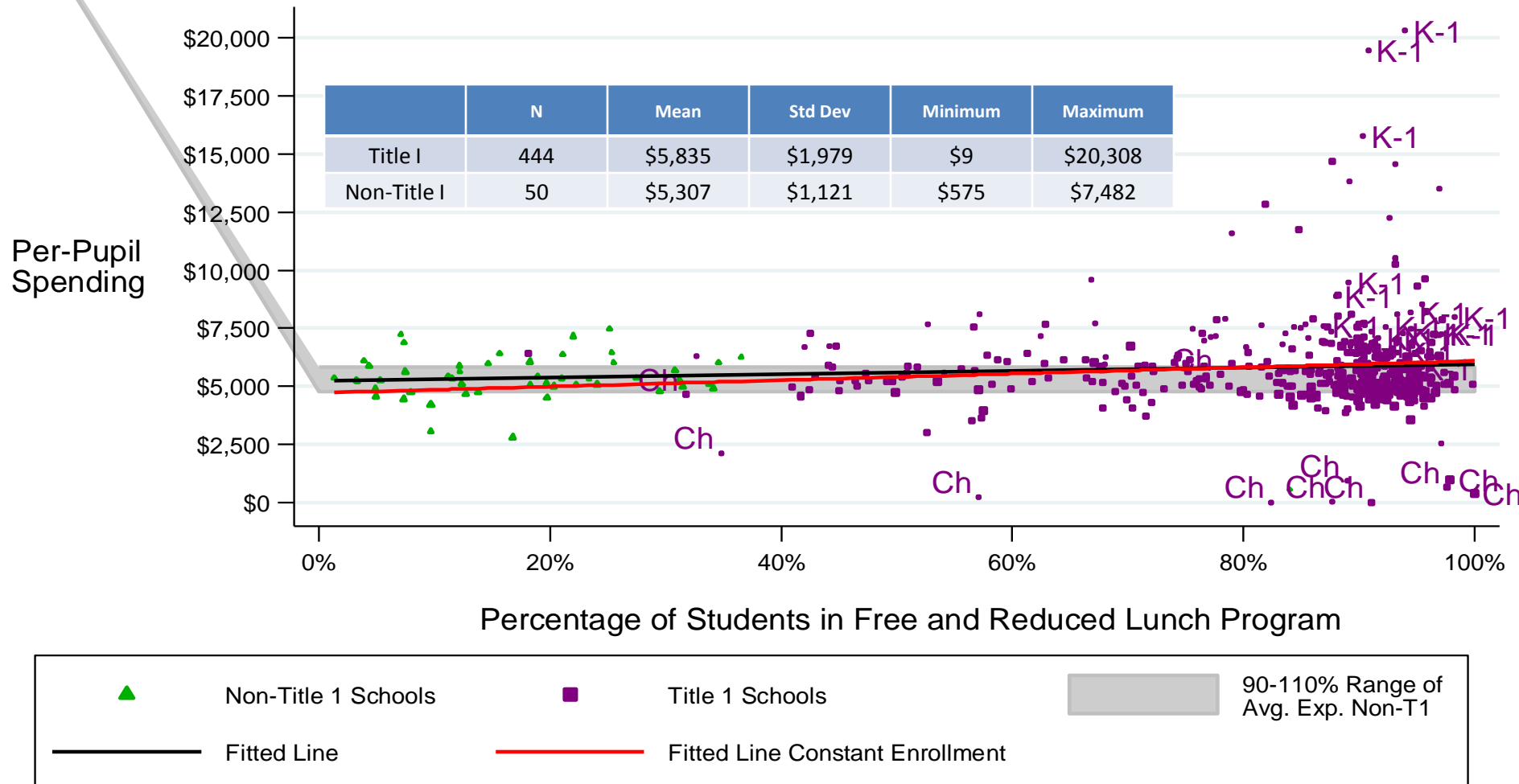
What we did: Per-pupil expenditures out of state and local funds

- **RQ3: Analyzed the distribution of total per-pupil expenditures out of state and local funds by percent poverty for all schools**

  - RQ3a: Restricted the sample to only traditional schools and no statistical outliers

- **RQ4: Restricted expenditures to include only Instructional Spending**

Plot of Per-Pupil Spending out of State and Local Revenues
by Percent of Students Eligible for Free and Reduced Price Lunch (FRPL)
LAUSD Elementary Schools in 2009-10
(494 Observations)

	N	Mean	Std Dev	Minimum	Maximum
Title I	444	$5,835	$1,979	$9	$20,308
Non-Title I	50	$5,307	$1,121	$575	$7,482

Per-Pupil Spending (y-axis)

Percentage of Students in Free and Reduced Lunch Program (x-axis)

Legend:
- ▲ Non-Title 1 Schools
- ■ Title 1 Schools
- 90-110% Range of Avg. Exp. Non-T1
- Fitted Line
- Fitted Line Constant Enrollment

Notes: Of the total number of elementary schools in LAUSD, 80 percent are K-6; 3 percent are K-1; 2 percent are K-12; and the remaining 5 percent have other grade combinations.
Source: Expenditure data provided by LAUSD central district office and FRPL data obtained from the California Department of Education.
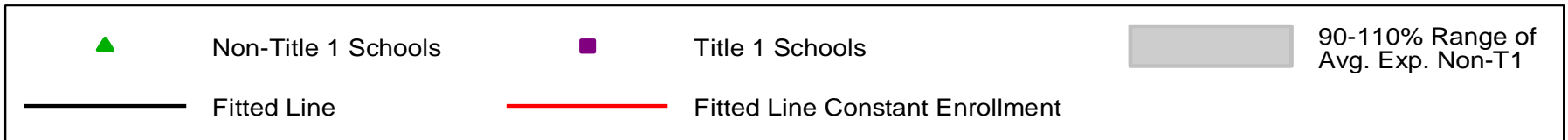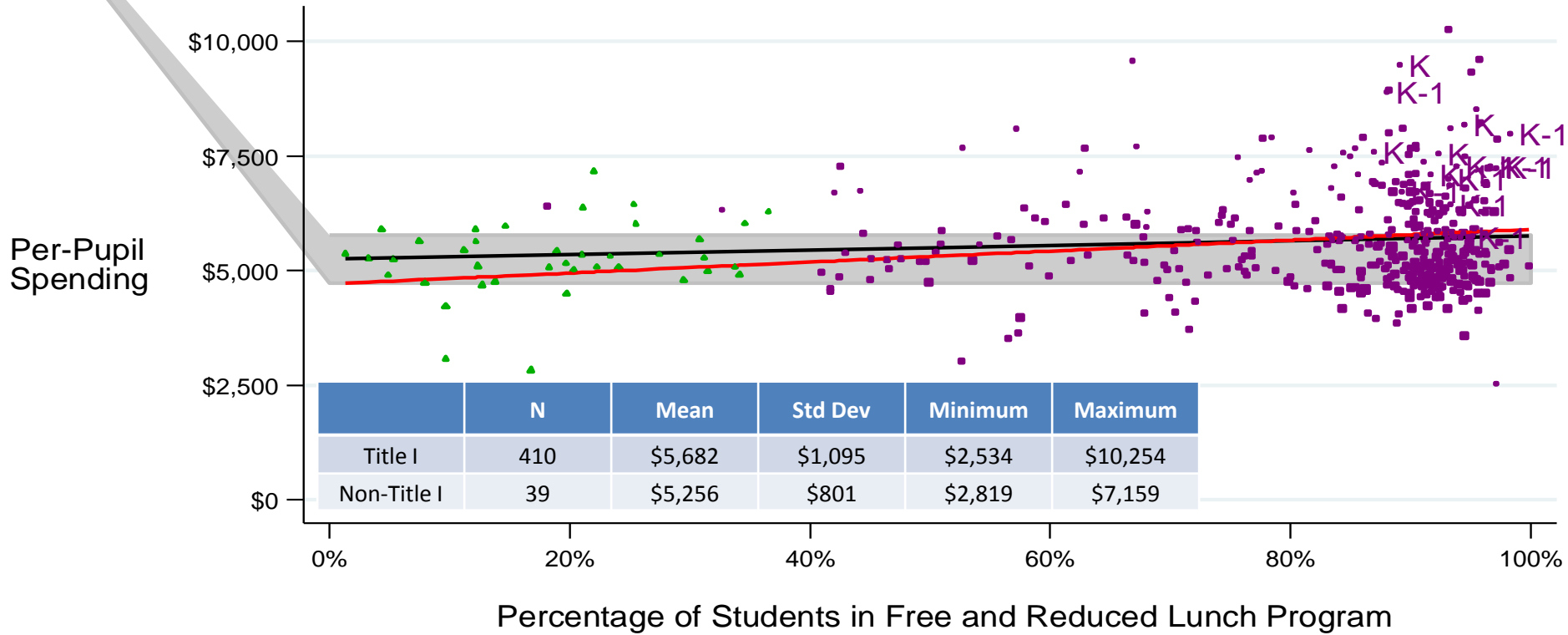
Middle School Graph   High School Graph

Plot of Per-Pupil Spending out of State and Local Revenues by Percent of Students Eligible for Free and Reduced Price Lunch (FRPL)
LAUSD Traditional Elementary Schools in 2009-10
(449 Observations)

Per-Pupil Spending (y-axis: $0, $2,500, $5,000, $7,500, $10,000)

	N	Mean	Std Dev	Minimum	Maximum
Title I	410	$5,682	$1,095	$2,534	$10,254
Non-Title I	39	$5,256	$801	$2,819	$7,159

Percentage of Students in Free and Reduced Lunch Program (x-axis: 0%, 20%, 40%, 60%, 80%, 100%)

Legend:
- ▲ Non-Title 1 Schools
- ■ Title 1 Schools
- 90-110% Range of Avg. Exp. Non-T1
- Fitted Line
- Fitted Line Constant Enrollment

Notes: Of the total number of elementary schools in LAUSD, 93 percent are K-6; 2 percent are K-1; and the remaining 5 percent have other grade combinations.

Source: Expenditure data provided by LAUSD central district office and FRPL data obtained from the California Department of Education.
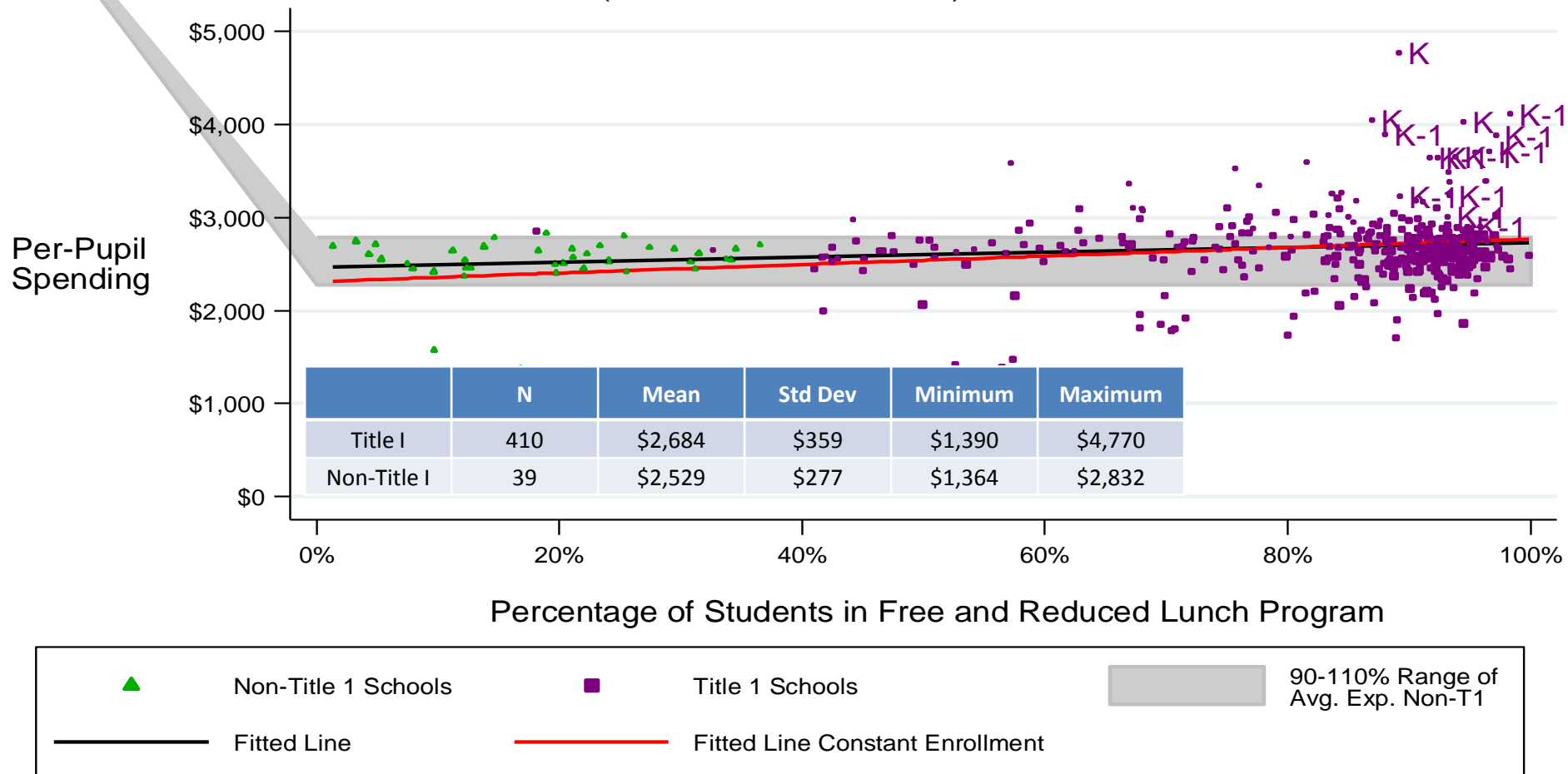
Middle School Graph   High School Graph

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Plot of Instructional Per-Pupil Spending out of State and Local Revenues by Percent of Students Eligible for Free and Reduced Price Lunch (FRPL) LAUSD Traditional Elementary Schools in 2009-10
(449 Observations)

	N	Mean	Std Dev	Minimum	Maximum
Title I	410	$2,684	$359	$1,390	$4,770
Non-Title I	39	$2,529	$277	$1,364	$2,832

Per-Pupil Spending

Percentage of Students in Free and Reduced Lunch Program

- ▲ Non-Title 1 Schools
- ■ Title 1 Schools
- ▬ 90-110% Range of Avg. Exp. Non-T1
- ▬ Fitted Line
- ▬ Fitted Line Constant Enrollment

Note: Of the total number of elementary schools in LAUSD, 93 percent are K-6; 2 percent are K-1; and the remaining 5 percent have other grade combinations.

Source: Expenditure data provided by LAUSD central district office and FRPL data obtained from the California Department of Education.

What we found: Per-pupil expenditures out of state and local funds

- RQ3: How much do district per-pupil expenditures vary across schools with varying % poverty?

- RQ4: How much do district instructional per-pupil expenditures vary across "traditional schools" with varying % poverty?*

- **FINDINGS**:

  - Large variation across all the three schooling levels

    - A substantial number of schools fall outside the 90 – 110 % comparability band.

    - Variation decreases when we look at only "traditional schools" and only at instructional expenditures, but it doesn't disappear.

  - Per-pupil spending is positively related to poverty.

* These analyses are conducted only for "traditional schools."

Policy implications

- **Proposed changes to the comparability provision in ESEA reauthorization:**

  – Remedy the inequitable distribution of State and local funds.

  – Address the weaknesses that have undermined the "spirit" of the comparability requirements.

- **Key changes:**

  – Require the inclusion of real teacher salaries in calculations of per-pupil expenditures.

  – Change the minimum from 90 to 97%.

    - Title I at 97% of average non-Title I S&L spending OR

    - High poverty schools (top 3 quartiles) spend 97% of low poverty schools (bottom quartile)

Summary

- **SSFR is doing the following:**
  - Increasing resource equity by creating a system that allocates dollars per pupil (based on student needs) and allocates dollars to schools (instead of positions and programs).

  - Increasing school-level autonomy over resources.

  - Creating the conditions for teacher evaluation and compensation discussions (and other systemic reforms).

- **Remaining question: Can this work at scale?**

(Some) big questions in school finance

- **Should schools receive more money to educate disadvantaged students (low-income, English learners, special education)?**

- **Should schools with higher concentrations of disadvantaged students receive more money?**

- **How much autonomy and flexibility should principals have over the dollars in their school budget?**

- **How do you modify teacher hiring, evaluation, and compensation systems?**

Thanks!

- **Feel free to contact me: chaxton@air.org**

- **Any questions?**

Additional Slides
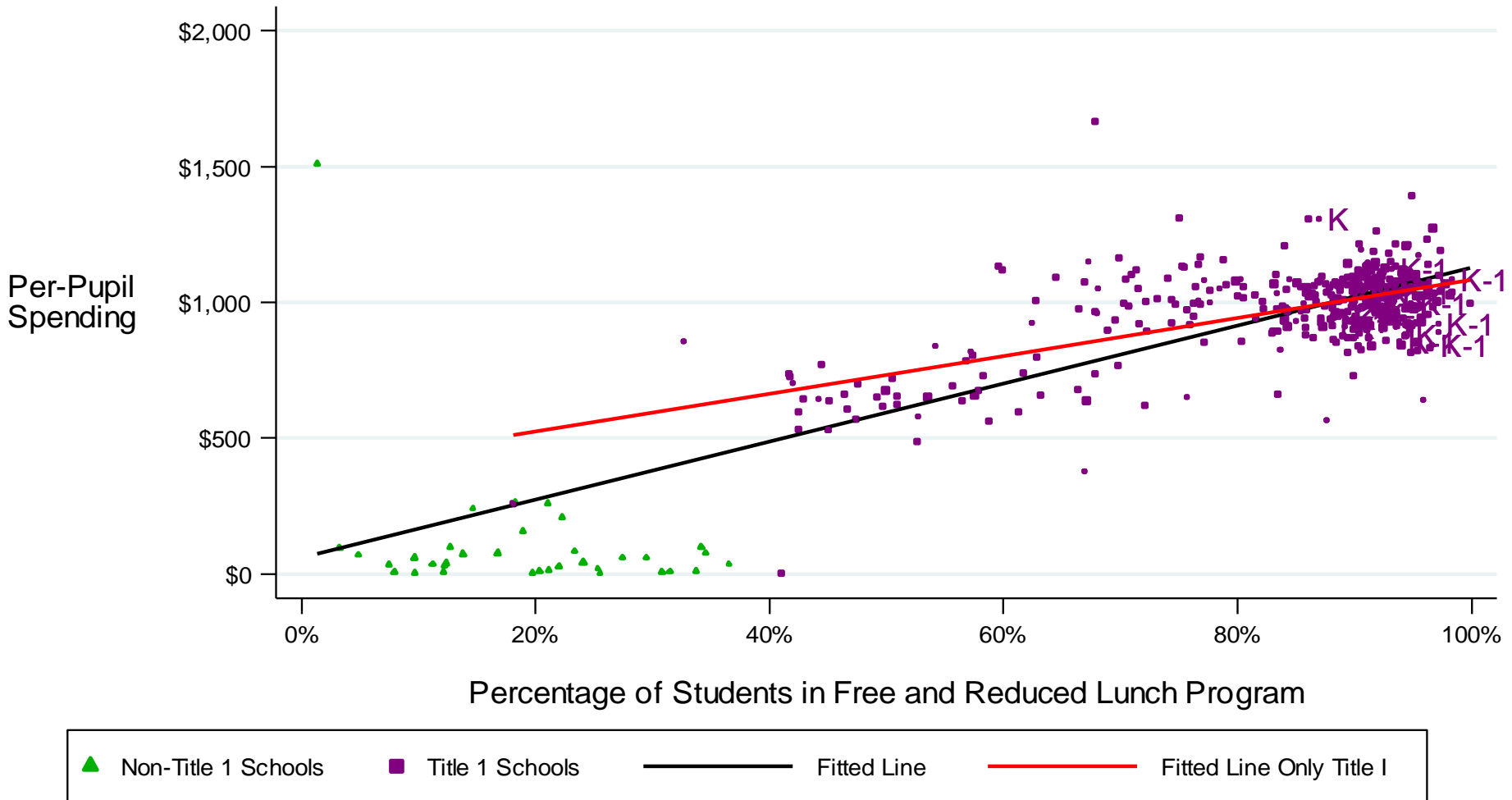
What we did: Spending per low-income student out of Title I funds

- **RQ5: Analyzed the distribution of spending per low-income student, by percent poverty**

Plot of Title I Expenditures Per-Low Income Student
by Percent of Students Eligible for Free and Reduced Price Lunch (FRPL)
LAUSD Traditional Elementary Schools in 2009-10
(445 Observations)

Note: Of the total number of elementary schools in LAUSD, 93 percent are K-6; 2 percent are K-1; and the remaining 5 percent have other grade combinations.

Source: Expenditure data provided by LAUSD central district office and FRPL data obtained from the California Department of Education.

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What we found: Spending per low-income student out of Title I funds

- RQ5: To what extent do Title I dollars per low income student vary across schools with varying % poverty?*

- **FINDINGS:**

  – There is a wide range of Title I dollars per low income student going to schools across the range of school % poverty.

  – There is a clear positive pattern across schooling levels.

    - Schools with higher % poverty receive more Title I dollars.

* These analyses are conducted only for "traditional schools" and exclude statistical outliers.

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Title I allocation in LAUSD

- **LAUSD uses a district-wide ranking.**

- **As long as the % low income is above 40%, a school will receive Title I funding.**

  - Use a composite poverty measure, including FRPL eligibility and CalWorks data (old welfare system).

  - If a school qualifies one year, but below 40% poverty the next year, get Title I funding for an additional year. Allows for program continuity.

  - If a school doesn't qualify but feeder school does, can give school Title I funding.

  - In 2009-10, continuation, special education, and opportunity schools received EIA instead of Title I. This varies year to year.

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