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
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?
**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

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
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
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 principal and teacher surveys
    - (+) minimize respondent burden and maximize potential sample size
    - (-) limited number of items, one item format
  - AIR sampled SSCs and conducted independent SSC survey
    - (+) 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 principal survey for all principals
  - AIR added items to existing district teacher survey
    - (+) 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 SSCs
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.**

<table>
<thead>
<tr>
<th></th>
<th>N = 417</th>
<th>N = 26</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pilot</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td><strong>Non-Pilot</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>
EQUITY: Fewer than half of principals felt that funds are allocated to schools equitably.

Funds are equitably allocated to schools within LAUSD.

- **Pilot**
  - Strongly Disagree: 8%
  - Disagree: 35%
  - Agree: 35%
  - Strongly Agree: 23%

- **Non-Pilot**
  - Strongly Disagree: 13%
  - Disagree: 34%
  - Agree: 41%
AUTONOMY: Pilot principals expressed greater agreement that they have discretion over the dollars in their school budget.

I have discretion over how the dollars in my school budget are spent.

- **Pilot**:
  - Strongly Disagree: 31%
  - Disagree: 35%
  - Agree: 58%
  - Strongly Agree: 8%
  - N = 420

- **Non-Pilot**:
  - Strongly Disagree: 31%
  - Disagree: 49%
  - Agree: 17%
  - Strongly Agree: 4%
  - N = 26
AUTONOMY: Pilot principals expressed greater agreement that they have autonomy to implement an instructional program to meet their students’ needs.
SUPPORT: Pilot principals expressed greater agreement that central office support for developing the school budget is adequate.
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.

<table>
<thead>
<tr>
<th>Area</th>
<th>Pilot (n=8)</th>
<th>Non-pilot (n=28)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extracurricular or after-school programming</td>
<td>75%</td>
<td>39%</td>
</tr>
<tr>
<td>Technology use</td>
<td>75%</td>
<td>71%</td>
</tr>
<tr>
<td>Student assessment</td>
<td>11%</td>
<td>25%</td>
</tr>
<tr>
<td>Data use</td>
<td>50%</td>
<td>39%</td>
</tr>
<tr>
<td>Professional development</td>
<td>88%</td>
<td>50%</td>
</tr>
<tr>
<td>Student supports</td>
<td>21%</td>
<td>38%</td>
</tr>
<tr>
<td>Partnerships with external organizations</td>
<td>25%</td>
<td>39%</td>
</tr>
<tr>
<td>Parental involvement</td>
<td>13%</td>
<td>46%</td>
</tr>
<tr>
<td>Instructional strategies or approaches</td>
<td>63%</td>
<td>50%</td>
</tr>
<tr>
<td>Materials</td>
<td>13%</td>
<td>32%</td>
</tr>
<tr>
<td>Course offerings</td>
<td>7%</td>
<td>38%</td>
</tr>
<tr>
<td>Curriculum</td>
<td>14%</td>
<td>50%</td>
</tr>
<tr>
<td>Teacher roles/new staff</td>
<td>43%</td>
<td>63%</td>
</tr>
</tbody>
</table>
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).
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
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.
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.”
What we did: Average per-pupil expenditures by revenue source and object category

- 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)

<table>
<thead>
<tr>
<th>Source</th>
<th>Title I</th>
<th>Non-Title I</th>
<th>Title I</th>
<th>Non-Title I</th>
<th>Title I</th>
<th>Non-Title I</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,429</td>
<td>9%</td>
<td>8%</td>
<td>11%</td>
<td>8%</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>$5,141</td>
<td>8%</td>
<td>8%</td>
<td>11%</td>
<td>8%</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>$862</td>
<td>18%</td>
<td>17%</td>
<td>41%</td>
<td>21%</td>
<td>22%</td>
<td>19%</td>
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<tr>
<td>$11</td>
<td>61%</td>
<td>62%</td>
<td>45%</td>
<td>55%</td>
<td>56%</td>
<td>67%</td>
</tr>
<tr>
<td>$1,307</td>
<td>10%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>$915</td>
<td>10%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Notes: 1) Schools with less than 100 enrolled students, alternative schools, charter schools, community schools, continuation schools, opportunity schools, and special education schools are excluded from this analysis. Also schools whose expenditures were statistical outliers of the overall expenditure distribution.
2) Percentages less than 5% are not displayed.
3) Per-pupil expenditures represent expenditures on an average student in either a Title I or Non-Title I School.
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 )

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std Dev</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I</td>
<td>444</td>
<td>$5,835</td>
<td>$1,979</td>
<td>$9</td>
<td>$20,308</td>
</tr>
<tr>
<td>Non-Title I</td>
<td>50</td>
<td>$5,307</td>
<td>$1,121</td>
<td>$575</td>
<td>$7,482</td>
</tr>
</tbody>
</table>

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.
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.
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.
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.
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.