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ABSTRACT

School Communities that Work: A National Task Force on the Future of Urban Districts has been working since 2000 to develop a new conception for a high-performing community of schools that ensures both results and equity for all children. The vision for what such a community might look like uses the terms "local education support system" and "smart districts" to represent what districts can become. This Portfolio for District Redesign describes concrete strategies that offer national education leaders, mayors, school administrators, teachers, and communities a diagram for improving urban school districts. That vision is supported by a set of interrelated frameworks, tools, and other resources to help districts make the transition toward this new kind of support system. Five sections include "School Communities that Work for Results and Equity"; "Generally Accepted Principles of Teaching and Learning"; "Find, Deploy, and Keep the Best Teachers and School Leaders"; "Developing Effective Partnerships to Support Local Education"; and "Student-Based Budgeting," which includes "First Steps to a Level Playing Field: An Introduction to Student-Based Budgeting," "Assessing Inequities in School Funding within Districts: A Tool to Prepare for Student-Based Budgeting," and "Moving toward Equity in School Funding within Districts." (SM)

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PORTFOLIO FOR DISTRICT REDESIGN

SCHOOL COMMUNITIES THAT WORK

Annenberg Institute for School Reform at Brown University

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School Communities that Work: A National Task Force on the Future of Urban Districts was established in 2000 by the Annenberg Institute for School Reform to examine a feature of the public education system that has often been overlooked: the urban school district. The primary goals of the Task Force are to help create, support, and sustain entire urban communities of high-achieving schools and to stimulate a national conversation to promote the development and implementation of school communities that do, in fact, work for all children.

School Communities that Work: A National Task Force on the Future of Urban Districts has been working since 2000 to develop a new conception for a high-performing community of schools, one that ensures both results and equity for all children. In laying out our vision for what such a community might look like, we acknowledge that no urban school district is currently organized or structured in the way we propose. To signal the distinction, we use the terms *local education support system* and *smart district* to represent what we hope districts can become.

We envision multiple paths for arriving at this new kind of support organization. Some cities may have or may develop the capacity to turn their school district into an effective local education support system by transforming existing structures and responsibilities with partnerships, training, and development. Others may, of necessity, consider more radical redesigns that involve a new array of public, private, and nonprofit providers to fulfill the functions of a "smart district."

This **Portfolio for District Redesign** describes our vision for "school communities that work" for both results and equity. That vision is supported by a set of interrelated frameworks, tools, and other resources to help districts make the transition toward this new kind of support system. Beginning in the fall of 2000, the Task Force will form partnerships with several districts and organizations, using these products in our work with them. Our commitment is to work with districts and communities to bring about the kind of schooling that enables all young people to grow up to become knowledgeable, productive, and caring adults.

Results and Equity

SCHOOL COMMUNITIES THAT WORK

School Communities that Work for Results and Equity

SCHOOL COMMUNITIES THAT WORK

An Initiative of the Annenberg Institute for School Reform at Brown University

School Communities that Work: A National Task Force on the Future of Urban Districts was established in 2000 by the Annenberg Institute for School Reform at Brown University to examine an element of the public education system that has often been overlooked: the urban school district. Its primary goals are to help create, support, and sustain entire urban communities of high-achieving schools and to stimulate a national conversation to promote the development and implementation of school communities that do, in fact, work for all children.

To help imagine what high-achieving school communities would look like and how to create them, the Task Force convened influential leaders from the education, civic, business, and nonprofit communities to study three critical areas: building capacity for teaching and learning; developing family and community supports; and organizing; managing and governing schools and systems.

Support for this work was provided by the Carnegie Corporation of New York, the Ford Foundation, the Pew Charitable Trusts, and the Rockefeller Foundation.

School Communities that Work Task Force Core Group

For more information on the School Communities that Work Task Force, visit our Web site at *www.schoolcommunities.org*

School Communities that Work for Results and Equity

The primary organizational structure for a city's schools is the district. For the vast majority of schools across the country, the district continues in traditional ways to control the money, classify the students, assign the teachers, and set the work rules. As local mechanisms for democratic polity on education, districts can create a climate that builds community ownership and support for schools – or shuts it out. School districts also have the responsibility to implement, integrate, and monitor an often contradictory array of national, state, and local education reforms. Despite the central role of districts in our education system, nearly two decades of school reform have virtually ignored the part districts can play in promoting or hindering school change.

Although districts successfully serve some societal functions (such as employment for adults, contracts with businesses and service industries, and vehicles for local democratic participation), most large urban districts are no longer adequate *educational* institutions, especially for poor and minority students. They have failed to provide effective support for schools, leaving many schools without critical resources needed to improve their curriculum and the knowledge and skills of their teachers and school leaders. Because so many districts are failing in their paramount function – education – they are easy targets for critics who contend that their isolation from schools and communities and their outdated and ineffective structure impede, rather than enable, improvement.

These concerns notwithstanding, SCHOOL COMMUNITIES THAT WORK believes that certain fundamental characteristics of school districts – their political and fiscal accountability; their composition, encompassing many schools; and their reach across communities – make the district, rather than the state or the individual school, the place reformers ought to look first for equitable, sustainable, and scaleable improvement strategies.

The role of the district is especially important in large cities, since that is where many of our nation's most disadvantaged students live. The one hundred largest districts alone are responsible for educating more than one-fifth of the nation's schoolchildren, two-fifths of our minority students, and at least 12 percent of our poor children (NCES 2001). Most of these districts are urban, and most of them serve 50,000 students or more. Failing to produce and sustain high-quality schools at scale will exacerbate the inequities that currently separate poor children and children of color from their more advantaged peers.

The pressure to improve whole systems of schools is intense. Under the No Child Left Behind Act of 2001, large numbers of schools will likely be labeled *low-performing*. The consequences involve both supports and sanctions – the latter of increasing intensity. At the same time, the law requires states to label districts as *low-performing* if they have large numbers of failing schools. In many of our large urban districts, as many as half the schools might be targeted. New ways of looking at districts and addressing these seemingly intractable problems are now of the utmost importance.

The Problem with Districts

The achievement of students in urban school districts lags behind their peers in non-urban areas (see, for example, Editorial Projects 1998; Lippman et al. 1996). The gaps exist in every subject area; they are largest in mathematics and science. The achievement gap grows wider as students reach the upper grades – *if* they reach the upper grades. Urban students are nearly twice as likely to drop out of school as non-urban students (Editorial Projects 1998).

Because of these persistent gaps in educational outcomes, many critics have questioned the viability of districts and the wisdom of continuing to provide them with resources. The ability to function of many urban districts is affected by severe organizational challenges: funding inequities compared with their suburban counterparts; growing numbers of students needing specialized services; increasingly complex relationships with their communities; alarming personnel turnover; and a distressing lack of school- and district-level leadership. The institutional structure of districts, which reflects outmoded solutions to the problems of a bygone age, is at least partly to blame for these problems.

Historic Roots: Built-in Inequity

In many respects, the characteristics of districts that current reformers cite as dysfunctional are part of their design. In the first decades of the last century, an earlier breed of reformers – known as administrative progressives – sought a remedy for the patronage and provincialism of the highly localized school governance system of the nineteenth century. Taking their cue from the growing manufacturing economy, they tried to create the "one best system" (Tyack 1974) that would produce assimilated, productive citizens as efficiently as Ford's factories produced cars. Their intent was to separate schooling from politics through corporate-style "scientific management," led by an expert superintendent and his board of directors. Like corporate managers, these professionals were to make and enforce policies that would be carried out by the "workers" in the schools. Standardization – of inputs, not outputs – was the goal.

The belief that intelligence was innate and that school existed merely to sort out who had it and who didn't were two of the foundational assumptions of the administrative progressives. (Tyack 1974, 2000). The idea that only a small proportion of children were meant to succeed academically was literally built into our education system.

A century later, this structure is an anachronism. By rewarding compliance over professional judgment and separating the schools from the community, the administrative progressives of the early twentieth century created a system that almost guarantees that innovation will be thwarted. Good ideas from the schools or from outside the system are not welcome. And the results are evident: virtually every city has schools that are inspiring models of what public education could be; schools that exemplify public education at its worst; and many examples in between the two extremes. Good instruction and good schools are idiosyncratic rather than pervasive, and lessons from successful schools and districts are not widely learned or heeded.

Another legacy of the administrative progressives was their failure to free school systems from politics. In contemporary urban school districts, school board positions are often seen as stepping stones to higher office and are frequently the refuge of ideologues more intent on political jockeying than addressing the needs of children. Unproductive, adversarial relationships between district and union leaders often move educational concerns to a back burner, and special interest groups and well-connected individuals lobby for advantages at the cost of "other people's children" (Delpit 1995). And though most official discriminatory policies have been abolished, schools still manage to sort students along the too-predictable lines of race and class.

Recent Reforms: Insufficient Results

The district structure first promoted by the administrative progressives nearly a century ago has persisted remarkably. The intensive waves of school reform that have swept the nation in the last two decades have failed to address the structure and operation of school districts as one of the root causes of our educational problems.

In many ways, the goals of the current reformers are the right ones. Driven by concerns about lack of competitiveness in a knowledge-based global economy, business and government leaders have led the charge for reforms that expect more of all students. In many communities, educator-reformers, parent groups, and other local groups have advocated for resources and services that will enable their children to measure up and succeed. And, across the board, policy-makers and the public alike seem to be in agreement that good teaching is at the heart of better student and school performance (Public Education Network & Education Week 2002).

Yet none of the most popular solutions has helped us reach these admirable goals. For example, nearly every state and many large districts have adopted challenging content and performance standards for students. Some students and some schools have reached the standards, but many – in some locales, most – have not. Accountability provisions and experimentation with school vouchers, school choice, and charter schools have not resulted in the vast improvement in schools that their advocates predicted. Big-city superintendents, employed in what is often called "the toughest job in America," initiate wide-ranging reforms but move in and out of their positions quickly (Yee & Cuban 1996). City and state elected officials are channeling their frustration with the slow pace of improvement by turning control of large urban systems over to mayors and state governments. Urban school districts, facing unprecedented demands and saddled with outmoded structures and practices, have become pressure cookers for the frustrations and aspirations Americans associate with public education.

Although recent reforms have brought heightened and necessary attention to the needs of low-performing schools, the reforms themselves have been insufficient to bring about improved results for all schools and students. Accountability creates incentives for schools to improve but does not provide the wherewithal needed in schools with poorly prepared teachers and administrators or with inadequate curricula or instructional programs. And efforts to reconstitute schools and to develop charter schools, small schools, and "whole-school" reform models – reforms that take a "one school at a time" approach – weren't designed to address the needs of whole *communities* of schools.

While many of these efforts have had real successes, the limitation of school-by-school approaches is that they provide for only the favored schools what all schools need to produce the results that all children deserve.

The Solution: A Local Education Support System

We already know a great deal about the kind of external supports that help schools to improve, and there are a variety of organizations that have been providing them to some schools. But these external supports must be made available to *all* schools in a community. We envision a new kind of school system – what we call a *local education support system,* or *smart district,* to achieve both results and equity.

Support for Results at Scale

Research on school-by-school reform efforts provides abundant evidence that schools need better supports and stronger incentives to improve, particularly if they are already low-performing. A review of the last two decades of education research shows that schools are more likely to improve when they can get the following types of supports:

- high standards and expectations (Education Trust 1999); a shared philosophy about learning (Abelmann et al. 1999); and the authority to make key decisions, including hiring staff who support the philosophy (Hill et al. 2000)
- a pool of well-qualified teachers and administrators (NCTAF 1996; CCCUSR 1995)
- ready access to, and incentives to participate in, high-quality professional development; and on-site assistance to equip teachers and school leaders with the skills and knowledge to teach challenging content to a diverse student body (NCTAF 1996; Darling-Hammond 2000; Darling-Hammond 1997)
- materials and curriculum support to assist schools in developing courses of study that are aligned with standards
- respectful and trusting relationships that connect school staff, students, and parents – both on a person-to-person basis and through formal organizations like community-based groups and subject-matter networks (Bryk & Schneider 2002)
- a mechanism for comparing school progress in terms of equity, results, and other student outcomes with other schools with similar student populations (Wasley & Fine 2000; Ragland et al. 1999)

- access to economies of scale (for functions like data and technology management as well as transportation, food services, etc.) (Chubb & Moe 1990; Epstein 1991; Comer 1993, 1999)
- substantive parent and community involvement in schools and in the lives of students (Schorr 1997)

These necessary supports come, for the most part, from sources outside the school. Schools are not likely to improve if they have to go it alone.[1]

Other institutions and agencies, apart from the district, can provide external supports that help schools to improve. For example, reform support organizations, such as national reform advocates, local education funds, and fee-for-service consultation and management groups (both for-profit and non-profit) can monitor school progress and provide pressure for continued improvement (Wong 1998; Luhm, Foley & Corcoran 1998). In addition, such organizations can help provide professional development and technical support; intermediary organizations supporting schools taking part in the Annenberg Challenge served this function effectively (Annenberg Foundation 2002). Reform support organizations have also helped charter schools – schools developed on the idea that school autonomy is paramount – by providing technical assistance and support in goal-setting, legal requirements, business matters, and curricular and instructional issues (Wohlstetter 1997).

Another reason not to let schools go it alone is the question of scale. The sheer numbers of schools that aren't serving students well suggests that school-by-school approaches will never reach all the schools that need support for improvement. The smallest of our one hundred largest school districts

[1] This is not only true of public schools. Private and parochial schools don't go it alone either. For support, they look to national and regional associations and networks.

serves fifty schools; the biggest serves over a thousand schools; most of the others serve about a hundred schools. Without explicit methods of dissemination or reproduction, which districts in their present form seldom provide, most innovations and improvements are not likely to spread from one school or district to another. Beyond extending individual programs that work in one school setting to another school setting is the larger challenge of building an infrastructure to support and sustain improvement across a whole community or network of schools simultaneously.

Ensuring Equity

There is one paramount function that *only* a school district (or some redesigned version of a school district) can perform: ensuring equity. If the needs of and resources available to *all* schools were the same, it might make sense to free them from formal district ties and allow them to seek those supports on their own from external partners, just as successful charter schools and schools engaged in whole-school reform do.

But school needs and resources differ. Some schools have highly experienced staff, while others have an abundance of new teachers, bringing different strengths and weaknesses to the schools' instructional programs. Some schools have a particularly supportive local community, while others are more isolated. Some schools have solid connections to professional development and technical-assistance providers, while others are unaware of resources that exist or are unable to access them. Just as there are differences between urban and non-urban schools, there are also differences within cities on all of these factors. And the schools serving the most disadvantaged and disenfranchised families tend to end up with the least support.

The answer, then, is not to let schools go it alone but to replace districts or redesign them around their primary purposes: results and equity.

We contend that these purposes are not mutually exclusive. Rather, they are complementary.

Emphasizing equity – that is, providing varying supports based on the needs of individual schools, teachers, and children – is the only way to ensure *results* for all children in all schools in a system. Likewise, emphasizing results – that is, expecting all children to grow up to be knowledgeable, productive, caring adults – is the only way to ensure *equity* for all children in all schools in a system. Meeting these twin goals requires high expectations for all children and equitable opportunities for all young people to learn and develop.

Community Responsibility

Only an agency or set of agencies external to the school, charged with ensuring that all schools have access to the supports and resources they need, can address these inequities and structural defects. This entity could be a redesigned school district, reformed from within. Or it could be a much more radical alternative, an altogether new agency led by, for example, a community organization or a for-profit company.

Whatever the path, to ensure results and equity this redesigned or new entity would have to take on the characteristics of what we call a local education support system. A local education support system would incorporate some of the functions of traditional school districts, scrap others, and involve a much wider spectrum of community members, organizations, and agencies than is typically the case now.

It is important to emphasize that the school district, as it currently exists, cannot and should not provide all the educational and social supports children and youth need in order to achieve both results and equity. Many different individuals and organizations – including schools, parents and families, civic groups, research groups, community- and faith-based organizations, private-sector companies, and city agencies – must work together to support and sustain the healthy learning and development of children and youth. Accountability among these partners ought to be distributed; that is, each partner is accountable for its part in improving results, in proportion to its responsibility, and the partners share their unique strengths to bring about better results. In other words, districts and their communities need to work together to create a local education support system, a "smart district."

Essential Functions of a Local Education Support System

Working together, the individuals and organizations that form a local education support system need to perform the following three essential functions to promote results and equity for young people.

1. Provide schools, students, and teachers with needed support and timely interventions.

The evidence from individual school reforms suggests the range of supports schools need to provide equitable learning opportunities for all students. But districts seldom provide such supports in a systematic way for all schools. The support they do provide is often haphazard and unrelated to schools' improvement needs. And districts intervene in schools only in extreme circumstances, a time when it is most difficult to turn the situation around. Before districts act, students languish.

Appropriate Support

Schools have the right to demand support to assist their efforts to improve performance, and districts and communities should be held accountable for making such support available. This does not mean that the district's central office (or its equivalent) must provide all the support schools need; indeed, most central offices would be ill equipped to do so. Much of the support could come from schools themselves, through a redeployment of teaching staffs; some could come from universities or cultural institutions; and some from community-based organizations or private contractors. The central office's role, where it does not provide services directly, would be that of a broker, making sure the appropriate support goes to the schools that need it.

WHAT "SMART DISTRICTS" DO

1. Provide schools, students, and teachers with needed support and timely interventions.
2. Ensure that schools have the power and resources to make good decisions.
3. Make decisions and hold people throughout the system accountable by using indicators of school and district performance and practices.

The local education support system would provide or broker the following services to schools: assistance in curriculum development and mapping against standards; support in selecting curriculum materials that reflect these standards and high expectations; assistance in analyzing student work and the lessons teachers assign; structural and substantive supports to involve all teachers in content-based coaching, collaborative teaching, and other effective forms of professional development; opportunities to receive mentoring for all new teachers; and assistance in scheduling, budgeting, and expanding the school day and year to capitalize on these supports. The exact combination of these supports would, of course, depend on the needs and circumstances of each school; that is, rather than standardize inputs, as the administrative progressives tried to do a century ago, a local education support system, or smart district, would customize the supports and services it provides.

Timely Intervention

Local education support systems also have an obligation to intervene in a timely manner if schools do not make progress. It is important to emphasize the word *timely*: reviews of efforts to intervene once schools have failed show that such rescue attempts are grueling, unpredictable, and expensive. Early intervention and support have been shown to produce huge rewards in the case of students; the same kind of monitoring, diagnosis, and support might make sense when dealing with schools in "turn-around" conditions. Again, these interventions must be calibrated to the unique needs of each school. The remedy should be appropriate to the situation – not based on a one-size-fits-all policy prescription – and should be accompanied by the support necessary to produce results.

2. Ensure that schools have the power and resources to make good decisions.

Helping all students reach academic performance standards demands some fundamental level of adequate resources, since everything that a school district does for children costs money. The disparities in funding between urban and suburban schools are well known, and urban districts in many states have taken the lead in trying to secure adequate resources, often through legal and constitutional challenges.

Yet resources *within* districts are often highly inequitable as well. Some schools receive richer resources – more funding, better and more experienced teachers, and greater access to resources in the community – than others. The better-resourced schools tend to be those serving students from relatively affluent families.

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Equitable Allocation to Schools

One reason for these inequitable patterns is the way districts allocate resources to schools. Most districts typically allocate a certain base number of staff positions to every school – for example, every elementary school might get one principal, librarian, and physical education teacher, regardless of how many students attend the school. Once schools hit a certain threshold size, they might receive additional personnel, such as an assistant principal. The result is that the smaller schools tend to have proportionately more staff.

In addition, districts allocate more staff to support special programs and needs identified by the school or district. In some urban districts, to cite a common case, magnet schools receive additional staff, on top of the standard allocation, to support their specific programs, so these schools possess greater resources than other schools in the same district.

Other resource allocation practices also mask inequities. For example, school budgets are determined using the district's average teacher salary, rather than the actual salaries of the staff in that school. Thus, in the budgeting process, schools with many experienced teachers – and these tend to be schools serving relatively affluent students – appear to have the same level of resources as schools with the same number of teachers but who have less experience. In reality, the total dollar amount allocated in salaries to the school with many experienced teachers is much higher. In addition to the inequity between schools, this practice also masks real differences in instructional skill and experience within schools. When all teachers are considered "the same," the incentive to deploy teachers in different ways to support instructional needs – such as concentrating the use of experienced teachers in critical subject areas – is virtually eliminated.

Human Resources Systems

The situation is exacerbated by districts' human resources systems – or, perhaps more accurately, the lack of human resources systems. To be sure, districts have offices that manage recruitment and hiring, but these practices are seldom managed strategically to match strengths to needs. Districts engage the labor market in a limited way and establish a single set of conditions for employment – teachers get paid the same regardless of where and what they teach, for example. Moreover, there is usually no connection between recruitment and teacher evaluation, compensation, and professional development: compensation and career advancement are automatic, not related to demonstrable skill in improving outcomes for children. It is little wonder that students' learning opportunities are distributed so inequitably.

Community Resources

Another contributing factor to the inequities in opportunities for children and youth is that school districts often work in isolation from their communities. This not only limits opportunities for parents, students, and community members to influence district policies; it also leaves districts out of the distribution of other community resources that might support education. These resources – parks, youth-serving organizations, after-school homework clubs, internships, and many other non-school activities – are often distributed just as inequitably as district funds and human resources.

To ensure equivalent results for all children, local education support systems need to allocate resources to schools in an equitable manner, provide schools with the flexibility to use the resources the way they see fit, and facilitate school connections to other supportive resources. This means not only changing budgeting and human resource functions, but also working in partnership with community members to help distribute and utilize existing supports more effectively.

Resources beyond the District

While we have focused primarily on within-district resource allocation, we also know that intrastate, interdistrict, and federal resource allocations are key issues. For example, many urban districts are making legal and constitutional challenges to state education-financing systems. While each of these cases must be reviewed on its individual merits, we believe that as a nation, we must reexamine how we distribute educational resources. Undoubtedly, additional resources will be needed if we are to reach our goal of providing all children with their rightful educational opportunities.

That need raises the issue of what investment we as a country are willing to make in children, especially poor children, compared with other developed countries (Perie et al. 2000). If we are truly to make results and equity the norm in our education system, we will not be able to avoid rethinking how resources are distributed *within* and *between* school districts, and it is likely that investment in poor children will have to be leveled up, to make their outcomes equivalent to those of more advantaged students.

3. Make decisions and hold people throughout the system accountable by using indicators of school and district performance and practices.

To achieve results, local education support systems need to know current and past results and what they have to do to improve those results. That means that districts and their partners need to develop and maintain sophisticated data systems that enable them to monitor the performance of young people, schools, and the partners themselves against the results they expect. Few communities have this capability.

Leading Indicators

Although districts collect a wealth of data, the information is often inadequate, and data gathered about youth relies heavily on test scores and school graduation and promotion rates. These indicators, while important, do not tell the whole story. They do not provide information about other aspects of youth development, such as health or well-being, or of a community's supports for children and families; they seldom show student growth over time; and they do not say very much about what schools and their partners need to do to improve results.

In addition, test scores and other indicators typically collected usually arrive too late to help individual children or schools who are struggling. For example, we already know that most urban schools do not meet state or district performance standards. These measures do not tell us whether schools or districts are investing in the types of instructional changes that will lead to higher performance down the road. Student performance measures are, to use a term from economists, *lagging indicators,* like unemployment statistics.

Economists do not wait for unemployment rates to be released to see if the economy is on the road toward full employment. To determine if employment rates will rise in the future, they examine other indicators – such as factory orders – which are known as *leading indicators.*

School districts and their communities need leading indicators of educational performance and practices that take at least two forms. The first type are the crudest sort of indicators, similar to the "Check Engine Soon" light on a car dashboard, which acts as an early warning system. These "dashboard" indicators don't diagnose a specific problem, but monitored carefully (and ideally longitudinally) they can help districts know where to look for trouble.

Much of this data is already collected by districts but not used proactively. For example, monitoring the rates of teacher transfer or attrition at each school might identify schools most in need of intensive intervention. Local education support systems must pay attention to early warning signs like these so they can target their resources and provide appropriate supports.

A second type of leading indicator, indicators of proven instructional practice, is much more cumbersome to measure but just as essential. If student performance measures are lagging indicators, then logically it is necessary to use indicators other than test scores to measure whether schools are engaged in the kinds of instructional activities likely to lead to student achievement. Local education support systems need to know, for example, if schools are effectively analyzing teachers' lessons and student work, or if they are implementing curricula mapped to district standards. Admittedly, this is a difficult task. At the very least, it is time-consuming and labor intensive to collect such data across large school systems; and in some subject areas and grade levels, what to measure is unclear. For our vision of local education support systems to become a reality, additional work will be needed in this area.

District-level Indicators

Both types of leading indicators – dashboard indicators and measures of proven practice – are needed at the district level as well. To be sure, districts are accountable to the community for student performance and for proper management of taxpayer funds. But just as with schools, these lagging measures of performance do not say whether districts are putting in place the infrastructure that will ensure positive results for students in the coming months and years. They do not say whether districts have the capacity to support schools' instructional improvement efforts, or whether they are providing the curriculum and professional development support schools need.

Without information on district structure and policies and on school practices – that is, leading indicators of performance – students are often left behind. These measures are especially important in urban districts, where most schools perform below state and district performance standards. These communities and these schools cannot wait the estimated three to seven years it takes to find out if the changes they are making are yielding gains in student performance. This information is particularly vital now, since the new federal No Child Left Behind Act holds schools and districts strictly accountable for improving achievement.

Local education support systems integrate not only the collection of data, but also the serious and regular examination of data, into the normal operating procedures for schools and districts. Thorough needs assessments based on sound data, rather than on subjective factors like personalities or politics, can provide solid directions for how to improve services.

Community Accountability

Appraising results regularly and leveraging data that already exist can also help the partners involved in local education support systems hold each other accountable for improved service delivery. Local education support systems share information widely and work with community partners to help ensure distributed responsibility and accountability for results. Reliable, shared data can be used for planning and evaluation and for understanding trends and mapping service availability.

Data can be powerful. Analyzing and publicizing data on educational performance in conjunction with information on young people's health and well-being, as well as data on the use of civic resources such as libraries, parks, and other public services, can catalyze wide civic involvement in, and advocacy for, child and family issues.

A Call to Action

Each of the three functions of a local education support system sketched herein – providing schools with needed support and timely interventions; ensuring that schools have equitable resources and power to make good decisions; and providing appropriate indicators for school and district accountability and decision making – is necessary, but none is sufficient on its own to ensure results and equity. And communities face major hurdles to put them in place.

To transform themselves into "smart districts," districts and their partners need brainpower to design these steps carefully, political will to overcome the inevitable resistance to change, **and skills and constructive relationships to implement** them effectively. Clearly, making results and equity the overriding purposes for school districts has major implications for urban (indeed, all) district design and for the very definition of what a district is.

Unlike most school districts today, the local education support systems we envision – and desperately need – provide high-quality, equitable educational opportunities to all children in all schools. They help children, educators, and schools achieve results by holding them to the same high expectations but also by offering different support strategies based on the unique needs of the children, educators, and schools. The system itself encompasses a broad range of partners who take joint responsibility for results. Furthermore, the structural and managerial arrangements by which these local education support systems function every day are driven by what it takes to achieve those results – not by history, convention, or convenience.

The urban school district, as it exists today, is not only ineffective for far too many students, but is for the most part invisible to the general public. When the average citizen thinks of public education, the images that come to mind first are probably not the superintendent, the board of education, and the central office. More likely, people think of their child's school, a favorite teacher, or any of their own myriad learning experiences.

But what is a school district if not the way in which a community organizes itself to provide public education? The district may not evoke dramatic or inspiring images, but it is critical to American democracy. Education is not only an individual good; it is also a community good and a societal good. Our country faces major changes in population and in the economy over the next century. Large-scale improvements in public education in the United States are necessary if we wish to avoid further perpetuating a nation of haves and have-nots, based largely on race, class, and geography.

Ample evidence has shown that we *can* improve our system of urban public education. Our dedication to children, our commitment to democracy, and our sense of justice compel us to act on that knowledge *now*. The continuing mission of SCHOOL COMMUNITIES THAT WORK is to contribute powerful ideas and concrete supports in its work with urban leaders who share this sense of urgency.

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Central Office Review

SCHOOL COMMUNITIES THAT WORK

Generally Accepted Principles of Teaching and Learning

SCHOOL COMMUNITIES THAT WORK

An Initiative of the Annenberg Institute for School Reform at Brown University

School Communities that Work: A National Task Force on the Future of Urban Districts was established in 2000 by the Annenberg Institute for School Reform at Brown University to examine an element of the public education system that has often been overlooked: the urban school district. The primary goals of the Task Force are to help create, support, and sustain entire urban communities of high-achieving schools and to stimulate a national conversation to promote the development and implementation of school communities that do, in fact, work for all children.

To help imagine what high-achieving school communities would look like and how to create them, the Task Force convened influential leaders from the education, civic, business, and nonprofit communities to study three critical areas: building capacity for teaching and learning; developing family and community supports; and organizing, managing, and governing schools and systems.

The following Task Force members and staff contributed to the development of this article. The lead writer was Ellen Foley, Principal Associate, Annenberg Institute for School Reform.

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For more information on the School Communities that Work Task Force, visit our Web site at *www.schoolcommunities.org*

Generally Accepted Principles of Teaching and Learning and their Implications for Local Education Support Systems

The Task Force believes that student learning is the cornerstone of everything that adults do in a "school community that works." To show how this overriding principle works in action, we have compiled a framework of widely accepted ideas about student learning and spelled out their implications for good instruction and for good local education support systems. What we envision as a "local education support system" might include a district central office (possibly reorganized from its traditional role) but also encompasses a variety of local organizations and/or individuals who provide schools with significant, ongoing support for student learning.

I. All children learn.

INSTRUCTION IN SCHOOL is a major influence on what, how, and how much children learn.

GOOD LOCAL EDUCATION SUPPORT SYSTEMS

- recognize the importance of high-quality instruction and thus
  - develop policies, contracts, and procedures intended to ensure that every child has qualified teachers

– establish structures or mechanisms to measure the contributions of all staff in order to connect educators' practice with student achievement

– identify or help schools identify expert teachers and principals and processes for drawing on their expertise; for example, by putting them into mentoring and leadership positions

– intervene when the performance of an educator or school is consistently poor

- provide all children with ongoing and varied learning supports and opportunities
- provide all children access to the full range of the curriculum

II. All children can learn to much higher standards than they are now commonly held to, regardless of their race or ethnicity, family income, gender, primary language, or disability.

GOOD INSTRUCTION makes the goals for learning clear and comprehensible to students, parents, and the broader community.

GOOD LOCAL EDUCATION SUPPORT SYSTEMS

- provide a core instructional framework that defines the knowledge and competencies students should acquire and that guides instruction
- make the obligations and rights of learners, families, and communities clear
- allocate resources such as materials, time, and staff assignments to advance the core instructional framework and to avoid diffuse, scattered improvement efforts
- require formative and summative assessments to be congruent with the learning goals laid out in the core instructional framework

III. Learning is a complex process interrelated with all aspects of development, including cognitive, social, and emotional development.

GOOD INSTRUCTION

- recognizes the affective aspects of learning and thus helps establish
  - comfortable, efficient routines well known to students
  - norms that make learning a primary value in the classroom and school
  - learning communities made up of adults and students who feel safe taking risks with each other, supporting each other's learning, and working cooperatively
- draws out and draws on children's cultural backgrounds and preconceptions
- builds on students' knowledge and prior experiences by presenting them with "just manageable difficulties"; that is, activities or assignments that are challenging to students, but not so hard as to be discouraging

GOOD LOCAL EDUCATION SUPPORT SYSTEMS

- recognize that successful policy implementation involves teaching and learning on the part of adults; therefore, they structure their policies, contracts, and procedures to meet the developmental needs of their staffs by
  - making connections with aspects of educators' lives outside of school
  - drawing on their cultural backgrounds and preconceptions
  - building on their knowledge and prior experiences
- have social norms that value the search for understanding and see errors as valuable sources for learning

- have staffs that model the kind of positive relationships and continuous learning that they seek to develop in students
- encourage the development of strong teacher leadership and distributed leadership in schools

IV. All children do not learn in the same ways or at the same pace.

GOOD INSTRUCTION

- draws from a wide repertoire of teaching strategies to tailor instruction to the needs of different students
- provides students instructional choices and multiple ways to engage with content to help them take ownership of their learning and demonstrate competence
- relies on ongoing formative assessment data to inform students of their progress, and to help identify the areas where further instruction and inquiry should be focused
- recognizes that learning is subject-sensitive: children don't simply learn, they learn to dance, to paint, to do mathematics, to read and critique text, to build tables, and to write stories; *what* students are learning is an important variable in the learning process

GOOD LOCAL EDUCATION SUPPORT SYSTEMS

- offer differentiated supports based on the needs of particular students and schools
- recognize that it's not only children who vary in the ways they learn – adults also vary in the ways they learn; thus, policies, contracts, and procedures should
  - be flexible enough to adapt to the varied conditions, capacities, and attitudes of school staffs
  - allow flexibility in school organization and staff working conditions

- provide instructional supports that balance the need for teacher creativity and decision making with the need for some systemwide consistency and comparative assessment

- use data to inform decision making, interventions, and curricular and programmatic choices

V. Learning is active. It requires effort and resilience on the part of the student as well as interaction with teachers, texts, materials, and/or other learners.

GOOD INSTRUCTION

- promotes this interaction by maximizing opportunities for students to engage in their learning, rather than passively absorb information
- helps illuminate the metacognitive processes – the reflection, or "internal dialogue" – that we use to assimilate new information, make connections with pre-existing knowledge, and develop thoughts and ideas
- helps encourage modes of participation that may be unfamiliar or culturally counterintuitive to some students

GOOD LOCAL EDUCATION SUPPORT SYSTEMS

- organize in-service professional development around the same learning principles we expect teachers to employ with students
- make student motivation for learning (as well as the factors affecting it) a primary concern

VI. Learning depends on a foundation of factual knowledge, the understanding of concepts in context, and the organization of facts and concepts so that they can be retrieved and applied.

GOOD INSTRUCTION

- balances the need for conceptual understanding with the need for "automaticity": for example, memorization of multiplication tables is important for application and fluency, but by itself does not necessarily promote understanding of the mathematical concepts underlying multiplication

- requires an in-depth understanding of the learning process as well as a strong basis in the subject or skill area being taught
- includes assessments that reveal students' conceptual understanding in addition to their factual knowledge and memorization

GOOD LOCAL EDUCATION SUPPORT SYSTEMS

- emphasize intellectual quality over techniques and procedures
- create mechanisms or procedures that help schools and educators become good consumers of professional development options and instructional materials and supports

VII. Learning is not limited to school. It can happen anywhere.

GOOD INSTRUCTION

- incorporates children's out-of-school experiences in school with lessons that have value beyond school
- is connected as much as possible to settings in the community that enhance learning for children and adults both inside and outside of school

GOOD LOCAL EDUCATION SUPPORT SYSTEMS

- provide education for the whole community – including parents and other stakeholders – about new expectations, new standards, and new instructional approaches
- recognize that there is much to be gained from understanding students' other learning environments, such as out-of-school settings, and the community's cultural, linguistic, and social assets

This document draws heavily from:

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Central Office Review for Results and Equity

SCHOOL COMMUNITIES THAT WORK

An Initiative of the Annenberg Institute for School Reform at Brown University

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The following Task Force members guided the development of this article; Ellen Foley and Marla Ucelli were the principal writers.

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For more information on the School Communities that Work Task Force, visit our Web site at *www.schoolcommunities.org*

Central Office Review for Results and Equity

SCHOOL COMMUNITIES THAT WORK envisions urban education systems in which all schools meet high academic performance standards, with no significant differences in achievement based on race, ethnicity, or family income. Few city school districts currently meet these criteria. Many urban districts face major constraints – such as fiscal instability, difficult politics, and poor labor-management relations – that hamper their efforts to improve student achievement. In some cities, achieving this goal will mean a radical re-visioning of the district, such as breaking it up into smaller districts, moving the central office from service provision to contracting and brokering, or creating networks of autonomous schools.

But existing districts can also be redesigned to provide an infrastructure of services, policies, and expectations that support school-level improvements in teaching and learning and that ensure equivalent results across whole systems of schools. To do so will require, among other things, more effective alignment of central office practices, resources, and policies with the varying

A NOTE ON TERMINOLOGY

We use the term *school district* or *district* to refer to the elements that make it up: schools, central office, school board, and community. We use the term *central office* to speak of the superintendent, cabinet, and school-district employees not working at the school-building level.

needs of individual schools in the context of a shared set of teaching and learning priorities.

Our work is based on a concept of equity that acknowledges the need to differentiate supports and resources for different needs, while maintaining common high expectations and standards. Thus, some students, teachers, and schools will require and get more and different supports and resources than other students, teachers, and schools. But that does not mean that every school or individual will be subject to different *policies*. The Central Office Review for Results and Equity is designed to help districts develop overarching policies that allow for variation in implementation according to the varying needs of schools, their staff, and their students.

Purpose

We believe it is possible for school districts, particularly their central offices, to support schools more effectively, efficiently, and equitably. The Central Office Review for Results and Equity (CORRE) is designed to help school district leaders improve support to schools by participating in a five-step analysis of the work of the central office.

Often, central office departments, units, and even individual employees implement policy, interact with schools and school personnel, and provide services that are inconsistent with the system's objectives. Sometimes, central offices do not themselves deliver the supports they lead but, instead, act as brokers for services from outside vendors.

The CORRE enables a district to examine the impact, effectiveness, and coherence of operations across departments, units, and levels and to help central office staff act in concert with the larger system's overall strategies, goals, and outcomes. After the CORRE, the central office might still provide various services to different individuals and groups, but it would do so intentionally.

By participating in the Central Office Review, district leaders can improve supports to schools in a particular area and can learn a process for dealing with issues that might arise in the future. The CORRE helps school districts engage in a cycle of continuous improvement; ask important questions; and incorporate information, reflection, and feedback into their decisions, policies, and practices.

The CORRE process is carried out by a team of district leaders and consultants from outside the district who are experienced in content areas, systems and culture change, and leadership for learning. During the three-to-five-month period of the review, the team chooses a particular focus issue, examines quantitative and qualitative data about it, and develops plans for improvement. The process is supported by several tools, described in more detail below. These tools are intended to help guide the process, not to exhaustively define it: the CORRE is customized for each district. Once the process has been worked through, it can be repeated, either focusing on different issue areas or following through on the initial efforts.

Infrastructure

The review process relies on commitments from the CORRE team, made up of representatives from the district and SCHOOL COMMUNITIES THAT WORK (SCtW) members and consultants. Tools developed by SCtW and the Annenberg Institute will also support the work. Some costs will be supported by SCtW, but participating districts must provide substantial in-kind and other contributions.

Commitments from School Communities that Work and the Annenberg Institute

SCHOOL COMMUNITIES THAT WORK will broker connections between the participating district and SCtW members and consultants, providing support for their joint work. It will also appoint a member of the SCtW staff to serve as CORRE liaison. SCtW will provide the district with access to all the SCtW tools and resources developed through the work of its Task Force in the areas of building capacity for quality teaching and leadership; organizing, managing, and governing schools and systems; and developing family and community supports.

Commitments from the District

The district will appoint a CORRE liaison to help compile an overview of district data, as well as to facilitate meetings and site visits. The district will support the liaison's time working on the review process as well as the time for the district employees involved in the CORRE team. The district will also provide meeting space and any necessary access, entry, and transportation to schools for data gathering. The district, through the superintendent and the board, will encourage full participation in the CORRE by its staff, schools, and key external partners.

Composition of the CORRE Team

The CORRE team will be composed of two to four SCtW members and consultants and ten to twelve district representatives and partners.

District members[1] of the CORRE team should include:

- superintendent
- deputy superintendents in charge of human resources, curriculum and instruction, professional development, and assessment/accountability
- regional or grade-level superintendents
- teacher leader(s) or teachers' union representative(s)
- principal leader(s) or principals' union representative(s)

We also strongly recommend that the team include:

- board of education representative(s)
- key community partner(s) (e.g., director of local education fund; chamber of commerce; grassroots education organizations)

[1] Titles may vary.

- parent leadership
- other members of the superintendent's cabinet

While district representation may vary according to the size and organization of the district, we recommend that the number of team members from within the district and its community not exceed twelve. We also recommend that at least one community partner be included.

The individuals who make up the SCtW network bring expertise in district leadership, organizational development, adult learning, teacher and leader professional development, research, and meeting facilitation. They also have broad experience as practitioners in urban districts and as policy makers at the state and local levels. Depending on the anticipated focus of the Central Office Review (see step 2 below), SCtW members or consultants with specific areas of expertise can be engaged as needed as members of or advisors to the CORRE team. The CORRE process will also be supported by Annenberg Institute staff and consultants.

The Process

The district's superintendent sets the process in motion by appointing the district liaison who, in conjunction with the SCtW liaison, has primary responsibility for planning the logistics of the process. Once the CORRE team has been formed, the members work cooperatively through the five-step process, illustrated in the *Summary Figure and Timeline*[2] and described below.

STEP 1. Preparation

Major activities

The two liaisons prepare background information about the district and share it with the team. Through consultation with the superintendent, the liaisons also begin to identify issue areas to be addressed in the CORRE.

[2] Tools and supporting documents (indicated in italics) will be available on-line at <*www.schoolcommunities.org*> by January 2003.

Primary Goals

- to find mutually agreed-upon dates to conduct the review
- to prepare information about the district to share with the team
- to begin to identify issue areas to be addressed in the CORRE

Supporting Documents / Tools

The information about the district will be compiled using the *Data Framework for Joint Focus-Setting*, which emphasizes outcomes of teaching and learning, inputs (staff certification, attendance, etc.) and key strategies for improving teaching and learning that the district has put in place.

STEP 2. Developing Shared Understanding of the District and Identifying Priorities

Major activities

The team convenes for a two-to-three-day-long facilitated meeting to discuss the information that was prepared in step 1 about the district and its key strategies for improving teaching and learning across schools. This meeting will include two to three school visits to help ground the CORRE team in a shared experience of the district; a structured review of the data collected in step 1; selection and discussion of an issue area or areas the district needs to address; and identification of key informants and schools to visit in the chosen issue area(s).

Primary Goals

- to share an understanding of the district's status in terms of achievement and strategies for changes leading to improved school practice and student outcomes
- to agree on a priority issue or issues that need to be addressed in the district
- to discuss background information about the issue(s), including sources of problems and recent initiatives, focusing on the coordination and alignment of supports from the central office

- to develop recommendations for the selection of informants, sites for visits, and type of observations needed to illustrate the issue(s) and/or central office, school, and classroom strategies related to the issue area(s)

The key informants will include staff from the central office and from key partner organizations (e.g., unions, community agencies, reform support organizations). The school sample will be purposeful, selected to illustrate the district's efforts on the issue area(s) selected. The sample of schools should strive to be as representative as possible of the student population of the school district, the school levels involved in the issue to be addressed, and the range of achievement in the district. The total number of schools to be visited should not exceed ten.

In addition to the overview of district data compiled in step 1, SCtW has developed a list of priority issues built around its essential functions for local education support systems (see sidebar). To help the CORRE team address these priority issues in a set of schools, SCtW has developed a *School Visit Planning Sheet.*

ESSENTIAL FUNCTIONS AND PRIORITY ISSUES

I. **Provide schools, students, and teachers with needed support and timely interventions**
   - A. Professional development
   - B. Accelerated academic, linguistic, and cultural supports
   - C. Youth development advocacy and practices

II. **Ensure that schools have the power and resources to make good decisions**
   - A. Human resources
   - B. Teaching and learning tools and resources

III. **Make decisions and hold educators throughout the system accountable by using indicators of school and district performance and activities**
   - A. School authority and budgetary flexibility
   - B. System accountability

STEP 3. Deepening the Understanding of the Priority Issue(s)

Major activities

Using the knowledge of the district and the analysis of the issue(s) achieved in step 2, the CORRE team visits schools and makes classroom observations, conducts focus groups and interviews with central office and school staff and students, and consults with community members in order to gather more data that deepens the understanding of the issue to be addressed.

To help facilitate visits to schools, the liaisons should work not only to schedule the logistics for the visits, but also to collect and distribute background material on each school, such as school improvement plans, organizational charts, state and/or district "report cards" or performance reports, and any special recognitions or descriptions of special programs in the school.

Primary goals

- to gather data for an in-depth analysis of the multiple perspectives on the issue area(s)
- to add the voice of mid-level managers, principals, teachers, community members, and students to the analysis of the issue

Supporting Documents/Tools

The *Sample Introductory Letter* to schools outlines the purpose and structure of the school visits. Additionally, the interviews, focus groups, and site visits will be structured around the *School Observation Checklist*, the *School Summary Survey*, and the *Focus Group/Interview Summary*. The *Interview and Focus Group Guidelines by Issue Area* will help guide the data collection. These guidelines will be customized to reflect the issue area(s) agreed on in step 2 and to reflect the specific needs of the school district, also identified in step 2.

STEP 4. Compiling and Analyzing Data on the Priority Issue(s)

Major activities

Data from the school-visit checklists, interviews, site visits, observations, and focus groups conducted in step 3 will be compiled by SCtW, with assistance from the CORRE liaison and the district's research staff, if possible. This compilation of data will be shared among all CORRE team members during the first half of a two-to-three-day meeting. This compilation will involve only preliminary analysis and will focus on organizing the data into categories suitable for further examination.

During this step, the CORRE team will analyze the compiled, categorized data and draw conclusions about implications for central office practice and policy. By analyzing the data in this way, CORRE team members will be participating in "action research," reflecting on data about their own work in order to improve it. The analysis will emphasize alignment, effectiveness, and equity.

Primary goals

- to reach consensus on the key problems and their causes
- to share an understanding of how central office policies and strategies are enacted at the school level
- to learn about district constituents' perceptions of the district's strategies and compare them to the perceptions of leadership
- to generate hypotheses about actions the central office, intermediaries, schools, and partners can take to improve supports for teaching and learning

Supporting Documents/Tools

This step is supported by the *Guidelines for Analysis* and the *School Summary Survey Compilation Sheet.*

STEP 5. Developing Action Steps

Major activities

In the second half of the two-to-three-day meeting, the CORRE team works to make recommendations on action steps that are suggested by the investigation into the issue areas and central office strategies related to it.

Primary Goal

- to come to agreement about concrete steps that can be taken to improve the central office's support for schools and about who should take them

Supporting Documents / Tools

This step is supported by the full *Portfolio for District Redesign*.

After the CORRE

After the action steps have been determined, SCtW will continue to work with the district. This may involve varying levels and frequency of feedback and consultation on the implementation of the action steps.

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Human Resources

SCHOOL COMMUNITIES THAT WORK

Find, Deploy, Support, and Keep the Best Teachers and School Leaders

SCHOOL COMMUNITIES THAT WORK

An Initiative of the Annenberg Institute for School Reform at Brown University

School Communities that Work: A National Task Force on the Future of Urban Districts

School Communities that Work: A National Task Force on the Future of Urban Districts was established in 2000 by the Annenberg Institute for School Reform at Brown University to examine a feature of the public education system that has often been overlooked: the urban school district. Its primary goals are to help create, support, and sustain entire urban communities of high-achieving schools and to stimulate a national conversation to promote the development and implementation of school communities that do, in fact, work for all children.

To help imagine what high-achieving school communities would look like and how to create them, the Task Force convened influential leaders from the education, civic, business, and nonprofit communities to study three critical areas: building capacity for teaching and learning; developing family and community supports; and organizing, managing, and governing schools and systems.

The following Task Force members contributed to the development of this article. Joseph DeStefano was the principal writer.

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For more information on the School Communities that Work Task Force, visit our Web site at *www.schoolcommunities.org*

Find, Deploy, Support, and Keep the Best Teachers and School Leaders

SCHOOL COMMUNITIES THAT WORK: A National Task Force on the Future of Urban Districts is working to create, support, and sustain urban education systems with two characteristics:

- all schools in the system meet high academic performance standards; and
- none of the system's schools have significant differences in achievement based on race, ethnicity, or family income.

Unfortunately, what we have now are many urban school districts where parents are forced to rely on their own resourcefulness because the school system has failed to ensure quality education across the board. Some parents line up for hours to try and secure a place in what they perceive to be "the best" school or will lobby the principal in their assigned school to make sure that, next year, their child is placed with "the best" teacher.

While we can all applaud the level of involvement and concern of the parents who labor to secure the best placement for their children, shouldn't we also question why those efforts are necessary in the first place? Doesn't the idea that there is something to be gained by getting into the better school or having the better teacher also imply that there is something to be lost by not doing so? Why should it be acceptable that some children will win – and therefore some lose – this annual education lottery?

Can All Schools Be Good?

SCHOOL COMMUNITIES THAT WORK sees the assurance of quality learning opportunities for all children as the fundamental purpose of school districts. We want to see school districts where excellent teaching is the norm in all schools, rather than the rare prize that has to be fought over. A significant step toward that goal would be school districts where the central administration does a much better job making quality principals and teachers available to schools and then supporting all schools in the creative and most effective use of their resources and talents.

Teachers – A Key Ingredient of Quality

Research has shown that, all other things being equal, children with less qualified, less able teachers fare worse in school. Their learning gains are smaller compared to students with higher quality teachers and, over time, their ultimate success or failure in school is determined by the sequence of teachers to whom they are assigned.

As every informed parent knows – and certainly all the staff in any district know – there is great variation in the quality of teaching both within and across schools. And research has consistently shown that who gets access to the best quality teaching available within a district is not accidental. Studies repeatedly demonstrate that minority and low-income students get the least qualified teachers.

Principals – The Front-Line Managers Needed to Make Schools Excel

The good school owes much of what makes it successful to the principal who leads it. The fact that there tend to be better teachers in schools with good principals is not a coincidence. As national Gallup surveys of employees have revealed, the managers that employees interact with on a day-to-day basis are more important than the company they work for. Simply put, people want to work for good managers.

In school districts, principals are not treated as such critical contributors to the system's success. In fact, the problem in large urban school districts is that the system does not encourage or support principals in assembling the best possible teams of teachers, nor does it help principals to put in place ideal work environments and conditions in their schools. Instead, union agreements and explicit as well as implicit district policy erect barriers to the creation of the conditions that principals and teachers need to succeed. For example, seniority rights and the rules governing assignment mean that the least experienced principals and teachers tend to find themselves clustered in struggling schools. In contrast, the most experienced and savvy staff congregate in the best schools.

It is the absence of management freedom enjoyed by the private sector and the lack of a comprehensive system of human resources development and management in urban districts that produces these small pockets of quality at the expense of the large majority of schools and students.

The Vital Role of Human Resources Management

Many educators, academics, and policy makers are presently working to rethink how education programs in universities prepare people to teach, how certification practices can assure quality, and just what kind of induction and professional development can continuously improve the quality of teachers on the job. These are all important aspects of what needs to be addressed to make quality teaching the norm rather than the exception in many districts.

Likewise, groups all over the country are rethinking the role of the principal, starting principals' academies, reconsidering principals' certification requirements, and making principals more directly accountable for the success of their schools. Most school districts and education policy makers are also wondering where the next generation of top-quality principals is going to come from.

SCHOOL COMMUNITIES THAT WORK has explored a less often examined dimension to the problem of teacher and principal quality. We contend that the rigid labor conditions and the resulting human resources practices of traditional school districts play just as important a role in creating the present inequities in the quality of teaching and school leadership as do the issues of preparation and certification. We further postulate that changes and improvements in those labor conditions and human resources practices are what is really necessary to rectify the present inequities in the availability of quality teaching and leadership.

We want to state clearly that we are not advocating the dismantling of unions nor seeking to diminish the valuable purposes they serve. We do, however, believe that districts and unions must change their contracts, relationships, and traditionally held practices to find ways to work better together to improve labor conditions and human resources practices.

Because education is inherently a labor-intensive endeavor, a district's human resources practices exert tremendous influence over each school's ability to succeed. Figure 1 highlights some of the basic organizational issues impacted by human resources policy and practice and shows the typical problems in each of those areas faced by struggling school districts.

The prevailing picture of how urban school districts and schools presently manage their human resources is one in which:

- hiring is constrained by limits – imposed by traditional practice, by joint agreements with unions, and by other restrictions – on the ways in which districts engage

THE IMPACT OF HUMAN RESOURCES PRACTICES	
HR policies and practices determine: • who gets hired	**Struggling school districts typically:** • limit their sources of talent and fail to compete in the labor market
• what the terms of their employment are	• offer only one set of terms of employment
• what expectations are set and managed to, and how they are set	• do not systematically define, set, and manage to expectations
• how performance is evaluated	• limit the way they evaluate performance
• what recognition and rewards exist, and what those rewards are based on	• adhere to seniority-based salary advancement
• what opportunities are available for professional growth	• treat professional development as separate from human resources development

Figure 1

the labor market for professional staff and by the single set of terms and conditions of employment districts can offer;

- compensation and career advancement are by and large automatic and not tied in any appreciable way to a demonstrated contribution to outcomes for children;
- staffing decisions are for the most part highly centralized and governed by seniority rights and entrenched rules and management habits.

Unless we confront the prevailing ways school districts bring in, develop, and manage their essential human resources, we may be conceding what is probably the best hope for improving schooling for the substantial share of students enrolled in large urban districts. How people are assigned; the expectations and objectives they are working toward; the authority, responsibility, recognition, rewards, and accountability they face – these factors are what determine the management environment in which they are asked to perform their jobs. Therefore, these are the critical variables that need to be examined to determine how best to create work environments in school districts that can ensure that the best quality people are available, fully utilized, and obtaining the best outcomes for all children.

Getting, Keeping, and Tapping the Talents of Quality Teachers and Principals

SCHOOL COMMUNITIES THAT WORK has been examining how districts can create the conditions that attract quality teachers, principals, and leaders and how they can provide **the space and support that** principals and teachers need to be successful. As we began looking into how we could contribute to improvements in school districts' management of human resources, we asked ourselves, "Can poorly performing school districts move to good or even great performance – and sustain that performance over time?"

Lessons from the Private Sector

To answer that question, we researched how companies and organizations in the private sector become "good" and "great." Research over the past several years suggests that organizations can, indeed, reshape themselves and improve their performance. We reviewed leading studies of top-performing organizations; in particular, those that improved dramatically and were able to sustain superior results over time. We also studied companies known for exceptional human resource practices.

Our research showed clearly that **good organizations *can* become great organizations.** They do so primarily through their people and their human resource system practices. In fact, improvement was attributable primarily to an organizationwide effort at pursuing excellence while simultaneously valuing people – as evidenced by an organization's philosophies and policies, the beliefs of its top people, and – importantly – through highly visible and recurring action.

Those actions communicate and make tangible to an entire organization that its employees are valued and supported and that nothing short of excellent performance is expected of everyone. These actions are what we refer to as human resources practices. It is what good leaders and managers do every day to create work environments that plan for and commit time and resources to getting and supporting the best possible people in every role.

Applying the Lessons to Districts

After looking at the experience of highly successful organizations, it became apparent to us that, to be more successful, school districts need to do many things differently and do many other things they currently do not do. Of course, private businesses are very different institutions from public school districts. School districts don't have the flexibility, for example, to manipulate hiring practices, target different customers, or move to a more hospitable location as many businesses have. Still, at SCHOOL COMMUNITIES THAT WORK, we feel it is important to understand how lessons from the private sector might help inform urban school districts as they try to plan for, acquire, maintain, develop, retain, and evaluate their staffs.

A Framework for Examining Human Resources Systems

To capture how great organizations pursue excellence and value people, we are developing a framework in which three things matter:

- creating a positive and motivational organizational context;
- getting the best possible people into roles suitable for them and for the organization;

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- getting the most out of each and every person.

As shown in our framework (see Figure 2), these simple ideas have specific implications for leadership and management as well as for eight components of human resources practices in schools and districts. Research indicates that as organizations change their view of human resources – from a personnel department, primarily responsible for managing the paperwork and processes of hiring, to a strategic asset, where hiring and developing productive employees is the key function of management – they will have to change how they plan for, acquire, maintain, develop, retain, and evaluate employees.

Creating a Positive and Motivational Organizational Context

To create a positive organizational context, districts need to understand whether their leaders and managers devote time to organizational development issues.

Leadership's primary purpose is to define the organizational imperatives that will demand and sustain excellence. If they are going to demand excellence throughout the organization, then leaders must also commit to and deliver on the support all staff need to be successful every day. Rhetoric needs to be converted into action. Managers – principals and central office directors – need to assemble the best possible teams of people, define clear expectations for them, and create the conditions and provide the support they need every day.

Getting the Best Possible People into Roles Suitable for Them and for the Organization

To know how they can get the best-quality people into the right roles, school districts need to question how they hire teachers and principals, how staff are assigned to schools, and how schools use their staffs.

The supply and demand for teachers in most urban school

Framework for Human Resources Systems

Organizational Objectives	Elements of Human Resources Systems	Implications for Quality and Equity in School Systems
Create a positive organizational context	LEADING	• Provide focus and define quality and equity as organizational imperatives. • Create and promote organizational culture dedicated to quality for all children. • Create and demand supportive environments for teachers and schools. • Establish overall staffing philosophy and hire great managers (central office and principals).
	MANAGING	• Attract and hire talented teachers and staff. • Define and focus on results (success for students). • Motivate and develop teaching and other talents. • Create working environments that demand and support quality and equity.
Get the best people into suitable roles	PLANNING	• Forecast need to assure a steady stream of top-quality teachers and principals. • Define excellence in teaching and building management, identify characteristics of people who deliver excellence, identify sources of people who have those characteristics. • Compete in the marketplaces for teaching and managerial talent.
	ACQUIRING	• Know where to compete for top teaching and managerial talent. • Get people who have the skills and talent you need as opposed to fielding warm bodies to fill vacancies. • Pick from the top of the barrel instead of the bottom.
Get the most out of every person	MAINTAINING	• Induct and orient new teacher hires. • Create work environments that support teachers and principals in what they need to focus on – quality instruction and well-run schools. • Find the right place for people so that they can be successful. • Promote supportive work environments and compatible teams.
	DEVELOPING	• Create and manage to career and performance plans. • Provide access to professional development that helps people succeed in their jobs (tied to challenges at hand). • Provide coaching. • Study and reward excellence.
	RETAINING	• Make sure all staff have personal and performance goals and support those goals. • Ensure teachers and managers adequate compensation and appropriate responsibility, authority, and control. • Base career advancement on performance. • Reward, recognize, and celebrate accomplishments. • Hire people that employees want to work with.
	EVALUATING	• Evaluate based on performance. • Benchmark performance against internal examples of excellent teaching and management. • Provide opportunities for peer evaluations. • Evaluate managers and service providers on whether they provide support.

Figure 2

districts is currently characterized by

- persistent shortages in certain fields;
- an abundance of people trained as teachers who never end up teaching;
- an unacceptably large percent of those who do enter the field leaving within three to five years;
- a whole variety of other people with skills and knowledge to offer who are not seen as a potential source of professional educators;
- a distribution of teaching resources that disfavors those who most need the most talented teachers.

Similarly, while there is no national shortage of principals, individual districts struggle to fill positions. For a number of reasons, too many districts – and in particular struggling urban districts – fail to compete in the labor markets for quality managers. Recognizing the nature of the marketplace for quality talent, understanding its dynamic, and positioning oneself to compete successfully are all things successful organizations do and do well. In the case of school districts, they need to do not only a better, but in most cases an entirely different, job of planning for, pursuing, and recruiting quality professionals.

Creating conditions that attract qualified professionals, offering distinct incentives to candidates for positions in shortage fields, offering incentives to people willing to work in the most difficult or challenging schools, are what school districts need to do, and do more systematically. Tapping people in the labor market who have left education and attracting and facilitating the entry into education of professionals working in other fields are areas of district-level human resources management for which we are identifying best-practice models.

Getting the Most Out of Each and Every Person

To understand whether they are getting the most out of principals and teachers, school districts need to examine several key features of what we would call their "human resources environment."

In most traditionally structured school districts, seniority and rigid salary scales do more to shape people's professional careers than any systematic application of a vision for human resources development. Certification and seniority are rewarded, not performance. The movement of individuals within the organization is not based on deliberate management decisions to form highly successful teams or to assign skills and talent where they are most needed. And managers themselves are not rewarded for developing talent, nor are they evaluated based on how well they support the work of principals or teachers. Districts need to examine what happens to people when they join the organization; how they are helped to develop; how they are rewarded, supported, or sanctioned if necessary; and how they grow in their levels of responsibility and authority.

Management in an Era of Accountability

Around the country, schools are increasingly being held accountable for the results that their students obtain. Attempting to meet these demands while paying little or no attention to how the management environment supports accountability may prove to be a fundamental flaw in the current approach to this issue. The human resources environment, as we have seen from examining successful businesses and organizations, is what creates the organizational context for success, in school districts as much as in other public- or private-sector organizations.

Poor-performing urban school systems must struggle against unsystematic, nonstrategic human resources environments that can contribute to a dysfunctional organizational climate and culture. Changes in district policy and new agreements with professional unions are needed. Such changes might include

- pay scales differentiated by field of qualification;
- alternatives to seniority and additional years of education as criteria for moving up the pay scale;
- incentive-based pay tied to learning gains for students;
- expectations and incentives for outstanding individuals to take on the toughest assignments.

However, the extent to which these kinds of reforms actually lead to improvements in instruction and, more broadly, in learning opportunities for students will depend on the management environment of schools. And it will also depend on the capacity of school managers and staffs to create and operate within those kinds of environments.

Putting Our Framework to the Test

Using the framework we have proposed here, SCHOOL COMMUNITIES THAT WORK will be partnering with several urban school districts that are interested in systematically examining the various features of their human resource policies and practices. Using the three focal areas of the framework, we will help the districts look at the roles of leaders and managers and think critically about how they plan for, acquire, maintain, develop, retain, and evaluate the professionals needed to offer quality learning opportunities.

In the course of this work, we will help the districts adapt the framework to suit their needs, contexts, and purposes. We will also share with them best practices from highly successful organizations. By joining those best practices with the unique circumstances of each urban district, we can jointly define a path to improved human resources policies and practices in districts where they will ultimately benefit children who need it the most.

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Partnerships

SCHOOL COMMUNITIES THAT WORK

Developing Effective Partnerships to Support Local Education

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Developing Effective Partnerships to Support Local Education

School districts and their communities do not exist independently of each other, even though they are commonly viewed as separate entities. Even where districts are stereotypically remote and bureaucratic, they have an impact on the communities in which they exist, and vice versa. Understanding that connection is difficult because there are multiple communities within every city or school district catchment area. Districts – through their schools, boards, and central offices – operate at many different levels of the community, and they affect and are affected by individuals, schools, parents, civic groups, community-based organizations, and city agencies, among others. The complexity and importance of these relationships motivated the SCHOOL COMMUNITIES THAT WORK task force to include developing family and community supports as one of our three major focus areas.

Our work as a task force has led us to conclude that it is unfair to expect school districts *as we know them* to support the ambitious goals we are advocating for schools and for schoolchildren. In order to achieve both high academic results and equity for all a systems' schools, we envision a new kind of school district – what we call a local education support system – that marshals all a city's resources to fulfill three functions:

- provide schools, students, and teachers with needed support and timely interventions;

- ensure that schools have the power and resources to make good decisions;
- make decisions and holding people throughout the system accountable with indicators of school and district performance and practices.

Of course, this is much easier said than done. Many school districts are overwhelmed with new state and federal demands for accountability in student achievement. Though it may seem counterintuitive to adopt a broader focus, we argue that working in large-scale partnerships is the best way to achieve ambitious student-performance goals.

Advocating this kind of partnership is hardly new advice. Developing partnerships among city agencies and community-based organizations is rhetorically very popular and many efforts that seek to increase it – integrated services, service co-location, and mayoral councils on child and family issues, to name a few – have been attempted throughout the country. With a few exceptions, these efforts have not lived up to expectations.

In this document, we draw on lessons from effective partnerships as well as on the experience of Task Force members involved in developing or studying partnerships. We describe new ways of thinking that undergird the individual and joint work of partners involved in effective partnerships and identify principles for supporting their development and sustainability.

A NOTE ON TERMINOLOGY

Throughout this document we use the term *effective partnerships* because it is a simple way to describe what we want to create and because it focuses attention on the results of partnership, not on partnership for partnership's sake. However, the term is imperfect in a number of ways. First, to some, partnerships suggest only two individuals or organizations, but we envision a much broader, multipartner effort. Additionally, calling them effective partnerships suggests a level of success that is static and unchanging. That is hardly the reality. Even partnerships that have continued success evolve and require close attention. Partners must constantly ask themselves what value they add to children's lives and consistently strive to increase their contribution. Please bear these caveats in mind.

New Ways of Thinking about District-Community Partnerships

The work of the Task Force has made it clear that effective partnerships involve more than just collaboration among school districts and other community organizations. We have identified new approaches to serving children, youth, and families that can act as catalysts to form effective partnerships and can be further reinforced through the actual work of the partnership to continue to build its effectiveness.

These new approaches not only undergird the joint work of the partnership, but also the approaches of the individual partners. They include

- assessing and aligning their services to promote not only *results*, but *equity* as well;
- considering all their current activities and future plans from a *youth engagement and development* perspective.

We describe both of these new ways of thinking about education and other supports and services to children and youth in detail below.

Results and Equity

Few would argue against the statement that all children, regardless of their race, ethnicity, gender, primary language, or family income, deserve a safe and enriching path through childhood so that they can grow to be adults with fulfilling, caring, and productive lives. But figuring out how to achieve these results for all children is challenging in a society still struggling with racism, classism, and other forms of discrimination, especially when the pursuit of equity is often perceived as coming at the expense of excellence. Lessons from schools, social service agencies, and other community organizations demonstrate that results do not have to come at the expense of equity, and vice versa. Indeed, we believe that both goals must be pursued in tandem if all children are to reach the ambitious expectations to which they deserve to be held.

However, ensuring equivalent results for all children requires that some children receive more and different services, supports, and opportunities than others. Providing the same services for all will not suffice, and continuing to offer the least to those who need the most is morally and practically untenable.

Most urban communities are not organized to provide services, supports, and opportunities for children and youth efficiently or equitably. The least-experienced teachers work in schools attended by children who need the most academic support; recreation opportunities are limited in neighborhoods that have the greatest need for safe areas for children and youth to play; and often health services are inadequate in zones where children and youth are most at risk for chronic illness or injury.

Adopting an emphasis on results and equity means redirecting supports and services to those who need them most.

Child/Youth Engagement and Development

Connell, Gambone, and Smith describe children and youth as "assets in the making" whose "development [is] dependent on a range of supports and opportunities coming from family, community, and the other institutions that touch them." They note that "when supports and opportunities are plentiful, young people can and do thrive; when their environments are deficient or depleted, youth tend not to grow and progress."[1]

Key to providing the appropriate supports and opportunities for children and youth is having a firm understanding of what they need for healthy development. School-age chil-

[1] Connell, J. P., M. A. Gambone, and T. J. Smith (2000). "Youth Development in Community Settings: Challenges to Our Field and Our Approach." In P. J. Benson and K. J. Pittman (Eds.), *Trends in Youth Development* (Boston: Kluwer Academic); and in Public/Private Ventures (Eds.), *Youth Development Issues, Challenges and Directions* (Philadelphia: Public/Private Ventures).

dren and youth must of course have their basic needs for food, clothing, and shelter met, but they also need to feel safe, to belong, to have close relationships with peers and adults, and to have a say in and contribute to the world around them. When these needs are met, children are more likely to be engaged in whatever it is they are doing – academic work, an after-school club, community service, or a part-time job. Active engagement then leads to greater learning and growth, not just physically and cognitively, but also socially, morally, and emotionally.

Unfortunately, many service providers, including many schools and school districts, have not designed their services to capitalize on this interrelationship. In the name of "focus" or "get-tough" remedies, services are instead designed to "fix" children or to develop competency in a single area, often disregarding the effect on the genuine engagement, participation, and investment of youth in the activity. These approaches might have some positive effects, but they are inadequate because they do not treat engagement as a key part of development.

For example, developing students' academic or cognitive skills is the most important goal of school systems, but the effort is more likely to be successful and sustainable when they are designed with children's developmental needs in mind. To take these needs into account, a school district or local education support system – before implementing any education reform – would examine the reform's effect on student engagement and participation. Educators throughout the system would be aware that the most successful students share the following characteristics: they have a sense of belonging to their school and to the larger community; they have personal relationships with peers, teachers, and other adults; and they have some say about how they spend their time and about what they learn. Education reforms that were designed only to improve student achievement on standardized tests, but not to address student motivation and participation, would be revised or abandoned. Focusing on engagement in learning is not an end, but is a means for improving student performance, developing greater depths of conceptual understanding, and encouraging resourcefulness when faced with unfamiliar tasks or problems.

Using New Thinking to Grow a Partnership

As noted earlier, these new ways of thinking – an emphasis on results and equity, and on child/youth development and engagement – are catalysts for the creation of effective partnerships. These approaches were present in at least a rudimentary form in the initial stages of the partnerships we studied. However, it is not necessary for these elements to be fully in place to begin a partnership that can grow to be an effective one; none of the partnerships we studied exhibited these elements in full from the outset. The joint work of partnership reinforces and supports the development of these essential elements, which continue to increase the effectiveness of the partnership as the work progresses.

Design Principles for Developing Effective Partnerships

The Task Force is confident that it has identified two approaches to their work – an emphasis on results and equity, and an emphasis on student engagement and development – that are common to effective partnerships. But the more challenging task has been to explain why some partnerships develop and build on these approaches and others do not. What makes one partnership effective and another inconsequential?

Drawing on our individual and collective work, as well as on the work of colleagues, we have identified design principles for developing effective partnerships. Though we feel that these principles are common to successful efforts, it is important to note that every city is unique. Because each community context is so critical, so specific, and so varying, precise formulas and definitions aren't useful. There is no one best way to build an effective partnership, but these common design principles should provide guidance to communities that hope to do so.

Effective partnerships have champions.

The partnership includes or is convened by leaders who are committed to it and who have the power to legitimize its role. While there is no one ideal governance structure, all of the effective partnerships we studied were led by powerful individuals. Their power comes from different sources – they can be elected officers, grassroots organizers, or key leaders who influence policy through their status or knowledge rather than through elected office. Wherever the power comes from, the success of the partnership depends on it.

Effective partnerships begin with the ends in mind.

Partners work together to identify and agree upon the desired results for children and youth. Many change and improvement efforts involving multiple players or sectors break down over disagreements about day-to-day implementation of new behaviors and programs. It may not be possible to completely prevent this. However, **clear, up-front agreement on** results enables mapping backward from those results to the services and opportunities required to achieve them, to the responsibilities of all partners, and to the baseline data required to assess progress.

Effective partnerships build civic capacity.

Stone describes civic capacity as "the mobilization of stakeholders in support of a communitywide cause."[2] Partners should take advantage of any pre-existing civic capacity to initiate the process of community members and groups working together to address a common problem. But civic capacity is also further strengthened as this work progresses.

Building civic capacity around educational issues is a process with several stages. First, mobilization needs to occur around a problem seen in broad enough terms to concern people across different sectors of the community. A shared concern can build connections between actors who otherwise might go their separate ways, each pursuing a different agenda. The concern could be about a dismal level of educational achievement in the city's schools, for instance, or about unmet needs of children and youth. At the early stage, the important step is for the partners to agree that the problem needs to be addressed.

In the next stage of building civic capacity, partners develop a common definition of the matter of concern and begin to move toward concrete plans of action. This step is critical to overcoming issues of turf and political concerns related to unions, race, etc. For example, several groups in a community might agree that a rising number of school dropouts plays a major part in the district's low educational performance. But each group might view the problem differently. School leaders might worry about accountability provisions that hold them accountable for graduation rates; police and safety officers might point out the rise in petty crime by idle youth; and youth themselves might com-

[2] Stone, C. N. (Ed.) (1998). *Changing Urban Education.* Lawrence, KS: University of Kansas Press, p. 15.

plain of a lack of interest in courses that don't seem relevant or prepare them for higher education.

By working together to take into consideration each other's view of the issue, members of effective partnerships develop a broader and shared understanding of the problem. For this reason, partnerships should not be narrowly constituted; and when school reform is the focal issue, it is particularly important that parents have a prominent voice in the partnership arrangement.

Mobilizing around a common problem and developing a shared understanding of the problem leads to the third stage of building civic capacity: addressing the common problem. Effective partners work proactively, to prevent problems from becoming crises, and reactively, to respond when inevitable crises occur.

Effective partnerships distribute accountability among partners.

It is not only schools and school districts that fail their students; most institutional providers are less effective than the children and youth they serve need them to be. School districts' difficulties in instituting high standards and assessing whether their students are successfully meeting them have been highly visible, but other provider institutions also have difficulty conceptualizing what a set of performance standards might be. Two other frequently discussed difficulties of school districts are providing professional development that helps their staffs become more effective practitioners, and stretching limited resources. Other community institutions also have these types of problems.

Acting under a guiding principle of distributed accountability, service providers and their stakeholders, instead of blaming problems on each others' shortcomings, would jointly assess effectiveness, identify what must be improved, and define the actions to be taken. They would recognize that most of their valued goals require efforts from more than one of the participants in the partnership. School districts' efforts to raise students' cognitive capacities depend on effective competency development by other community institutions, and the other community institutions need effective schools to buttress their own developmental work. Distributed accountability means everyone in the partnership **willingly shares responsibility** for making the partnership work and for what happens when it doesn't.

For accountability to be effectively shared, each desired common goal must be framed broadly enough so that all the players at the table have a clear role to play in meeting it. For example, if the goal is framed as improving students' reading scores, then the school district might be seen as the only responsible entity. But if the goal is framed as increasing citywide literacy, then other groups might see, or could be helped to see, how they might be able to contribute to improving the outcomes. Working with libraries and other institutions to sponsor family reading nights, making inexpensive books available to families at grocery stores or via the advertisements that come through direct mail, working with local media to do public service announcements on literacy, making sure that the recreation department and **youth sports organizations** know there is an epidemic of illiteracy, or developing adult and family literacy classes in the workplace or at elementary schools are all examples of ways that various community sectors can become accountable for improving citywide literacy outcomes.

We, as educators and citizens interested in education reform, need to imagine and then create examples that suggest how communities and community institutions can hold their schools accountable; we also need to recognize that, while school districts are important actors in improving educational supports and opportunities for children and youth, they are not the only actors, nor the only group responsible. Effective partnerships among school districts, parents, and other community members and groups define and distribute responsibilities, helping to ensure that each service-provision sector, and particularly public education, is connected in a continuous dynamic of evaluation and improvement. Some communities have used memorandums of understanding, contracts, and letters of agreement to distribute accountability and to help all parties expand their role to improving results for children and youth.

Effective partnerships make good use of data.

One clear lesson of effective partnerships is that data – from standardized tests, surveys, and budgets to interviews, focus groups, and anecdotal evidence – are powerful. Partners can use data on child and youth outcomes and other measures of program effectiveness to mobilize support for their efforts, manage programs, and create cross-sector accountability. Analyzing and publicizing outcome and utilization data from schools, libraries, parks, and other public services can catalyze wide civic involvement in and advocacy for child and family issues. Thorough needs assessments can provide sound direction on how to improve services. Deliberate examination of data can diminish the impact of more subjective factors such as personality and politics on difficult choices about service provision or redistribution. Appraising results regularly and leveraging data that already exist can help partners hold each other accountable for improved service delivery. Reliable, shared data can be used to plan, to evaluate, to understand trends, and to map service availability.

But data alone will not galvanize communities, especially if it is used irresponsibly. As much as data can empower, it can also disable. Effective partnerships engage in frank discussions of data security, ownership, and access. The partnership's collection and use of data is driven by the needs of the community, not of the service providers.

Effective partnerships are honest about partners' individual needs and resources.

The importance of trust to the development and sustenance of effective partnerships cannot be exaggerated. Partners need to be frank about the interests they bring to the partnership and what they need to get from it. While there is no recipe to develop trust, one key strategy is to demonstrate as early as possible that everyone in the partnership can get something from it. Additionally, honoring commitments and being honest about the plans, resources, and needs of each organization can expand and deepen trust.

Effective partnerships seek out and listen to students.

In many effective partnerships, members recount hearing youth describe what they want and need from their schools and communities as seminal experiences. These partnerships engage youth through focus groups and by including youth representatives in key leadership, decision-making, and implementing roles.

Effective partnerships seek out meaningful relationships with parents.

No partnership, either within or outside of the school system, has greater impact on the educational success of children and youth than the partnership between parents and the school. Effective partnerships consider parent involvement and parent engagement as a top priority and seek ways to provide meaningful and relevant opportunities for parents to fully participate as allies, advocates, and leaders in their children's education and in the partnerships that impact them. Effective partnerships view parent participation as essential and provide numerous ways for parents to access their school and community partners.

Effective partnerships pool resources.

Too often agencies from different sectors that serve youth needs – schools, police, recreational agencies, youth social welfare services, etc. – have been pitted against one another in a fight for funding. In effective partnerships, partners rally together to garner adequate funding. They must work out the ground rules so that sectors are not forced to be competitive in seeking and raising funding. Additionally, groups involved in the partnership should contribute personnel and fiscal resources toward addressing the common problem. It is often helpful to hire jointly funded staff. This is particularly true with initiatives that involve school districts. Hiring an individual who works in the school district, has credibility with educators, and reports jointly to the district leadership and to a leading public agency or community-based organization has been an effective strategy in many communities with promising partnerships.

Operating Principles for Sustaining Effective Partnerships

Developing effective partnerships is hard, but sustaining them is harder. Ideally, all the individuals involved in an effective partnership would maintain their positions and their relationships in order to ensure continued success, but that is rarely the reality. Civic leaders lose elections or face term limits; political appointees change with election cycles; superintendents are fired or move to other school districts; social service agencies and schools face turnover; community members move; parents become less engaged when their children graduate; businesses succeed and fail. Additionally, funding levels, community needs, and political support ebb and flow. How do effective partnerships survive under these challenging circumstances? Below we identify principles for sustaining effective partnerships.

Partners reach out to new members.

As noted above, the importance of trust cannot be exaggerated. Effective partnerships have members who trust each other and who work together well. When circumstances change and new members are brought into the partnership, longer-term members deliberately and proactively seek to develop trust, educate them about the work of the partnership, and establish good working relationships with them.

Partners develop long-term structural and institutional supports.

Embedding trust in institutions in different sectors and roles can only be accomplished if it is developed structurally, so it is not dependent on key individuals or charismatic leaders. For example, some partnerships share management-information systems and finance and budgeting procedures, so that collaboration becomes a natural part of their work, not an add-on. Also, some partnerships incorporate collaboration into individual job descriptions and seek staff who are interested in partnership.

Partners are realistic about progress and celebrate "small wins."

Improving child and youth outcomes won't happen overnight. Members' genuine commitment to help children, as well as political pressures for a "quick fix," often spur groups that are collaborating to improve conditions for children and youth to make promises they can't keep. Effective partnerships build in time for planning, for developing trust, for coming to a shared understanding of a problem, and, most importantly, for action. Part of the role of the partners is to educate the public, the media, and the political powers in their community about how much progress is realistic from year to year. Effective partnerships acknowledge the incremental progress they make and celebrate "small wins."

Commitment to Action

We have described our vision of how large-scale community partnerships can play a vital role in developing and supporting a new kind of school district – the local education support system – that ensures results and equity for all children.[3] Effective, broadly based partnerships are essential to addressing the educational, youth-support, and development issues involved in redesigning school districts.

School districts can play a primary role in developing these partnerships, and different kinds of partnerships may be needed for different starting points. Our commitment is to work closely with districts and their communities to bring about our vision, so that all young people can grow up to become knowledgeable, productive, and caring adults.

[3] For a more extensive description of the Task Force's vision, see Annenberg Institute for School Reform (2002), *School Communities that Work for Results and Equity.* Providence, RI: AISR.

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Student-Based Budgeting

SCHOOL COMMUNITIES THAT WORK

First Steps to a Level Playing Field: An Introduction to Student-Based Budgeting

SCHOOL COMMUNITIES THAT WORK

An Initiative of the Annenberg Institute for School Reform at Brown University

School Communities that Work: A National Task Force on the Future of Urban Districts was established in 2000 by the Annenberg Institute for School Reform at Brown University to examine an element of the public education system that has often been overlooked: the urban school district. Its primary goals are to help create, support, and sustain entire urban communities of high-achieving schools and to stimulate a national conversation to promote the development and implementation of school communities that do, in fact, work for all children.

To help imagine what high-achieving school communities would look like and how to create them, the Task Force convened influential leaders from the education, civic, business, and nonprofit communities to study three critical areas: building capacity for teaching and learning; developing family and community supports; and organizing, managing, and governing schools and systems.

The following Task Force members guided the development of this article.

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For more information on the School Communities that Work Task Force, visit our Web site at www.schoolcommunities.org

First Steps to a Level Playing Field: An Introduction to Student-Based Budgeting

SCHOOL COMMUNITIES THAT WORK: a National Task Force on the Future of Urban Districts believes there are many ways of organizing urban systems to achieve results and equity – that is, to support high academic performance for all students, eliminating significant differences in achievement based on race, ethnicity, gender, primary language, or family income. To be considered "equitable," inputs as well as results must be taken into account to ensure that all students in the system learn what they need to know to lead fulfilling, productive lives as adults.

However an urban system is organized, three functions are essential for success:[1]

- providing schools, students, and teachers with needed support and timely interventions;
- ensuring that schools have the power and resources to make good decisions;
- making decisions and holding people throughout the system accountable with indicators of school and district performance and practices.

In this article, we examine the second function – ensuring that schools have the power and resources to make good decisions – with a focus on

[1] For an overview of the role of these essential functions in supporting high performance for all students, see *School Communities that Work for Results and Equity* (Annenberg Institute 2002). Available on the Web at <*www.schoolcommunities.org*>.

equitable student-based budgeting. Drawing on the experiences of three districts we studied, we explore the benefits and challenges of moving to student-based budgeting, and we share some practical tips and advice for implementing this resource allocation strategy.

The Need to Re-examine Resource Allocation

Much attention has been focused on differences in funding levels *between* districts (interdistrict), both within states and across states. Recent research is now also revealing **significant, sometimes startling, funding differences across** schools *within* many urban districts (intradistrict). Though creating funding equity requires addressing both inter- and intradistrict differences, we focus here on the less-studied issue of inequity within districts.

Districts have traditionally determined school budgets through staffing-based formulas, whereby resources are allocated to schools in the form of full-time employees. For example, a school might be assigned one full-time teacher for every twenty-five students or one assistant principal for every four hundred students. In most cases, schools have little influence over the resources they receive and little flexibility in how they can use them. Yet, if schools do not have equitable access to financial resources, and if they are not free to use the resources they get in ways **that address their own priorities, then demanding** equivalent results from all groups of students – as new state and federal requirements increasingly do – is both unfair and illogical.

Student-based budgeting[2] addresses the inequity and the lack of flexibility inherent in staffing-based resource alloca-

[2] This practice is also called *weighted student funding.* We use *student-based budgeting* here because it emphasizes using student needs to determine funding levels.

tion. Student-based formulas allocate actual dollars directly to schools on the basis of both the number of students enrolled and weights assigned to various categories of students, such as high-poverty, disabled, gifted, vocational, or bilingual. Matching funding to the specific needs of students provides greater flexibility and equity at the school level. Student-based budgeting thus offers a potentially powerful mechanism for enabling education systems to build the necessary financial foundation to achieve equity and excellence in student results.

Though altering the mechanics of funding formulas may sound like a technicality better handled by finance departments, districts that have examined the details of their funding systems have discovered that it sets the stage for far-reaching improvements. Several urban school districts have taken first steps toward resource equity and flexibility by changing the formulas they use to allocate resources to schools and moving to student-based budgeting. The discussion that follows draws upon data analysis and experience-based advice from leaders in three such districts.

An important result of the student-based financing arrangements described here is that, in all three cases, they have led to more total resources dedicated to achieving desired student outcomes – with those resources intentionally and visibly linked to varying school and student needs and to important local priorities. For these districts, leveling the playing field through student-based budgeting has meant leveling *up* – that is, there have been more resource winners than losers. It has also meant a deeper understanding of the additional resources and supports that will be required to help all students reach common high standards and their own individual potential.

	Cincinnati	Milwaukee	Houston
General Location	Midwest	Midwest	South
Total Budget	$389 million (2001–2002)	$1 billion (2002–2003)	$1.4 billion (2002–2003)
Enrollment Size (2000–2001)	42,600	98,000	208,200
% African American	71	61	32
% Hispanic	0.6	15	55
% Asian American	0.9	4	3
% White	25	17	10
% Receive free or reduced lunch	61.5	68	77
Number of schools	77	201	286
Enrollment size growing or declining in past 3 years	Declining approx. 2,000 student / year in past 5 years	Slight decline since 1996, but relatively stable	Relatively stable since 1999, but projected to grow
Year district initiated student-based budgeting	1999–2000	Formally in 2000–2001; started weighting in 1993.	1999–2000
Does the district charge teacher salaries as actual or average?	Average	Average	Average
Does the district provide for a small-school subsidy?	No, but recently eliminated	No, but recently eliminated	Yes
Other significant factors	Choice: Neighborhood "focus" schools, magnet, and charter schools	Developed a "charge-back" and "buy-back" system to estimate costs of central office services; moving toward K–8 schools	Phase-in took less time than anticipated – principals on board sooner
How does this district "weight" for student needs (e.g., poverty, bilingual, grade level)?	High School = 1.20 Poverty = 1.05 ESL = 1.48 Gifted = 1.29 Voc. Ed. = 1.60	Bilingual = 1.056 K–8 = 1.045 Middle Sch. = 1.112 High Sch. = 1.140	Weights set by state: Bilingual = 1.10 Poverty = 1.20 Gifted = 1.12 Voc. Ed. = 1.37

Table 1 A comparative overview of the three districts

Moving to Student-Based Budgeting: Three Innovative Districts

Representatives from Cincinnati, Houston, and Milwaukee met with members of the SCHOOL COMMUNITIES THAT WORK task force in November 2001 to discuss the benefits and challenges of student-based budgeting. The experiences of these districts helped us to understand both the benefits and challenges of implementing student-based budgeting. The following is a brief overview of how these districts initiated the change and what results they have seen to date (see Table 1).

Initiating Change

Before implementing student-based budgeting, Cincinnati had already made a commitment to strong school-level accountability, part of which was giving schools greater control of resources. This provided the first impetus for changing the funding system, particularly as it occurred in conjunction with an innovative union contract. In short, schools began to "trade in" staff positions for other resources, so the district found itself converting staff positions to dollars. As it did so, inequities in resources across schools became clearer.

At the same time, a new accountability system ranked Cincinnati schools according to student performance. Disturbingly, a number of consistently low-performing schools were also poorly funded schools without special-program dollars. These results prompted district administrators to make the first moves toward student-based budgeting. Two years later, the school board saw the power of this funding strategy to create equity across schools, resulting in a call for a more comprehensive implementation.

Milwaukee has been actively promoting school choice and competition for the last decade. This focus created pressure to move to student-based budgeting on both the supply and demand sides. On the demand side, the dollars needed to move with students who chose new schools. On the supply side, schools needed to be able to design unique organizations in order to differentiate themselves. Like Cincinnati, Milwaukee soon found it could not continue to allocate resources in tightly defined staff positions and needed to convert to dollar amounts.

In Houston, the desire to decentralize decision making was at the heart of the move to student-based budgeting. The district leaders, with school board members pushing hard, aimed to create a regulated marketplace within the public school system driven by data and people's true understanding of what was being bought and sold. Moving from allocating staff to allocating dollars provided this critical marketplace mechanism.

Results to Date

Implementation of student-based budgeting in all three sites is still in the early stages. Results vary across the districts, due in part to differences in the formulas each has developed and implemented. However, an analysis of the reallocation of resources among schools reveals substantial improvements in equity, with more schools now receiving allocations close to the *weighted average expenditure* (the district's average dollar expenditure, weighted for the mix of students at each school)[3] as seen in Table 2. In Houston, a drastic redistribution of funds has achieved **significant interschool equity**, with only one in four schools now deviating from the weighted average expenditure by more than 5 percent. Cincinnati made significant changes to its formula over the

[3] To analyze these equity gains, researchers developed new tools to determine weighted allocations that take into account the kinds of students (and their relative funding levels) at each school. These tools are presented in M. Roza and K. H. Miles, *Assessing Inequities in School Funding within Districts: A Tool to Prepare for Student-Based Budgeting* (Annenberg Institute 2002). Available on the Web at <*www.schoolcommunities.org*>.

		Percent of schools with allocations within 5% of weighted average expenditure*	10% of weighted average expenditure*
Houston	Traditional staff-based formula	49%	77%
	New student-based formula (Year 1)	72%	82%
Cincinnati	Traditional staff-based formula	23%	42%
	New student-based formula (Year 1)	23%	49%
	Student-based formula (Year 4)	87%	97%

Table 2 Increases in funding equity with student-based budgeting

* The weighted average expenditure is what the district would allocate to a school if the school received the district's average allocation for each category of student at that school. The weighted average expenditure for each school is calculated by, first, multiplying the total number of students in the school by the district's basic per pupil allocation. Second, the district's average *additional* expenditure per pupil in a weighted category (e.g., bilingual students) is multiplied by the number of students in that category at the school. The result is added to the first quantity. This second step is repeated for each weighted category to be analyzed.

first four years, resulting in gradual but substantial equity improvements.

In all three districts, there are now more dollars in school-site budgets, and there is more spending flexibility at the school level.[4] There are also differences in the direct costs that have been moved to schools. Cincinnati allots a specific amount to each school to cover expenses like custodians; Houston does not.

All the districts report more discussion at school sites on

[4] One way to measure how fully a district has implemented student-based budgeting is by the percent of general funds included in the weighted student portion of the formula. In the three districts studied, this percent ranged from 52 percent to 65 percent.

what and who has added value to student learning, with staffing decisions based on these reflections. For example, some schools in Cincinnati eliminated counselors and visiting teachers and used the money in other ways because they felt they could spend those dollars more effectively. Two of the three districts have witnessed another benefit of student-based budgeting: it has encouraged schools to keep students, particularly those they might have considered "hard to educate" under staff-based budgeting.

Addressing Equity through Student-Based Budgeting

Leaders from the three districts offered a number of valuable lessons learned in their efforts to create greater financial equity across their schools in order to improve student achievement results, and improve them for *all* students equitably. The first is that the complexity of school funding hides many inequities. In urban districts the many programs, diverse student populations, and multiple funding streams make sorting out spending especially difficult.

Another realization was that school district leaders rarely discuss interschool funding differences or the rationales and policies that foster them. In consequence, there is little consensus either on what *fairness* means or on what actions, if any, need to be taken to achieve fairness. Therefore, even when districts do examine funding levels by student and by school, exposing financial disparity and acting to create equity demands enormous political courage and public support.

Finally, once the districts began to identify and address inequities, the cumbersome and rigid systems by which they traditionally allocated resources to schools became an obstacle. When resource allocation becomes more flexible and the school site has more control over it, the needs of particular populations of students can be better served.

But changing to a system of flexible resource allocation requires overcoming many institutional obstacles.

Many Inequities Are Buried in Complex School Funding Systems

As Cincinnati and Houston began to unravel the complexities of their funding systems, they discovered how dramatically interschool funding levels differed. Cincinnati found that there was a per pupil disparity of more than $6,000 between their least-funded school (less than $4,000/pupil) and their highest-funded school (more than $10,000/pupil). In other words, one school was receiving only a third of the total program dollars of another school in the same district. Cincinnati also discovered substantial school-level disparity districtwide, with 57 percent of all schools varying more than 10 percent from the weighted average expenditure (either higher or lower). Houston had less variance from the average (only 25 percent of its schools were receiving more or less than 10 percent of the weighted average expenditure) but discovered even greater disparity between its least-funded and highest-funded schools. Houston's lowest-funded school received just one-quarter of the resources of the highest-funded school.[5]

How could a school serving the same population of students receive one-quarter of the resources received by another school in the same district? Are these differences as shocking as they seem, or do they reflect important differences in these schools?

Diagnosing the causes of funding differences requires a closer look at how districts allocate resources to schools. Most districts use a formula to apportion staff and other resources based mainly on the number of pupils in the school, with other factors playing a lesser role (see sidebar on page 10). These standard practices

[5] See Roza and Miles, *Assessing Inequities in School Funding.*

can result in very different per pupil dollar amounts in different schools.

Sometimes, the reasons for these differences are easily understandable – for instance, when allocations for heating costs vary in older versus newer schools. Other times, the inequities are products of mathematic formulas or decisions (some long-forgotten) that had their roots in political influence or the special interests of a district department head, school board member, or advocacy group. Most of the reasons for differences in traditionally allocated funding levels fall into one of four areas:

- *School size.* Most districts allocate certain staff positions to each school regardless of size. Therefore, staffing-based formulas tend

HOW DISTRICTS ALLOCATE RESOURCES

There are usually three categories of resources included in a traditional funding formula:

- staff and dollars that vary based on the number of students;
- staff every school gets, regardless of number of students (for example, every school gets one principal);
- resources that vary based on differences in the age, size, or efficiency of the school building.

On top of these formula-driven resources, the district then adds staff positions and dollars using other criteria. For example, an arts-focused school designed to attract students from all over the district might receive additional funding to support its program. Or a school attempting to integrate special-education students into regular classrooms might receive extra staff to support its effort.

After determining the number of positions and other allocations calculated on the base and special criteria, the district then generates a dollar budget by multiplying the number of positions allocated by the districtwide average salary for that position. The school budget for teachers would total the number of allocated teachers multiplied by the average teacher salary in the district.

to give more resources per pupil to small schools and fewer resources to large schools. For example, every elementary school might get a principal, a secretary, and a librarian regardless of how many students attend the school. If a school hits a certain enrollment threshold, it might receive additional support, such as an assistant principal. Mathematically, this means that a small school receives more dollar resources per pupil to cover its principal than the large school, because the cost of the principal is divided among fewer students.

- *Magnet and other special programs.* Some schools receive additional staff to implement district programs that are not distributed equally on the basis of number or types of students. For example, in some urban districts, a magnet school gets more staff on top of the formula allocation to support its specific design.
- *District-controlled resources for special student populations.* In programs for special student populations, such as special-education or bilingual programs, district-level departments often control a large portion of staff and funding that is not allocated to schools based on the number of pupils.
- *Physical plant differences.* Operating costs vary from school to school based on the size, age, layout, and design of the school facilities. These factors are not always related to the number of students and they are largely outside the control of school leaders.

The common practice of allocating personnel costs on the basis of average salaries results in a fifth type of inequity: seniority-driven inequity. A school with more senior – and therefore more "expensive" – teachers would actually receive more teaching dollars per pupil than one with more junior teachers. But these numbers are hidden even more deeply, since only the average salary numbers show in budget allocations per school. We are not aware of any districts that currently charge actual salaries to all schools, although Houston is moving toward this practice over a ten-year period.

Fair Doesn't Necessarily Mean Equal

As the three districts delved into these complexities and explored their interschool funding differences, they found themselves facing the problem of determining what true equity is. Financial equity in education has two inherent issues: some schools cost more to operate than others; and some students cost more to educate than others.

If this is true, then what's fair? Are school funding systems fair only if every child receives exactly the same dollars? Or is fairness achieved only when every child has equal access to learning and resources, even if this means extra dollars to address special education, learning disabilities, etc.?

School officials in the three districts realized that equity does necessarily not imply equal dollars. For instance, a bilingual-education student typically requires more resources than a regular-education student. So a school with many bilingual-education students would need a higher allocation than a school with few bilingual-education students.

If equality is about leveling the playing field and providing all students the same opportunity, then weighting student funding to achieve this goal can be considered fair, even when it means that some students receive more dollars than others. Indeed, the districts we studied concluded that true equity actually *requires* unequal per pupil spending.

The difference between the inequities in resource distribution that currently exist within many districts and inequities that would result from implementing student-based budgeting is that the latter would be driven by student needs, rather than other factors. Consider two schools, one a high-poverty school serving many students with special needs, the other a school with few high-needs students. We would expect the first school to receive more per pupil resources than the second. But how much more? If the first school receives \$5,000 per student and the second receives \$4,700 per student, is that equitable? After meeting the special needs, will the first school have enough resources to cover a comparable regular education program? Relying on a formula that makes the allocations for each student transparent enables leaders to act strategically in the face of so many numbers. For instance, if the district's formula allocates a standard \$4,200 per student for the regular education program and an additional \$400 per bilingual-education student, leaders can easily recognize which schools are receiving adequate funding.

Or consider an older school facility located in a high-crime neighborhood that might have higher maintenance and utility costs than a school recently built in a low-crime neighborhood. Furthermore, if that older school is also historically low-performing, it might have trouble recruiting the same caliber of teachers with the same dollar resources. This would mean that an allocation of \$5,000 per student at the older school in a high-crime neighborhood would "purchase" fewer or lower-quality instructional resources than the same allocation for a student at a newer, safer school.

Thus, any funding strategy that aims for equity across schools must address differences in student needs, school operating costs, and access to high-quality teachers. In addition, an equitable funding strategy must guarantee that schools can use their resources to buy what they need to improve student performance. In a simplistic example, giving all schools the same set of spelling workbooks based on the number of students might seem like an equitable distribution of resources. But if one school did not need or use these workbooks, then it would be the same as giving them nothing (or worse, because it would be a waste of money). Therefore, equitable resource distribution requires that schools have the power to use resources to fit their educational priorities and organizational strategies.

Rigid Funding Systems Undermine Better Results

Equity was only part of the rationale for moving away from the current funding formulas and toward more flexible student-based budgeting formulas in the three urban districts we studied. Each of these districts has also been involved in far-reaching reform efforts that increase school accountability for student results by increasing both school and district financial flexibility.

As described earlier, student-based budgeting allows systems to weight students differently in order to reflect differences in educational needs. Common categories for weighting include special education, poverty, English as a second language, and gifted education. Districts also have increased flexibility in funding programs or policies that better reflect their mission or driving principles, since the formula is based on student need instead of rigid budget categories. For example, if a district decides that students in kindergarten through third grade should have smaller class sizes, the district could give these students a higher funding weight.

Making staffing more flexible can run into problems unless allocation is in dollars instead of staff positions. Some districts allow schools to "trade in" staff positions for other uses, in order to target resources in ways that might better fit their educational programs or students. For example, a school may decide that it needs a reading specialist more than a librarian. However, managing and tracking hundreds of such conversions in a large district quickly becomes overwhelming without converting these resources to dollars.

In addition, a district may still have strict guidelines regarding the number and types of staff or the procedures that must be followed to convert one staff position to another. In order to give schools more flexibility, the district must change management practice, union contracts, and sometimes even state regulations.

When it works as it should, greater flexibility in resource allocation allows districts, and especially schools, to decide how best to improve their particular students' academic results. But we know from some districts' experience with school-based decision making that moving the locus of control is no guarantee that the choices themselves will be better. Good decisions require a core of capable leaders and teachers at the building level. Developing those capabilities and dealing with schools' uneven skill in taking advantage of newfound freedoms is as important as implementing the flexible system itself.

Challenges to Implementing Student-Based Budgeting

From our research and the experiences of the three districts we studied, we have recognized a number of implementation challenges to moving toward student-based budgeting that have the potential to impact results. Representatives from the three districts identified four kinds of implementation challenges.

Political Challenges

Unless done under conditions of economic surplus, shifting from staffing-based allocation to student-based budgeting will cause some schools to gain and others to lose resources. The reason is obvious: some schools are below the district average and some are above, and moving all schools closer to the average produces actual gains and losses. Depending on district specifics, these dollar shifts can be large. In Cincinnati, several schools lost more than $500,000 from their annual budgets in the new formula, and many schools lost more than $20,000. Even when dollar amounts are not as large, the elimination of special-program funding means that treasured initiatives, each of which has its own supporters, lose funds.

Identifying the "winners" and "losers" in the conversion to student-based budgeting pits programs, schools, and advocates against each other. Those who stand to lose are more likely to rise to action and mobilize support than those who stand to gain, which puts pressure on leaders to minimize losses by changing weights or creating exceptions to the formula. In districts where strong magnet school programs receive extra funds, this pressure can be even more intense. As one district leader put it, "People come out of the woodwork when they think you're going to cut magnets."

Financial Challenges

In an ideal world, districts would have unlimited funds available to ensure that every student had equal access to the best education possible. Unfortunately, this is unrealistic, so a district might seek new sources of funding to minimize loss. All three districts we studied increased money going to schools by moving dollars out of the central office and into the school formula. However, downsizing the central office can pose its own financial difficulties, even if just temporary, as the district may have obligations to vendors or staff even if the services are no longer needed. The three districts also sought to minimize potential financial disruption by phasing in the changes over several years.

Capacity Challenges

In each district, the entire school community needed to learn the new budgeting system and how to implement it. In Houston, the financial staff resisted the transition from an old, comfortable financial tracking system to a "modern" system that required learning new skills. Student-based budgeting also typically goes hand-in-hand with decentralization of decision making, putting additional budgetary responsibility in the hands of school leaders. Cincinnati found it needed to provide hands-on training and support to school principals and teacher leaders to help them learn the new budget system and link their decision making to instructional priorities.

Logistical or Operational Challenges

Districts moving to student-based budgeting found a host of operational details and decisions they had not anticipated. These included:

- how to hold schools accountable for effective use of funds
- whether to use enrollment or average attendance to calculate funding levels
- when and how to adjust funding levels when enrollments change during the year
- how to phase in significant losses and gains in order to minimize problems
- how to budget for central office services
- how to track spending when schools have more control and flexibility

Some Tips for Addressing Implementation Challenges

No district has yet been able to map an "easy route" to student-based budgeting; all have found potholes and barriers along the way. Having faced the challenges we identify in the previous section, Cincinnati, Houston, and Milwaukee shared the following advice with us.

Learn from other districts' experiences.

- Before you start, visit or talk to staff, board members, and other constituents from districts that have already implemented student-based budgeting.

Link the funding changes to broader system goals.

- Present student-based budgeting as a prerequisite for equity and school improvement – it makes everything visible and transparent and creates the mechanism for more flexible, effective use of resources.

- Acknowledge that student-based budgeting is only a first step, not a solution, to the problem of chronically low-performing schools.
- Develop a set of criteria that the new budgeting system should meet and use them to counter political pressure to fund special interests.

Inform and involve key constituents from the start.

Be transparent both about who gets resources and about who loses them, and minimize the losses as much as possible.

- Prepare for the inevitable complaints. Unless the resource situation is particularly rich, some schools will lose money. Communicate clearly and simply the reasons for moving to student-based budgeting. There is a natural constituency for equity.
- Highlight the benefits of moving to student-based budgeting, especially for the schools that lose money (e.g., more freedom to choose their staffs and instructional programs or raise their own money).
- "Level up" as much as possible. Raise the budgets of schools that are underfunded instead of lowering the budgets of schools that receive more funds, such as magnets.
- Consider strategies to funnel more money to schools from the central office.
- Phase in the implementation of large cuts and increases over a two- to three-year period.

Pay attention to the need to build capacity at the district and school level.

- Provide good nuts-and-bolts training on budgets for schools and for central office staff who must make the transition to modern finance models.
- Couple the move to student-based budgeting with support for school leaders in how to best use resources to support school improvement.

- Invest in providing school leaders with easy-to-use tools for budget planning and development.
- Be aware that moving to student-based budgeting does not magically improve school leadership.

Monitor implementation and results.

- Cincinnati created a joint union-management team, composed of the deputy superintendents and the union president, that met biweekly to review implementation issues associated with greater school-level control of funding.
- The Cincinnati school board has developed a student-based-budgeting review team to
  - evaluate what is working;
  - move additional resources to schools;
  - improve equity;
  - learn what was positive/negative and what to change about student-based budgeting.

Be prepared for unpredicted consequences, both positive and negative.

Among the consequences experienced by the district leaders we met with were:

- Greater incentive for schools to recruit new students and to keep students they might otherwise let go (i.e., hard-to-serve students).
- Pressure to determine which staff add value to a school and to eliminate certain staff positions. In Cincinnati, when schools eliminated librarians to boost money in literacy, the unions responded by trying to create a new position for a literacy person in order to protect the librarians.
- Pressure on the central office and other providers to supply high-quality services. Before student-based budgeting, schools just accepted the services they received. With the control and flexibility provided by student-based budgeting, school leaders say, "We'll spend this money, but not for low-quality services."

- Pressure on small schools to become larger during a time when the benefits of small schools are highly touted by many reformers. Per pupil funding can take away the advantages small schools receive from staffing-based formulas. Houston decided to place a financial value on small schools by adding a "small-school subsidy" to the formula. Other districts have organized other support for small schools, such as encouraging administrative sharing.

A Cornerstone, Not a Panacea

Equitable access to resources is a necessary ingredient in promoting high student achievement and equity within urban districts. The results of our research and the experience-based guidance offered by our colleagues from the three districts have convinced us that student-based budgeting is a valuable tool for districts seeking to achieve results and equity for all their students.

We fully recognize that student-based budgeting, and the autonomy and transparency it provides, do not automatically make schools and districts better. The ultimate success or failure of urban districts is inextricably connected to their ability to build and mobilize the capacity of teachers, principals, and other key adults to support students' learning and development. If school leaders are to capitalize on the resources and flexibility that student-based budgeting provides them, less-skilled principals and teachers need leadership training.

However, with the necessary supports, student-based budgeting can provide the cornerstone of a powerful systemic reform initiative by equitably distributing resources so that all children in all the district's schools have a fair chance to meet the challenging standards they deserve to be held to.

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Assessing Inequities in School Funding within Districts: A Tool to Prepare for Student-Based Budgeting

SCHOOL COMMUNITIES THAT WORK

An Initiative of the Annenberg Institute for School Reform at Brown University

School Communities that Work: A National Task Force on the Future of Urban Districts

School Communities that Work: A National Task Force on the Future of Urban Districts was established in 2000 by the Annenberg Institute for School Reform at Brown University to examine an element of the public education system that has often been overlooked: the urban school district. The primary goals of the Task Force are to help create, support, and sustain entire urban communities of high-achieving schools and to stimulate a national conversation to promote the development and implementation of school communities that do, in fact, work for all children.

To help imagine what high-achieving school communities would look like and how to create them, the Task Force convened influential leaders from the education, civic, business, and nonprofit communities to study three critical areas: building capacity for teaching and learning; developing family and community supports; and organizing, managing and governing schools and systems.

The following Task Force members guided the development of this article.

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For more information on the School Communities that Work Task Force, visit our Web site at *www.schoolcommunities.org*

Assessing Inequities in School Funding within Districts: A Tool to Prepare for Student-Based Budgeting

This tool was designed for district officials and related policy-makers interested in analyzing a district's spending patterns related to the distribution of resources among schools and types of students. The tool describes a three-step process and illustrates it with an example from the Cincinnati Public Schools (see sidebar).

In our analysis of several districts, we have found that most districts distribute resources unevenly among schools within the district that serve children with varying characteristics. Many of these inequities result from unplanned historic or programmatic causes, the sum of which, once revealed, is surprising to many district leaders. Most inequities are buried in complicated accounting procedures, antiquated staffing-based budgeting policies, and cost variations that accompany special student programs (such as bilingual education, special education, etc.). Some spending differences make sense, such as additional dollars for handicapped children, but others are not systematic and may even conflict with the district's stated goals.

CINCINNATI PUBLIC SCHOOLS

Cincinnati is a mid-sized district that at the time of this analysis was four years into a redesigned student-based distribution formula. The new formula was designed in part to address some of the inequities that surfaced in the analysis described in the example included in this tool. The data is from 1997–1998, just before the district implemented its major reform effort.

The first step in beginning to act strategically about investing toward district goals is to examine how the district invests its resources – in which children and in which schools. Most district accounting procedures allow for examination of spending across functions (instruction, facilities, etc.) and items (core teachers, administrators, utilities, etc.). Some districts do report expenditures by school, but without some common reference to the kinds of children in the school, it is difficult to determine whether each school's funding level represents a justifiable amount or not.

Take, for instance, an elementary school, with a low poverty level and few bilingual or learning-disabled students, that receives $4,700 per student. A high-poverty elementary school with 44 percent limited-English-speaking students receives $4,900 per student. While the additional funds in the second school seem justified, one might ask if there are enough additional funds in the second school to cover both the bilingual education program and a comparable regular-education program. Do high-poverty students need additional dollars as well? Are they getting the appropriate amount? What about another high-poverty school that receives $5,600 per student? What about a magnet school that receives $6,500 per student?

The Purpose of the Tool

The tool outlined here is designed to enable a district's budget office to combine and consolidate data so that the district's investment pattern is clear. The tool also allows leaders to analyze their expenditures in the context of equity. For these analyses, equity implies not equal funding for all students, but rather equal resources for similar children, with additional resources for special-needs students.

The key feature of this tool is that it relies on the conversion of dollar figures to an index that takes into account the kinds of students at the school. The index measure is relative and thus allows us to compare spending levels at schools with different student populations. The tool contains no assumptions about the appropriate funding levels for different types of children but, rather, relies on the district's own total investment for each special program as the relative comparison.

The three-step process described in the tool will yield information to answer a host of questions, including:

- How evenly are dollars distributed among different schools in the district?
- Do schools with more needy students get appropriately more resources? Do they have adequate funding for their special programs (such as bilingual education) in addition to a regular education program comparable to those of other schools in the district?
- How many (and which) schools are shortchanged in the budgeting process? How much variation exists – i.e., to what extent is there a problem?
- Are special-program dollars distributed evenly across the students that need them?
- Are there spending patterns that reveal different investments across schools of varying size, student demographics, school level, and region of the district?

A Guide to Using the Tool

The following three steps have been adapted for districts to use in clarifying their own spending patterns across schools and types of students. In order to use these tools, you will need

- the district's actual dollar expenditures for each school, and the total school expenditures for the district

- the district's expenditures for each category of special needs in each school (i.e., expenditures on special education in School A, expenditures on vocational education in School A, etc.)
- total enrollment in the district and in each school
- enrollment in each special program or student descriptor (including special education, bilingual education, vocational education, gifted status, poverty status, etc.) for each school

1. Compare funding levels across schools with different student populations

The first step in analyzing district spending variance is to convert actual dollar expenditures for each school to a *weighted index* (a ratio between two dollar amounts) that takes into account different district spending levels for students with varying characteristics. This measure allows comparison of funding levels across schools while accounting for differences in student populations. The index is a ratio of the actual expenditures at a given school to the average districtwide dollar expenditures for students with varying characteristics, weighted according to the particular mix of students at that school (i.e., *weighted average expenditure*).

Calculate a weighted average expenditure for each school

To calculate a weighted index, one must first calculate what the district expenditure for a given school would be if the school received the average amount the district spends on each category of students enrolled at that school, in the same proportions as at that school. To calculate the weighted average expenditure:

A. Multiply the total number of students in a particular school by the district's basic per pupil allocation.

B. Calculate the district's average *additional* per pupil expenditure for students in each category that is to be included in the analysis, such as bilingual students or high-poverty students.

To demonstrate how to calculate that quantity, we use bilingual students as an example. Add all the district's bilingual expenses in all its schools and divide by the total number of bilingual students in all the district's schools.

C. Multiply the district's average per pupil additional expenditure for students in a particular category (from step B) by the number of students in that category at that school. Add the result to the result from step A.

D. Repeat step C for each category of interest.

Note: The weighted average expenditure is different for each school because it reflects the district averages calculated for the particular categories and quantities of students at each school, not one average across the whole district. The district's average additional per pupil expenditure for each category "x" of students (PPE_x), on the other hand, is the same across the district, since it reflects the average amount the district spends across all the schools for students with a particular characteristic.

Calculate a weighted index for each school

Calculate the weighted index for each school as shown in Figure 1 on page 6.

Interpret the weighted index

A school at the district "average" would show a weighted index of 1.0. That is to say, the school receives the basic allocation for each regular-education student at the school; the district's average additional special-education expenditure for each special-education student; the district's average additional vocational-education expenditure for each vocational-education student; etc. If this school has a high concentration of special-education students, it would indeed receive more actual dollars than many other schools, but still show a weighted index of 1.0 to reflect the fact that it receives the district average figure weighted for its particular mix of students.

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$$\text{Weighted Index for School A} = \frac{\text{actual School A dollar expenditure}}{\text{weighted average expenditure for School A}}$$

where the

weighted average expenditure for School A =

$$(N_{total} \times PPE_{basic}) + (N_{sped} \times PPE_{sped}) + (N_{voc} \times PPE_{voc}) + (N_{pov} \times PPE_{pov}) + (N_{ESL} \times PPE_{ESL})$$

and

N_{total} = the total number of students in the school (including regular education and all other programs and categories)

PPE_{basic} = the district's basic per pupil expenditure

N_x = the student population at School A for each category "x" of students

PPE_x = the district's average *additional* per pupil expenditure for each category "x" of students

Categories in this example:

sped = special education

voc = vocational education

pov = high-poverty

ESL = English as a Second Language

Figure 1 How to calculate a weighted index

An index greater than 1.0 indicates that the school receives more than the district's average allocation for the school's particular mix of students. An index of less than 1.0 indicates that the school receives less money from the district for the school's particular mix of students than is the norm for the district.

In districts we studied, weighted indexes ranged between 0.6 and 3.0. An index of 2.0 would indicate that a school receives twice the resources the district average would dictate for its mix of students. An index of 3.0 indicates three times the district average for its mix of students. An index of 0.5 indicates that the school receives half the district average funds for its mix of students.

The weighted index weights funding levels only for disenfranchised student groups, not for other funding disparities that may reflect the district's strategic choices (such as additional funding for middle school students, alternative schools, gifted students, etc.).

Graph the indexes

Graphing the indexes from lowest to highest allows for convenient examination of the range of variation.

Ask relevant questions

- What is the highest weighted index in the district?
- How much greater is it than the lowest index?
- Do most schools hover around the average, or do some fall far above or below the average?

2. Analyze how much variation there is among schools

This second step allows the district to examine the magnitude of variations in spending levels among schools and to pinpoint which schools receive more resources and which receive too few. This step also allows for comparison across districts and formulas.

Tally the weighted indexes

The first part of this step is to tally the weighted indexes (described above) for all schools in the district in a chart (see Figure 2 on page 8).

Calculate a coefficient of variation

The coefficient of variation provides a single number that indicates the relative range of the funding distribution. Once the weighted index for each school has been calculated, the coefficient of variation is determined from the set of weighted indexes:

	Number of Schools	Percent of Schools
Schools receiving less than 85% of the weighted average expenditure* Index < .85		
Schools receiving 85% to 90% of the weighted average expenditure Index = .85–.90		
Schools receiving 90% to 95% of the weighted average expenditure Index = .90–.95		
Schools within 5% of the weighted average expenditure Index = .95–1.05		
Schools receiving 105% to 110% of the weighted average expenditure Index = 1.05–1.10		
Schools receiving 110% to 115% of the weighted average expenditure Index = 1.10–1.15		
Schools receiving more than 115% of the weighted average expenditure Index > 1.15		
Maximum index =		
Minimum Index =		
Coefficient of variation =		

Figure 2 Analyzing the variation among schools

* Schools are categorized by their weighted index. Schools below the 85% funding level have a weighted index of 0.85 or less, etc.

$$\text{Coefficient of Variation} = \frac{\text{Standard Deviation (of the indexes)}}{\text{Mean (i.e., average, of the indexes)}}$$

See Appendix on pages 17–18 for definitions and formulas.

The coefficient of variation ranges from 0 to 1, with 0 being a uniform distribution that provides equal resources to similar students (i.e., all basic allocation dollars are distributed evenly among all students at all schools, all bilingual education dollars are distributed evenly among bilingual education students, etc.). This is a statistical measure that has been used to evaluate the distribution of funding levels among districts in a state; the standard for equity has been a coefficient of variation below 0.1. Districts can compare their measures over time and can also compare them with other districts. Deviations from a coefficient of variation of 0.0 may be justified for strategic reasons (such as a planned investment in the middle grades, etc.). However, districts should monitor how different distribution policies impact the coefficient.

Ask relevant questions

- How many schools receive less than 85 percent of the weighted average expenditure? Which schools are these?
- What percent of the schools receive less than 95 percent ?
- How many schools receive in excess of 115 percent of the weighted average expenditure? Which schools are these? Do the programs justify the extra expense? Do they produce greater results? What kinds of students benefit from these costly programs? How much money do these schools take away from other schools?
- How much would it cost to level up all schools to the weighted average expenditure?
- How has the coefficient of variation changed in recent years? Is the district moving toward greater equity?

3. Ask where the district is investing its dollars: who wins, who loses?

This framework allows a district to compare funding levels for subgroups of schools and students that commonly drive funding inequities.

Calculate an average weighted index for subgroups

After weighted indexes have been calculated for each school, a district can compare subgroups as indicated by the chart in Figure 3. This is similar to the way all schools in the district were categorized in Figure 2, with the difference that indexes are averaged, coefficients of variation are calculated, and the number of schools varying from the weighted average expenditure are counted separately for each subgroup of schools. The categories on the chart in Figure 3 can be adjusted to reflect the student subgroups in the district being analyzed.

For each subgroup of the district's schools, calculate an average weighted index for that subgroup. For instance, for elementary schools, compare the average weighted index for all elementary schools. Then, compute a coefficient of variation from the elementary schools' weighted indexes. Finally, look at the number and percent of elementary schools with weighted indexes greater than 1.1 and less than 0.9. These figures constitute one row of the table.

Interpret the results

The average index shows the average funding level for each group of schools. Districts might find, for example, that small schools have an average index of 1.12, whereas large schools have an average index of 0.96, indicating that where small schools benefit, large schools lose out.

The coefficient of variation indicates how much variation there is within any subgroup. For instance, a district may find

		Average weighted index for this subgroup of schools	Coefficient of variation within this subgroup of schools	Number and percent of schools over 110% of the weighted average expenditure within this subgroup of schools	Number and percent of schools under 90% of the weighted average expenditure within this subgroup of schools
School Level, Type	Elementary				
	Middle				
	High				
	Alternative				
	Magnet				
School Size	Small				
	Medium				
	Large				
Special Student Populations	High-poverty schools				
	Low-poverty schools				
	Race/ethnic groups (break out into categories)				
	Gifted				
Region	North				
	South				
	Schools near district borders				
	Suburban				
	Urban				

Figure 3 Identifying schools and students in which the district invests the most and the least

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that its low-poverty schools have an average index of 1.09 but that the coefficient of variation is high at 0.2, indicating that while wealthier schools are generally funded at higher levels, the pattern does not extend to all wealthier schools.

The numbers and percentages of schools over 110 percent and under 90 percent reveals how many schools are affected by the inequities.

Ask relevant questions

- What kinds of schools have the highest average weighted indexes? Why do these schools receive more resources? Do all schools of this type benefit (i.e., is there a low coefficient of variation indicating equal distribution across this type of school)?
- What kinds of schools have the lowest average weighted indexes? Do these students need fewer resources for some reason? Do these schools produce equal outcomes?
- Are there any unintended variations in funding levels (as indicated by average weighted indexes)?
- Which group of schools is most in need of funding reform? Which group of schools would likely lose out if the funding scheme were modified to reduce the variation?

Example from the Cincinnati Public Schools

1. Compare funding levels across schools with different student populations

A weighted index was calculated for each of Cincinnati's seventy-seven schools. The distribution of the weighted indexes is displayed in Figure 4.

The weighted indexes ranged from 0.6 to 1.7, with very few schools receiving near the average. The school with the weighted index of 1.7 is allocated 70 percent more money than it would receive if it

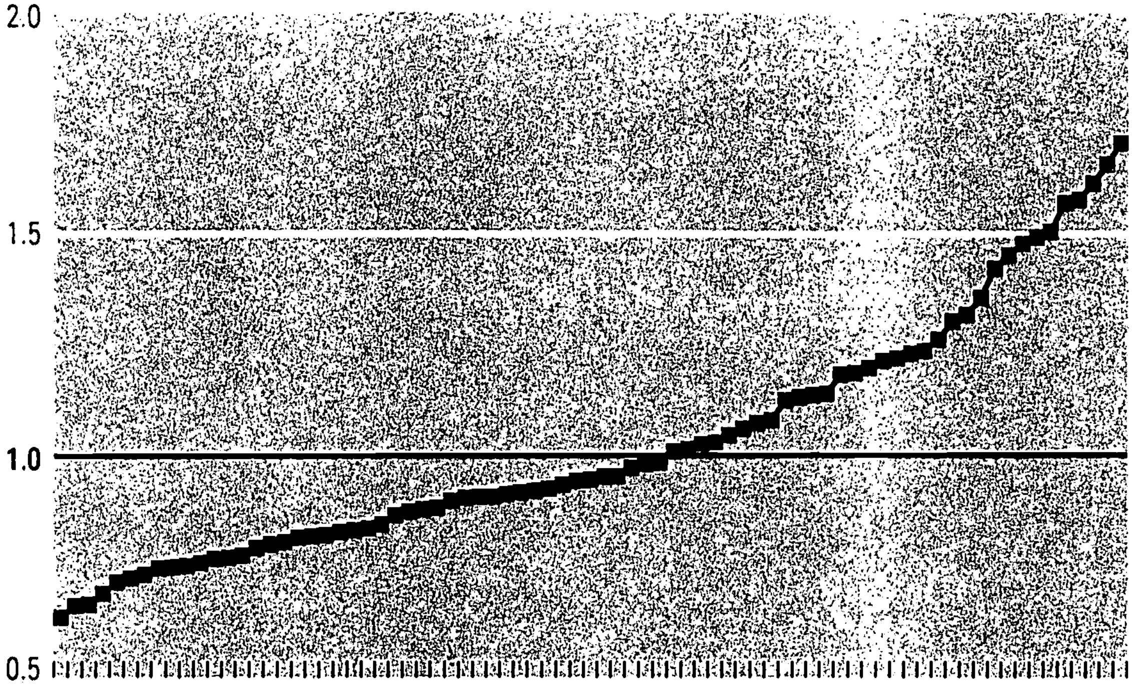

Figure 4 Cincinnati's weighted indexes showed a substantial variance from 0.6 to 1.7

Note: Each box represents one school.

were allocated the district average amount for each of its students (including the average special-education expenditure for each of its special-education students, etc.).

At the other end of the distribution, the school with the least relative funding is allocated 40 percent less than the weighted average expenditure would dictate.

2. Analyze how much variation there is among schools

The coefficient of variation was calculated and the number of schools falling into each category was examined. The results are displayed in Figure 5.

A coefficient of variation of 0.26 is very high and indicates substantial inequity among schools in the district.[1] With fewer than a quarter of the schools receiving within

[1] Four years into Cincinnati's fiscal reform effort, the district's coefficient of variation was under 0.1.

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		Number of Schools	Percent of Schools
Schools receiving less than 85% of the weighted average expenditure	Index < .85	10	13.0%
Schools receiving 85% to 90% of the weighted average expenditure	Index = .85–.90	12	15.6%
Schools receiving 90% to 95% of the weighted average expenditure	Index = .90–.95	8	10.4%
Schools within 5% of the weighted average expenditure	Index = .95–1.05	18	23.4%
Schools receiving 105% to 110% of the weighted average expenditure	Index = 1.05–1.10	6	7.8%
Schools receiving 110% to 115% of the weighted average expenditure	Index = 1.10–1.15	3	3.9%
Schools receiving more than 115% of the weighted average expenditure	Index > 1.15	20	26.0%
Maximum index = 1.7			
Minimum index = 0.6			
Coefficient of variation = 0.26*			

Figure 5 Analyzing the variation among schools in Cincinnati

*The high coefficient of variation reveals that under traditional budgeting policies, few schools receive allocations near the weighted average expenditure.

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5 percent of the weighted average expenditure, any redistribution would likely impact a large percentage of the district's schools. Substantial district dollars are being directed to the 26 percent of the schools (a total of twenty schools) being allocated funds in excess of 115 percent of the weighted average expenditure. These higher allocations mean fewer resources are available for the rest of the schools. A total of 29 percent of the schools (twenty-two schools) receive allocations at 90 percent or less of the average. These schools are the ones hurt most by the district's budgeting policies.

3. Ask where the district is investing its dollars: Who wins, who loses?

The weighted indexes were grouped by school type to yield the following patterns (see Figure 6).

	Average weighted index	Coefficient of variation	Percent of schools receiving less than 90% of the weighted average expenditure	Percent of schools receiving 110% or more of the weighted average expenditure
Small	**1.07**	**0.17**	**9.1%**	**14.3%**
Large	**0.90**	**0.13**	**13.0%**	**1.3%**
Magnet	1.17	0.15	0.0%	13.0%
Elementary	0.99	0.17	20.8%	11.7%
Middle	1.30	0.19	0.0%	7.8%
K – 8	1.05	0.19	6.5%	7.8%
High	0.99	0.15	1.3%	1.3%
Less than 50% poverty	1.00	0.22	6.5%	3.9%
Greater than 75% poverty	1.00	0.19	13.0%	9.1%

Figure 6 Cincinnati's weighted indexes and coefficients of variation grouped by school type

With higher average indexes for small schools than for large ones, we can tell that the district allocates proportionately more resources to small schools than to large ones (roughly 17 percent more). Magnet schools also receive more than their share of the funds, as do middle schools (which are allocated on average 30 percent more than other schools). A high coefficient of variation for the low-poverty schools indicates that the patterns for low-poverty schools do not extend to all schools in this category.

Questions that surfaced from these findings

This data raised many questions for Cincinnati officials. Among them:

- Can we justify taking money away from the 20–25 percent of schools funded at the highest level to raise the allocations for those at the lower end?
- Why is the district spending so much on our middle schools?
- Can the district justify the additional costs for magnet schools? Are these schools yielding higher results with comparable students?
- What can be done to improve results at some of our largest high schools?

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Appendix: Explanation of Mathematical Terms

MEAN

The mean of a distribution is the same as the "average." To calculate the mean, add all the scores and then divide that sum by the number of scores. The formula looks like this:

$$\frac{\Sigma X}{N_x}$$

where X represents each individual score in a distribution and N_x represents the number of scores in the distribution.

STANDARD DEVIATION

The standard deviation provides information about the spread of the distribution of scores. A small standard deviation tells you that the scores are tightly grouped around the mean. A larger standard deviation tells you that there are more extreme scores. The standard deviation can point you in the right direction if you want to understand why a distribution is the way it is. The standard deviation is calculated using this formula:

$$\text{Standard Deviation} = s = \sqrt{\frac{\Sigma (X - \bar{X})^2}{N - 1}}$$

Example

Consider a simplified, hypothetical case to illustrate the calculations. A school gives a certain test to two classes of four students each. The teacher of each of the classes reports an average score on the test of 82. Is the students' performance equally satisfactory in both classes? The standard deviation gives more information than the average score alone; it shows how much variation there is around the average.

Calculation of standard deviation:

For each class:
Average ($\bar{X}$) = 82
N (number of student scores) = 4

1. Subtract the average score from each of the student scores from Class A and square the result.

Class A	Student Scores (X)	$(X - \bar{X})^2$
Student 1	82	$(82\text{-}82)^2 = 0$
Student 2	78	$(78\text{-}82)^2 = 16$
Student 3	87	$(87\text{-}82)^2 = 25$
Student 4	81	$(81\text{-}82)^2 = 1$

2. Add the results from step 1.
   $\Sigma (X - \bar{X})^2 = 42$

3. Divide the result from step 2 by one less than the total number of scores.

$$\frac{\Sigma (X - \bar{X})^2}{N - 1} = \frac{42}{3} = 14$$

4. Take the square root of the result. This is the standard deviation for Class A.

$$s = \sqrt{\frac{\Sigma (X - \bar{X})^2}{N - 1}} = \sqrt{14} = 3.74$$

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5. Repeat the calculation for Class B.

Class B	Student Scores (X)	$(X - \bar{X})^2$
Student 1	68	$(68-82)^2 = 196$
Student 2	66	$(66-82)^2 = 256$
Student 3	96	$(96-82)^2 = 196$
Student 4	98	$(98-82)^2 = 256$

$$\Sigma (X - \bar{X})^2 = 904$$

$$\frac{\Sigma (X - \bar{X})^2}{N - 1} = \frac{904}{3} = 301.3$$

$$s = \sqrt{\frac{\Sigma (X - \bar{X})^2}{N - 1}} = \sqrt{301.3} = 17.36$$

The standard deviation for Class B (17.36) is much higher than for Class A (3.74).

COEFFICIENT OF VARIATION

The standard deviation is used to calculate the coefficient of variation (standard deviation divided by the mean), used in the second step of this tool on p. 6. In the example of the two classes, the coefficients of variation would be:

$$\text{Class A: } \frac{3.74}{82} = .05$$

$$\text{Class B: } \frac{17.36}{82} = .21$$

Class A has a low coefficient of variation: student performance is grouped closely around the average. Class B has a much higher coefficient of variation, showing that the average score of 82 reflects extremes in performance.

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Moving toward Equity in School Funding within Districts

SCHOOL COMMUNITIES THAT WORK

An Initiative of the Annenberg Institute for School Reform at Brown University

School Communities that Work: A National Task Force on the Future of Urban Districts was established in 2000 by the Annenberg Institute for School Reform at Brown University to examine an element of the public education system that has often been overlooked: the urban school district. Its primary goals are to help create, support, and sustain entire urban communities of high-achieving schools and to stimulate a national conversation to promote the development and implementation of school communities that do, in fact, work for all children.

To help imagine what high-achieving school communities would look like and how to create them, the Task Force convened influential leaders from the education, civic, business, and nonprofit communities to study three critical areas: building capacity for teaching and learning; developing family and community supports; and organizing, managing, and governing schools and systems.

The following Task Force members guided the development of this presentation.

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Task Force leaders and funders are listed on the inside back cover.

For more information on the School Communities that Work Task Force, visit our Web site at *www.schoolcommunities.org*

Moving toward Equity in School Funding within Districts

Reform efforts of the past three decades involving school finance have focused on the state's role in equalizing expenditures across all districts within a state. Researchers have used district-level expenditures to show disparities among districts; lawyers have argued in court that these disparities violate state constitutional guarantees of equal access to quality education for all children.

The result of these reform efforts has been to force states to rethink policies that distribute tax dollars across locales; and, in many cases, states have assumed a greater role in funding basic education. Federal and state governments have also instituted new reporting codes, requiring districts to classify expenditures by function and object. Researchers now have much better information on what kinds of items are purchased with education dollars (e.g., teachers, benefits, librarians, utilities, texts, lunch programs). Policy-makers had hoped that this additional information would help researchers understand the relationship between purchased goods and student achievement.

Despite these efforts to equalize distributions across districts, little attention has been given to differing expenditures among schools *within* districts. Even with more current methods of cost accounting, districts do not have accurate information on costs separated out by schools or categories of students.

As part of the work on alternative school-funding mechanisms undertaken by the SCHOOL COMMUNITIES THAT WORK task force, we analyzed differences in spending across schools and students within three urban districts – Cincinnati, Seattle, and Houston. We also explored the impact of a nearly universal budgeting policy among school districts – basing per school allocations on average teacher salaries.

What we found was an eye-opener, primarily because major inequities were lurking in places where many district leaders had not expected them. Our analysis demonstrated that traditional "staff-based" budgeting practices had created substantial inequities among schools in each district.

All three of the districts we chose had recently adopted student-based-budgeting policies, enabling us to examine financial data after the new budgeting policies were implemented and to explore the changes that this strategy brought about. Student-based budgeting has many advantages. One of the most important is its potential as a tool for improving equity among schools and categories of students. Student-based budgeting also provides a foundation for serious conversations about where district dollars are spent and the reasons for these spending patterns, allowing district leaders to be more strategic in their investments and to measure progress against those investments.

We present our methods and results in briefing-chart form, also available as a PowerPoint presentation on the Web.[1] Our intention is to provide policymakers, researchers, and interested citizens with a succinct overview of these complex budgeting issues and with a practical way to share the evidence we gathered from districts that have implemented student-based budgeting. By

[1] A PowerPoint presentation of "Moving toward Equity in School Funding within Districts" is available at <*www.schoolcommunities.org/resources.html*>. The presentation may be updated from time to time after its initial posting in September 2002.

offering our analysis template, we hope to inspire other districts to investigate their own spending patterns and inequities and to increase their efforts to focus money more strategically and equitably toward improved achievement for all students.

Marguerite Roza and Karen Hawley Miles

The authors wish to acknowledge the Annie E. Casey Foundation for support of the initial data analysis and to thank the many budget personnel from Cincinnati, Houston, and Seattle who made their district's fiscal data readily available and who patiently explained its historical intricacies.

Moving toward Equity in School Funding within Districts

A Comparison of Traditional Funding Policies and More Equitable Formulas

Marguerite Roza and Karen Hawley Miles

SCHOOL COMMUNITIES THAT WORK

A National Task Force on the Future of Urban Districts

An Initiative of the Annenberg Institute for School Reform at Brown University

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NOTE A PowerPoint version of the material in this booklet is available at the School Communities that Work Web site, <www.schoolcommunities.org/resources.html>. Information in the slides and notes on the Web may from time to time be updated from this printed version.

SCHOOL COMMUNITIES THAT WORK

Goals of this Presentation

- Describe the funding inequities that exist among schools within districts
- Show spending patterns under traditional budgeting in a few districts
- Introduce new budgeting approaches that foster more equitable and strategic spending
- Motivate district leaders, researchers, and activists to investigate spending patterns within their own districts, and provide them with tools to do so

2

SCHOOL COMMUNITIES THAT WORK

Contents

- Introduction to equity in school funding
- Hidden inequities: The problem with traditional (staff-based) budgeting
- Uncovering inequities
  - Analyzing the impact of staff-based budgeting
  - Analyzing the impact of teacher salary averaging
- Moving toward more equitable school funding
  - Analyzing the impact of student-based budgeting
  - Lessons and recommendations

3

Introduction

Equity in School Funding

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Equity: What does our research show about district spending patterns?

- Research to date has focused on inequities across districts or states. Here we analyze spending inequities within districts.
- We analyze the differences in district spending patterns under traditional budgeting policies and under newer approaches.
- We show the impact of these differing spending patterns on different schools and categories of students.
- We show that a district's choice of budgeting policies has a major impact on how dollars are invested and on the district's long-term fiscal strategy.

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NOTE Our analysis of the school-funding patterns in three districts shows that we cannot assume that dollars get distributed fairly and equitably across all schools in a district. Schools serving the lowest-income communities and those with the largest numbers of minority students are usually the most affected.

Equity:

What does "equitable school funding" mean?

Equity does <u>not</u> mean that every child in a district receives equal dollars. Instead, we look for *horizontal* and *vertical* equity as appropriate measures.

- Horizontal equity: Do students with similar characteristics receive equal resources?
- Vertical equity: Do students with dissimilar characteristics receive appropriately dissimilar resources?

6

Hidden Inequities

The Problem with Traditional
(Staff-Based) Budgeting

7

Hidden Inequities:

How do districts traditionally fund schools?

- Most districts use **staff-based budgeting formulas** to allocate resources in the form of staff FTE (full-time equivalent) to each school.
- Based on the number of students, additional staff or programs are added on a school-by-school basis.
- Assignment of teachers is driven almost exclusively by seniority rules and teacher preferences.

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Hidden Inequities:

How do districts traditionally fund schools?

- Expenditures for teachers are quantified by using an **average teacher salary** which masks variations in teacher costs from school to school.
- Central offices deliver additional resources in the form of services or centrally funded special programs such as special education or bilingual programs.

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SCHOOL COMMUNITIES THAT WORK

Hidden Inequities:

Why do some schools get more than others?

1. School size
2. Special-needs students
3. Strategic investments at certain levels, e.g., middle schools
4. Magnet or other special programs
5. Physical plant differences
6. Higher paid/more experienced teachers at some schools
7. Central-office-controlled resources

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NOTE

1. Some staff positions (principals, librarians, etc.) are allocated regardless of enrollment; at larger schools these costs are distributed over more students, resulting in lower per pupil expenditures.
2. Additional resources are provided for bilingual education, special education, etc.
3. Includes funds for strategic initiatives such as class-size reduction in the primary grades.
4. Many of these programs have historical roots and target only a few schools.

These four sources of variation are generally included in individual schools' budgets.

5. Some schools cost more to maintain than others; physical plant costs can appear either in the central-office or school budgets.

Most districts maintain almost no accounting of how other variations in central-office budgets impact individual schools. Inequities in how central office dollars are used were not analyzed here.

6. Schools with experienced staff (and thus higher salaries) use up more district funds than those with predominantly newer teachers. Since school budgets reflect only districtwide average salaries, they do not show these variations.
7. Between 40 and 60 percent of districts' general funds do not appear in school budgets; they are used by the central office to deliver services or resources to schools for professional development, special-needs students, etc.

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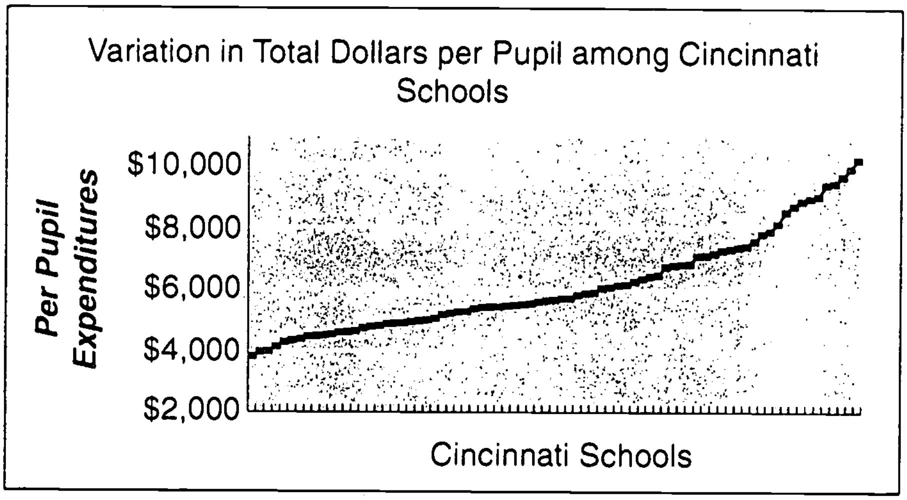
Hidden Inequities: How much do per pupil dollars vary under traditional budgeting?

Per pupil dollars vary dramatically among Cincinnati's schools.



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NOTE The graph shows enormous variation in raw dollars per pupil. Some schools were funded at less than $4,000 per pupil, whereas others received more than $10,000 per pupil.

What this graph does not show is how the schools at one end differed from those at the other end. How do we know how equitable or inequitable this distribution of funds is?

School Communities that Work designed the formulas and analytical methods described in this presentation to answer these kinds of questions.

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SCHOOL COMMUNITIES THAT WORK

Uncovering Inequities

Analyzing the Impact of
Staff-Based Budgeting

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Uncovering Inequities:

How is equity analyzed?

This three-step analytical method shows the magnitude and location of funding inequities among schools in a district.

Step 1: Compare funding levels across schools with different student populations.

- Calculate what each school would expect to receive if it were allocated the district averages for its mix of students (*weighted average expenditure*).
- Compare the actual allocations the school receives with this expected allocation (*weighted index*).

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NOTE We would expect a high-poverty school with many bilingual education students to receive more resources than a low-poverty school with no bilingual students. But, we need a measure that takes into account different funding levels for the actual students in a given school. We developed a weighted index for this purpose (see slide 16).

The three-step analytical method described in slides 13–15 was developed by School Communities that Work. Terms used are defined in slide 16. For more detail on this process, see *Assessing Inequities in School Funding within Districts: A Tool to Prepare for Student-Based Budgeting* (Annenberg Institute 2002).

Uncovering Inequities:

How is equity measured?

Step 2: Look for variation.

- Calculate the average variation of the actual allocation from the expected allocation over all the schools in the district (*coefficient of variation*).
- A small variation indicates equitable distribution among schools and students with similar needs. A large variation shows that there are many extremes (low and high) of certain schools and students compared to others with similar needs, indicating inequities.

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NOTE In analyzing variation, we compared:

- The minimum, maximum, and range
- The percent and number of schools above 110% and 105%, and below 90% and 95%.

The coefficient of variation (see slide 16) shows whether the differences in funding from one school to another are extreme or whether the values for different schools are acceptably close to the district averages.

Uncovering Inequities:

How is equity measured?

Step 3: Analyze funding levels by category to see who is getting more or less than their share.

- Break out the calculations by type or region of school and by student characteristics.
- This shows which schools, programs, and students the district is investing in and which are getting shortchanged.

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NOTE This step is similar to Step 2 (see slide 14), with the difference that the coefficients of variation are calculated for subgroups of schools (type of school, region of schools, type of program, student characteristics, etc.) rather than for the whole district.

SCHOOL COMMUNITIES THAT WORK

Uncovering Inequities:

What measurements do we use?

- Weighted average expenditure (a dollar amount)
  Calculated for each school: Multiply the total number of students at the school by the district's basic per pupil dollar allocation, then add the number of students in one category (e.g., ESL) times the *additional* per pupil allocation for that category, and so on for each category of interest (special education, high-poverty, etc.)
- Weighted index (a ratio of two dollar amounts)
  Calculated for each school: Divide the actual dollar allocation the school receives from the district by the weighted average expenditure for that school.
- Coefficient of variation (a fraction between 0 and 1)
  Calculated for each school: Divide the *standard deviation* across all the schools' weighted indexes by the *mean* of all the schools' weighted indexes.

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NOTE The concepts and terminology *weighted average expenditure* and *weighted index* and the formulas used to derive them were developed by School Communities that Work as part of the three-step analytical method described in slides 13–15.

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SCHOOL COMMUNITIES THAT WORK

Uncovering Inequities

Looking for Evidence in Cincinnati and Houston

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NOTE See slides 13–15 for a description of the three-step analysis process.

Cincinnati Public Schools is a mid-sized district with fewer than 100 schools, characterized by substantial variations in wealth and performance within the district. Data were analyzed for the 1998–1999, 1999–2000, and 2002–2003 school years.

Houston Independent School District is a large district with a historic commitment to equity. The district has over 250 schools and substantial high-poverty and ESL populations. Data were analyzed for the 1998–1999 and 1999–2000 school years.

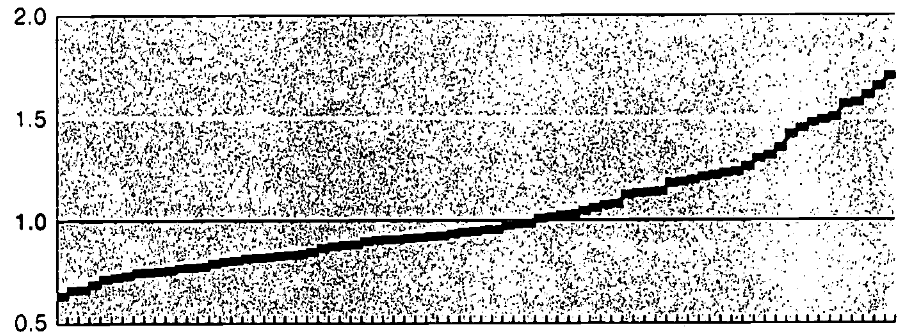
SCHOOL COMMUNITIES THAT WORK

Uncovering Inequities:

Looking for evidence in Cincinnati

Cincinnati's data showed substantial inequities.

Variation in Weighted Index among Cincinnati Schools with Staff-Based Budgeting



Weighted indexes		Coefficient of variation	Schools receiving over 110% of weighted average expenditure	Schools receiving under 90% of weighted average expenditure
Maximum	Minimum			
1.7	0.6	0.26	25 schools (32%)	27 schools (35%)

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NOTE Slide 11 showed the variation in per pupil expenditures in dollars, which cannot capture variations due to different categories of students. In slides 18–21, we apply the first two steps of the three-step analytical process described in slides 13–15. We use a weighted index – the ratio between the district's actual dollar expenditures on a given school and what the dollar expenditure would be if the school received the district's average dollar expenditure for the numbers of students of different characteristics at that school. Using this index, we are able to compare across different kinds of schools with different student populations and even across different districts.

Uncovering Inequities:

What Cincinnati's data mean

1. The maximum index (1.7) shows that the most highly funded school received 70% more than the weighted average expenditure. The minimum index (0.6) shows that the school with the lowest funding received only 60% of the weighted average expenditure.
2. Cincinnati's coefficient of variation (0.26) shows inequities – an unacceptably large variation.

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NOTE 1. The average index is 1.0.

2. The coefficient of variation is the standard deviation divided by the average. It measures how extreme the high and low values are compared to the average. Generally, researchers agree that variation above 0.1 is unacceptable.

Uncovering Inequities:

What Cincinnati's data mean

3. The percentages indicate that a third of the district's schools receive funds in excess of 110% of the weighted average expenditure and a third are short-changed by more than 10% under the traditional staff-based budgeting system.

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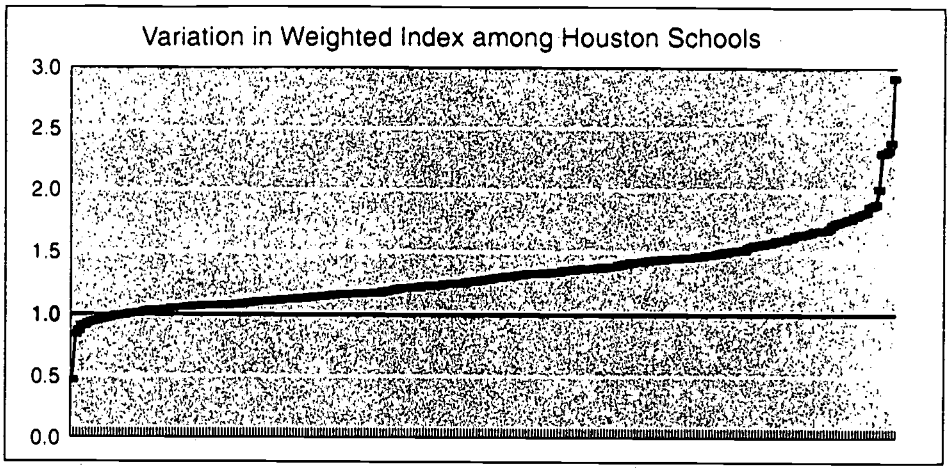
Uncovering Inequities:

Looking for evidence in Houston



Weighted Indexes		Coefficient	Schools receiving over 110% of	Schools receiving under 90% of
Maximum	Minimum	of Variation	weighted average expenditure	weighted average expenditure
2.91	0.46	0.11	57 schools (22%)	16 schools (6%)

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NOTE Not all districts have the same equity issues. The pattern of inequity was different in Houston than in Cincinnati.

Houston's distribution shows much greater extremes (with a maximum index of 2.91 and a minimum of 0.46) but many more schools near the average.

As a result, the coefficient of variation is much lower at 0.11.

While 22% of the schools still receive resources over the 110% level, only 6% were severely disadvantaged (funding levels under 90% of the weighted average expenditure) by staff-based budgeting policies.

Uncovering Inequities

SCHOOL COMMUNITIES THAT WORK

Who Wins, Who Loses
with Staff-Based Budgeting

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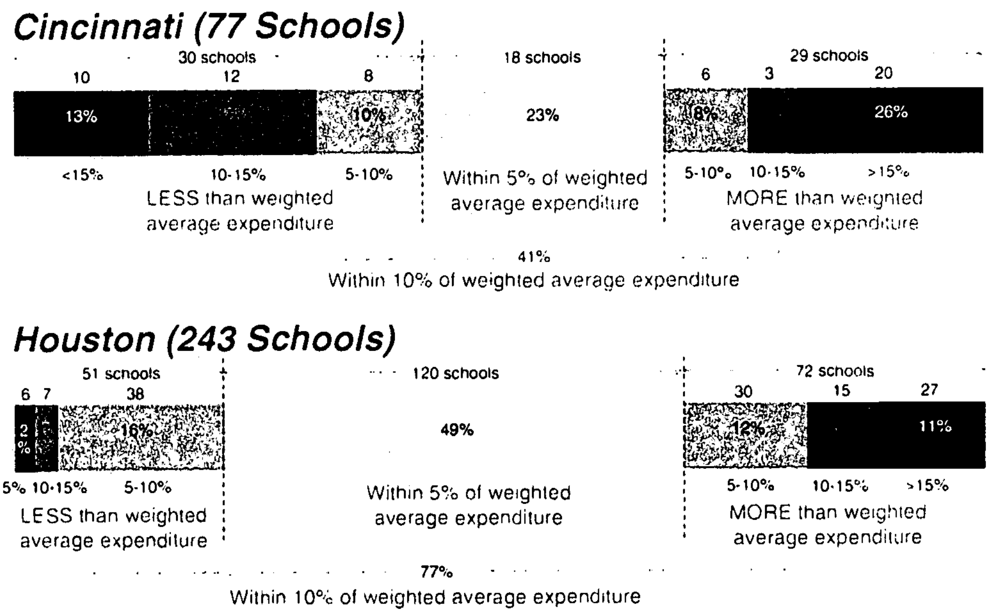
SCHOOL COMMUNITIES THAT WORK

Uncovering Inequities:

How many schools are shortchanged or favored?



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NOTE The number of schools receiving less than 95% (or 90%) of the weighted average expenditure shows how many schools suffer from the current unequal distributions under staff-based budgeting.

Those receiving greater than 105% (or 110%) of the weighted average expenditure are favored by the current distribution, and therefore would lose the most in a more equal distribution of funds.

A redistribution in Cincinnati would impact a greater percentage of schools than in Houston, including twenty schools currently receiving at least 15% more than the weighted average expenditure.

In Cincinnati, the *majority* of the schools showed equity disparities (either positively or negatively) under staff-based budgeting.

In Houston, more of the schools received funding close to the weighted average expenditure.

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Uncovering Inequities:

Which schools and students are affected?

	Average weighted index for each group of schools under staff-based budgeting*	
	Houston	***Cincinnati***
Small Schools	1.12	1.07
Large Schools	0.99	0.90
Elementary Schools	1.02	0.99
Middle Schools	1.15	1.30
High Schools	0.89	0.99
Alternative/ Magnet Schools	1.80	1.17
High-poverty Schools	1.04	1.00
Low-poverty Schools	1.16	1.00

* A value of 1.0 represents funding that exactly matches the district's average expenditures for a school's particular mix of students.

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NOTE Inequities can be hidden in certain kinds of schools or sectors of the district. Examining the average weighted index for subsets of schools (step 3, slide 15) reveals systematic investment patterns (even if unintentional) among certain kinds of schools. For instance:

> Alternative and magnet schools in both districts were funded at much higher levels than the rest of the schools, with an average index of 1.80 in Houston and 1.17 in Cincinnati.
>
> In Houston, a greater share of the resources were also being devoted to low-poverty schools, with an average weighted index of 1.16.
>
> Middle schools also received more than their share.

Further examination of the coefficients of variation for each subset (not shown here) also tells us how much variation there is within that subset. For instance:

> In Cincinnati, much of the variation was among the high schools (which had a high coefficient of variation). Some received unusually large budgets compared with the weighted average expenditure, and others received much less.
>
> In Houston, a high coefficient of variation for the low-poverty schools (0.34) indicated that while some wealthier schools got much more than their share, the pattern did not extend to all wealthier schools.

Analyzing just the basic education dollars shows how deep some inequities are buried. In both districts some schools received appropriate added levels of funds for special programs (like bilingual education), but funding for the basic education program was inadequate.

Uncovering Inequities:

What's the impact of staff-based budgeting?

- Districts look different – inequities are in different places and to different degrees.
- Some features were common to Houston and Cincinnati:
  - Under staff-based budgeting, there were many variations that followed no clear plan. History, not district strategy, drove district resource distributions.
  - Statistical analysis showed that a third of the variation was unexplained by any recognizable district variable.
  - Each district had to examine its numbers carefully to find out where its inequities were.

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Uncovering Inequities:

What's the impact of staff-based budgeting?

- Often districts direct special funds to selected student populations (special education, bilingual education, etc.), but don't realize that these children receive less than their share of regular education dollars.
- Districts can use the vertical equity concept to help address the needs of certain groups of students or as part of a reform effort, but only after base funding has been equalized.

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Uncovering Inequity

Analyzing the Impact of
Teacher Salary Averaging

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Uncovering Inequities:

How are teachers' salaries traditionally allocated?

- Most districts use a fixed average salary to compute the staffing costs in each school, but real salaries vary substantially from school to school.
- The effect of this policy is that schools with less-experienced, lower-paid teachers receive fewer real resources than their budgets indicate.

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Uncovering Inequities:

To what extent do real salaries vary?

Variation in Teacher Salary Costs Among Schools

		Cincinnati	*Seattle*
Average percentage of impact among schools		5.9%	4.9%
Average variation among schools	Per pupil	(+/–) $189	(+/–) $144
	Per school	(+/–) $106,974	(+/–) $72,576
Maximum benefit	Greatest per school benefit from salary averaging	$522,495	$238,539
	Percent of average school teacher costs	15.6%	11.0%
	Per pupil dollars	$497	$322
Maximum loss	Greatest per school loss from salary averaging	$959,730	–$263,622
	Percent of average school teacher costs	–19.2%	–21.8%
	Per pupil dollars	–$613	–$637

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NOTE For information on Cincinnati, see slide 17.

Seattle Public Schools is a mid-sized district with fewer than 100 schools, characterized by substantial variations in wealth and performance within the district. Data are from the 1999–2000 school year.

On average, each school gained or lost 5% to 6% of its budget due to salary averaging practices.

In Cincinnati, one school lost nearly $1,000,000 from this policy.

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Uncovering Inequities:

Who benefits and who loses from salary averaging?

Weighted Salary Index

Type of School	*Cincinnati*	*Seattle*
Elementary Schools	0.99	1.00
Middle Schools		0.96
High Schools	1.06	0.94
High-poverty Schools	0.96	0.97
Low-poverty Schools	1.07	1.02
High-Performing/Achievement Schools	1.02	1.03
Low-Performing/Redesign Schools	0.94	0.95

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NOTE In this slide we apply the weighted index described in slide 16 to the policy of averaging teachers' salaries.

The weighted salary index tells us how salaries in a given school (or set of schools) compare to the district averages. Indexes over 1.0 show higher than average salaries.

High-poverty, low-performing schools in both districts lose out, as more highly paid teachers tend to end up in more desirable schools.

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Uncovering Inequities:

What's the impact of salary averaging?

- Most researchers agree that salaries are not a perfect indicator of teacher quality, because salary is dependent on a scale that does not accurately reflect quality.
- Equalizing salaries without reforming salary scales will not fully remedy inequities in teaching resources.
- However, equalizing schools' ability to purchase quality teaching resources is vitally important.

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Uncovering Inequities:

What's the impact of salary averaging?

- The nearly universal practice of averaging salaries masks the inequities in teacher quality that hurt the worst schools.
- Variations in teacher salary are real and consistently impact high-poverty and low-performing schools.

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Moving toward More Equitable School Funding

SCHOOL COMMUNITIES THAT WORK

Analyzing the Impact of Student-Based Budgeting

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Moving toward Equity:

How does student-based budgeting work?

Student-based formulas distribute dollars based strictly on a student-based formula. Each student is allocated a base amount plus added funds in fixed increments for ESL, poverty, special education, etc.

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NOTE A formula of this type is given and explained in *Assessing Inequities in School Funding within Districts: A Tool to Prepare for Student-Based Budgeting* (Annenberg Institute 2002).

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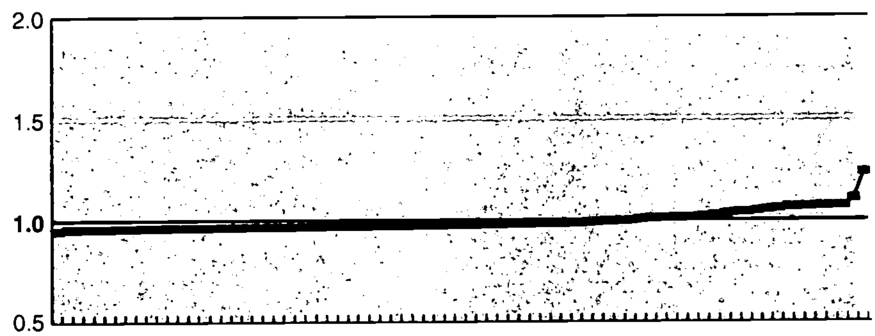
Moving toward Equity:

Cincinnati after four years of student-based budgeting

Data from Cincinnati showed more equitable distribution of funding after four years of student-based budgeting.

Variation in Weighted Index Among Cincinnati Schools Using Projected 2002–2003 Data: Year 4 of Student-Based Formula



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NOTE Compare this chart with the chart for the same district under staff-based budgeting (Slide 18). Under student-based budgeting, the funds received by the district's schools are grouped much more closely around the weighted average expenditure, indicating greater equity.

Moving toward Equity: Student-based budgeting helps districts achieve equitable funding

- Student-based budgeting allows districts to experiment with formulas.
- Districts can analyze which changes in resource allocation have the desired impact on different types of schools and groups of students.
- These adjustments allow districts to improve funding equity over time even if their original funding patterns were extremely inequitable.
- Districts can also adjust formulas to reflect strategic decisions – for example, implementing higher weights for middle schools to support a middle school initiative, etc.

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Moving toward Equity: Student-based budgeting allows more equitable allocations

		Percent of schools that had allocations within 5% of the weighted average expenditure	Percent of schools that had allocations within 10% of the weighted average expenditure
Houston	Traditional staff-based budgeting	49%	77%
	New student-based formula (Year 1)	72%	82%
Cincinnati	Traditional staff-based budgeting	23%	42%
	New student-based formula (Year 1)	23%	49%
	New student-based formula (Year 4)	87%	97%

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NOTE As these districts implemented student-based budgeting formulas, resources were reallocated among schools, creating substantial improvements in equity (more schools receiving allocations near the weighted average expenditure).

In Houston, the student-based formula equalized distributions substantially, with only 1 in 4 schools deviating from the weighted average expenditure by more than 5%.

Cincinnati initially used a more complicated formula that accommodated a larger range in the distribution of dollars. The Year 1 result was only a modest move toward equity. The district continued to adjust the formula, and the Year 4 data show much more equitable distributions.

Moving toward Equity:

Challenges to implementing student-based budgeting

- Some schools will most likely lose funds in the transition, making the change a delicate and politically charged move.
- Initial formulas often reflect the old funding disparities as districts try to phase in larger changes over several years.

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NOTE For the three districts we studied, the transition to a student-based formula has been gradual, with incremental changes each year following implementation.

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Moving toward Equity: What is the short-term impact of student-based budgeting?

The impact after one year was different for Cincinnati and Houston.

Movement of Resources in Transition to a Student-Based Formula				
	Change in	Average Change	Largest Gain	Largest Loss
Houston Year 1	Per pupil revenues	$250	$3,661	–$1,240
	Total school revenues	$174,406	$507,154	–$991,480
	Percent of school revenues	9.1%	16.8%	–33.8%
Cincinnati Year 1	Per pupil revenues	$266	$1,131	–$1,546
	Total school revenues	$120,170	$730,881	–$595,316
	Percent of school revenues	4.2%	16.8%	–16.4%

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NOTE These data reflect changes after the first year of implementation.

For each district, many schools experienced substantial changes in their funding levels.

Success in the first year depends on previous inequities and on the particular formula adopted.

Moving toward More Equitable School Funding

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Lessons and Recommendations

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Moving toward Equity: What we learned about the impact of student-based budgeting

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- Greater equity comes gradually, even during the implementation of the new formula.
  - Districts used non-formula dollars to supplement formula funds in some schools, sometimes for several years.
  - Districts limited how many resources they dedicated to the formula. Non-formula dollars were less equitable.
  - Districts chose formulas initially that reflected their old distributions to mitigate the immediate impact on all schools.

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Moving toward Equity: What we learned about the impact of student-based budgeting

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- Not all weightings were related to equity; some were strategic decisions to concentrate more resources, such as making a strategic investment in the middle grades.
- With student-based formulas, investments are clear and intentional and can be deliberately modified from year to year.

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Moving toward Equity:

Recommendations

- Each district should monitor variations in funding levels among its schools.
- Districts should commit to a student-based budget that allocates resources based on students, not schools or staff.
- Districts can use funding decisions as part of their strategy, directing resources consistently across the district (e.g., primary grades initiative, etc.).
- To achieve a more equitable distribution of teacher talent, districts should uncover variations in teacher quality throughout the district and investigate new policies for compensating teachers and budgeting their salaries.

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