

# Strategic School Funding for Improved Student Achievement

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**S**trategic School Funding for Results is a new joint initiative of the American Institutes for Research (AIR) and Pivot Learning Partners (PLP) aimed at improving school finance, human resources, and management systems in large urban school districts.

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

To carry out the work of this initiative, AIR and PLP formed a partnership with three prominent California school districts: Los Angeles, Pasadena, and Twin Rivers.

The project addresses the unique needs of each district and provides multiple opportunities to share best practices across the three districts and explore ways in which new management systems can affect student learning. Within the framework of the Strategic School Funding

for Results (SSFR) project, the AIR/PLP team will provide the data analysis, technical assistance, coaching, and training to implement the funding and governance strategies in the schools and will evaluate their success.

The William and Flora Hewlett Foundation and the Ford Foundation provided grants to support the initial year's work.

## Theory of Action

The theory of action underlying the project is that each district will achieve a more equitable and transparent approach to funding schools by

- Moving to a pupil-need-based strategy for distributing funding to schools,
- Providing schools with greater autonomy over the use of those funds and accountability for the results,
- Creating the structures and incentives for improving the equitable distribution of teachers between high- and low-need schools, and
- Offering families options for school choice.

These core reform strategies will be designed to increase accountability, foster innovation, and ultimately raise overall student achievement and close the achievement gap. SSFR's results will inform federal, state, and local policy makers' decisions about policies affecting equity, transparency, accountability, and innovation in the operation of K–12 education.

Figure 1 provides a schematic representation of SSFR. This core reform strategy begins with policies established by the local board of education, which will be implemented by the district administration. The key reform strategies promoted under SSFR are implemented through changes in school funding, school governance, and district support services, with a particular focus on human resources.

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

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

As illustrated in Figure 1, SSFR promotes the key concepts of equity, transparency, innovation, accountability, and efficiency.

At the district level, SSFR promotes equity through pupil-need-based allocations of funds to schools. It promotes transparency by involving school leaders in the design of the funding formula that allocates funds to schools. It promotes innovation by providing support and funding of incentives for performance and by giving school leaders discretion over the use of school resources and the ability to design programs to meet unique student and community needs.

SSFR promotes accountability by ensuring that district leaders set clear district goals for student learning, hold schools accountable for results, exercise their prerogative to select school leaders, and offer education choices to families and children. Finally, SSFR promotes efficiency by establishing choices for schools in how they allocate resources to purchase district support services.

In addition to promoting these concepts at the district level, SSFR policies provide a framework within which schools function and where educational services connect to students.

At the school level, SSFR promotes accountability by asking school leaders to set clear goals for the school and align them with district goals, and to gather data on student learning to support resource allocation decisions by instructional staff, school leaders, district leaders, parents, and members of the local community.

SSFR promotes transparency and accountability at the school level by involving school staff, parents, and the local community in resource allocation and programmatic decisions. SSFR promotes equity at the school level by ensuring that goals and programs are designed to meet unique student needs, by allowing families a choice, and by ensuring that all schools have access to highly qualified teachers.

SSFR further promotes accountability and efficiency by encouraging school leaders to be responsive to the needs and desires of students and their families through options.

The bottom line is student outcomes, gauged by an array of quantitative and qualitative measures of academic and nonacademic results. Of course, how the specific outcomes are prioritized is ultimately established by the school and district and is influenced by the demands of the local community and the state and federal laws under which the school districts operate.

## Participating Districts

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

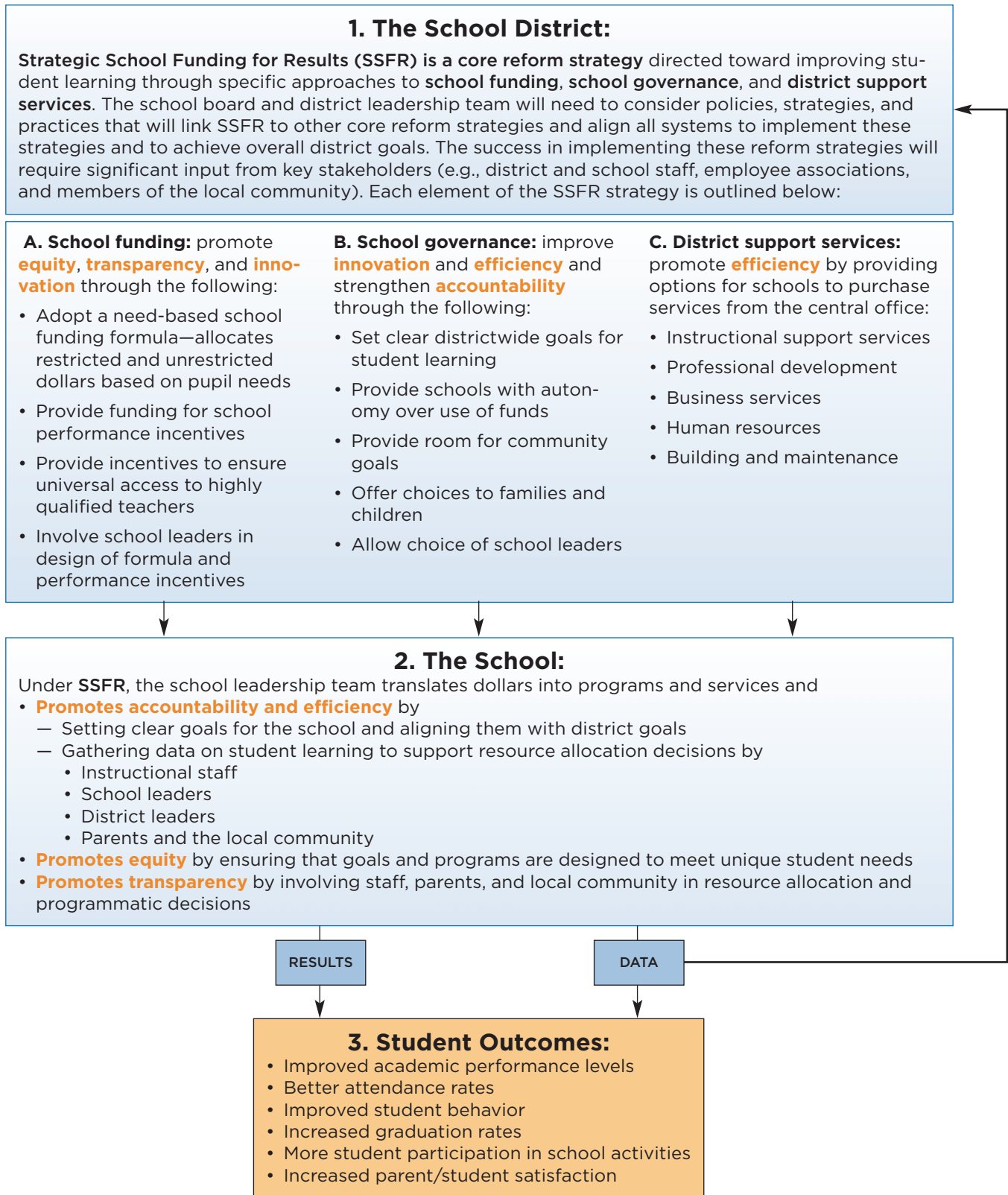
Los Angeles Unified School District is the second-largest school district in the country, serving more than 700,000 students, 68% of whom are eligible for free or reduced-price lunch and roughly 35% of whom are English-language learners. The district is attempting to meet the challenge of increasing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

Pasadena Unified School District enrolls approximately 20,000 students, including 55% who are eligible for free or reduced-price lunch and 24% who are English-language learners. Pasadena is moving toward developing an improved performance management system.

Twin Rivers Unified School District, located near Sacramento, enrolls approximately 27,000 students. More than 60% are eligible for free or reduced-price lunch and 25% are English-language learners. Twin Rivers USD is in the process of consolidating four districts into one new district and building public confidence in this new district while developing an equitable approach to allocating resources to schools.

## Connecting Practice, Research, and Policy

The SSFR project is designed to connect practice, research, and policy on two levels: (1) through the skill sets of the two organizations leading the effort and (2) by conducting the project on the ground in three school districts.



**Figure 1.** Conceptual Framework for the Strategic School Funding for Results Project

This innovative project draws on the extensive research and resource allocation expertise of AIR and the knowledge of practice brought to the work by PLP. AIR, a leader in applied behavioral and social science

research, is nationally recognized for its work in evaluation and school finance, including a recent study on student-based funding in Oakland and San Francisco (Chambers and others 2008).

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

The AIR/PLP team is working in collaboration with the three participating districts by building on existing funding, budgeting, and data systems where appropriate and leveraging existing administrative structures to support SSFR.

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

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

## Project and Task Overview

The AIR/PLP team envisions implementing the SSFR project in three phases over five and a half years:

- **Phase I** is being carried out during the 2009–2010 school year and encompasses a needs assessment combined with the development and implementation of the basic elements of SSFR in each of the three districts.
- **Phase II** of the project, in 2010–2011, will focus on continued refinement and ongoing assessment of the SSFR policies in preparation for full implementation.
- **Phase III** will begin during the 2011–2012 school year and run through 2013–2014, and will include full implementation, ongoing adjustment, institutionalization, evaluation, and final reporting.

Ascertaining the effect of the SSFR policy will require observing each of the three districts over three years of full implementation, during which the AIR/PLP team will collect and analyze data and provide ongoing technical

assistance, coaching, and training as needed. It will require three years to reveal meaningful changes in district and school behaviors and student outcomes in response to new opportunities, conditions, and incentives created by SSFR. Moreover, changes in behavior will likely only happen once district and school employees view the new policies and structures as permanent.

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

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