

FEFS

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Summit

BLAZING THE TRAIL

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Challenges with Principal Autonomy Under Student- Based Budgeting

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Student-Based Budgeting (SBB)

A district funding system where dollars are allocated to schools based on the number of students and individual student needs, and where principals are often given some flexibility with those dollars.

Notable Developments with SBB Districts:

- A good handful of new districts have adopted the model over the last five years.
- Other districts have maintained/increased their commitment to SBB.
- Other districts have dialed back or nixed their programs.
- The overall number of SBB districts is growing.¹

Two Key Questions:

1. Why are some districts remaining committed to SBB and others pulling away from it?
2. How are these trends related to principal autonomy?

Existing Research: Benefits of Autonomy

- Early programs on tertiary autonomy for its own sake.
- Later customized spending programs with explicit goal of improving learning/instruction.²
- International data on school autonomy and PISA exams.³
- Equity?⁴

Existing Research: Customized Spending

- SBB principals rarely make spending decisions that are radically different from those under traditional systems.
- Trends in staffing patterns and expenditures by object category show little change before and after implementing SBB.⁴
- However, many school-level examples of customized spending.

Our Research

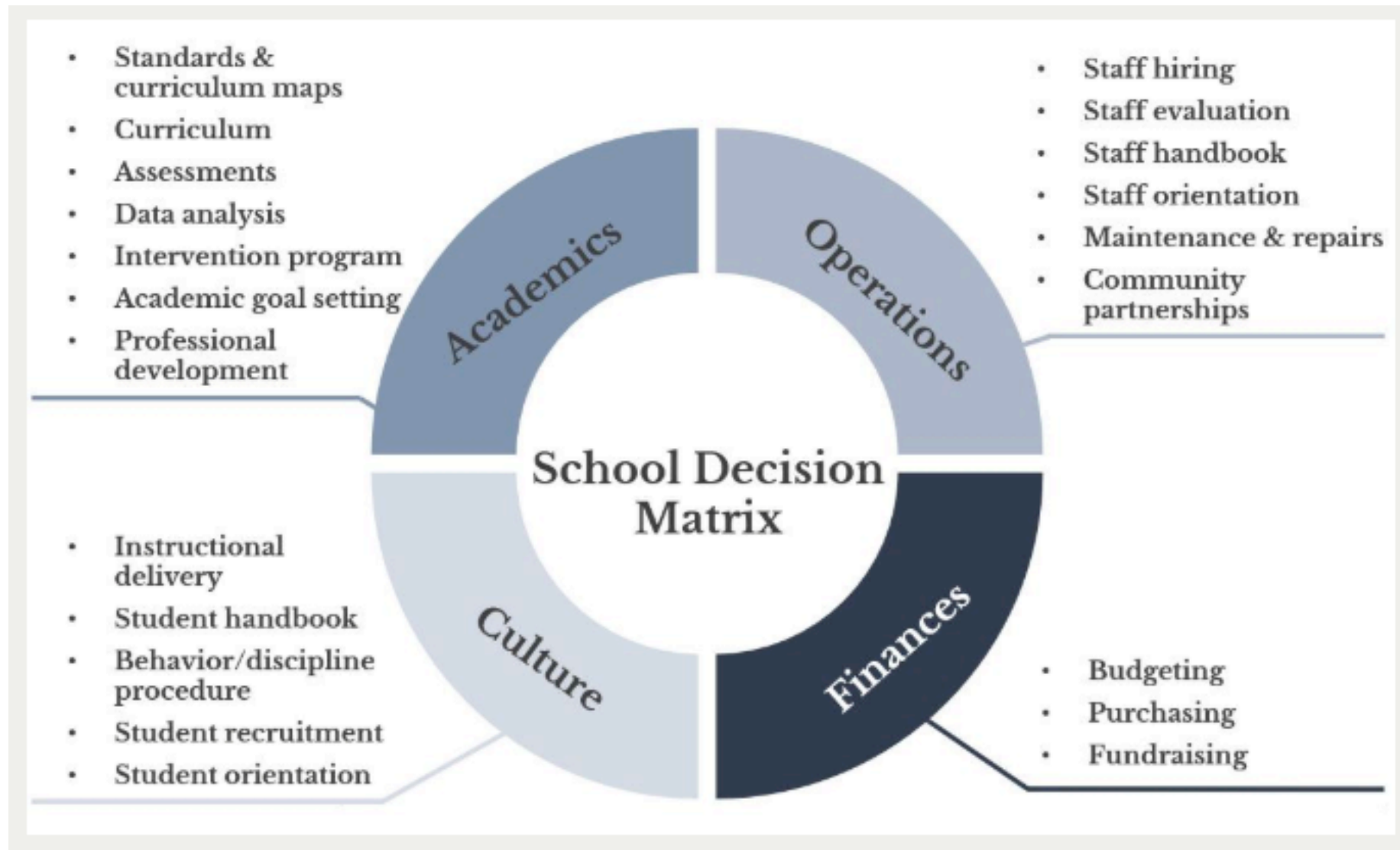
Conducting a series of interviews with CFOs and principals on challenges and opportunities that come with principal autonomy under SBB.



Main Questions

- To what extent are principals granted autonomy in SBB districts?
- When autonomy is granted, what do principals actually do with it?
- What kinds of school-level discretion have been beneficial for kids, and which ones have not been?
- How do districts adjust to support principal autonomy.

Potential Areas of Flexibility



NEWARK PUBLIC SCHOOL FLEXIBILITIES

CAN

Choose type and number of staff (with Sup. Approval, locked/unlocked staff)

Offer workload-based stipends to individual staff

Issue contracts to outside providers without central office approval (but must go through bid process and office of contracts and purchasing.)

CAN'T

Choose base pay or benefits

Offer performance-based bonuses

Carry over remaining budget to next year

DENVER PUBLIC SCHOOL FLEXIBILITIES⁶

CAN

Choose type and number of staff
(with minimum staffing requirements)

Carry over remaining budget
(with limit of \$1 per kid)

Issue contracts to outside providers

Opt in/out of central functions in return for
cash (depending on how much autonomy
individual school has been given)

CAN'T

Choose base pay or benefits

Offer performance-based bonuses

Initial Takeaways

- Principals lack training in finance and operations
- Lack of understanding with flexibilities discourages customization
- Comparative advantage for school v. district
- Curricular autonomy v. staffing autonomy

References

1. [“Weighted Student Formula Yearbook, 2019.”](#) Barnard. 2019
2. [“Autonomy and School Improvement: What Do We Know and Where Do We Go from Here?”](#) Honig, Rainey. 2013.
3. [“Does School Autonomy Make Sense Everywhere? Panel Estimates from PISA.”](#) Hanushek, Link, Woessmann. 2013
4. [“A Tale of Two Districts.”](#) Chambers, Shambaugh, Levin, Muraki, Poland. 2008
5. [“Within-district resource allocation and the marginal costs of providing equal educational opportunity: Evidence from Texas and Ohio.”](#) Baker, 2009.
6. [“WSF Implementation Details.”](#) Edunomics Lab, 2019