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EMPOWER: PUT FAMILIES AND SCHOOL LEADERS IN THE DRIVER'S SEAT

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BRIEFS IN THIS SERIES

Reason's series of policy briefs on the *Student-Centered Funding Roadmap for Policymakers* includes:

- *Student-Centered Funding Roadmap for Policymakers*
- *Streamline: Allocate Education Dollars Strategically*
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POLICYMAKERS SHOULD LET THOSE WHO ARE CLOSEST TO KIDS DECIDE HOW EDUCATION DOLLARS ARE SPENT, AND FAMILIES SHOULD BE GIVEN OPTIONS OUTSIDE OF THEIR RESIDENTIALLY ASSIGNED PUBLIC SCHOOLS.

A strong, straightforward policy principle is that school leaders and families are best situated to make effective decisions with education resources. However, state and district K-12 policies too often limit local discretion and instead defer to the prerogatives of policymakers and administrators who are further removed from the students. This often includes centralized spending decisions over:

- Staffing
- Programs and support services
- Purchased resources
- Administrative and operational policies
- Employee compensation
- Extracurricular offerings

Centralized control happens at both the state and district level. For instance, South Carolina has many separate grants that must be spent on things including reading coaches, career specialists, and arts programs. Similarly, the New York City school district has roughly 100 different restricted grants for items including student auditions for arts programs, student clubs, and parent coordinators.

Additionally, many families have few options outside of their residentially assigned school, and it can be difficult or even prohibited to enroll kids across catchment areas or district boundaries. While state laws often allow for open enrollment, most don't require districts or schools to offer open seats to families who would benefit from them, and education dollars don't always follow kids seamlessly across district boundaries.

CHAIN OF COMMAND

Control over school spending and organization is shared by a succession of stakeholders at various levels of authority, with those further down in the succession generally possessing less control.

State & Federal Policymakers → District Officials → School Leaders & Teachers

State policymakers often limit local autonomy through mechanisms that require districts to sponsor certain programs and spend funds on broad categories such as operations, transportation, or facilities. It's also common for districts to then further restrict school-level flexibility by distributing staff, not unrestricted dollars. These layers of restrictions lead to a situation where, according to a recent study from the American Institutes for Research, the average school principal has discretion over only 8% of their operational budget.¹ And, in a recent survey of principals and district administrators published by *Education Week*, 52% identified state legislators as the biggest obstacle to making spending decisions that best address students' needs.²

FUNDAMENTAL PRINCIPLES: DEVOLVING DISCRETIONS DOWNWARD

Local empowerment requires that the role of stakeholders who are further away from the kids be less oriented around top-down mandates and instead steered toward providing basic supports and ensuring transparency. It also means moving away from rigid district boundaries that arbitrarily limit opportunities for families.

#1 Make state funding streams and regulations more deferential to district leaders. Since states are the primary authority in American education, they should empower district leaders by delivering most resources as unrestricted weighted student funding. They should also minimize their use of inflexible policies such as minimum staffing requirements, statewide salary schedules, mandatory programs, and instructional time requirements.

#2 Maximize spending flexibility for schools. Districts should further empower school leaders by adopting reforms similar to those needed at the state level. They should deliver the bulk of the resources through flexible, weighted student funding, and they should generally refrain from requiring school leaders to adopt specific staffing arrangements or compensation structures. District leaders also should consider giving principals flexibility over what centralized services to purchase such as professional development, intervention programs, and technology.

¹ Levin, Jesse et. al. "Districts' Use of Weighted Student Funding Systems to Increase School Autonomy and Equity: Findings From a National Study." U.S. Department of Education. www.ed.gov. 2019. Web. <www2.ed.gov/rschstat/eval/title-i/weighted-funding/report.pdf> 17 Aug. 2020.

² "We Asked About School Finance: What Did Districts Say?" *Education Week*, 2019. www.edweek.org. Web.<www.edweek.org/ew/articles/2019/09/25/we-asked-about-school-finance-what-did.html> 5 Aug. 2020.

#3 Maximize freedom for families. Families should be allowed to attend the school of their choice, both inside and outside of their home district. This can be facilitated by both inter-district and intra-district open enrollment policies, and further supported by portable funding.

#4 Adopt bottom-up accountability. Rather than over-relying on top-down metrics such as standardized test scores to evaluate school and teacher performance, accountability should primarily come from families who vote with their feet through options such as open enrollment. However, states and districts can help families make informed decisions by making academic performance and financial data readily available, and by directly giving families a greater role over how schools are administered.

BENEFITS

Local empowerment over spending and operational decisions can have positive effects on every aspect of schooling:

- ✓ **Eliminated inefficiencies:** Without burdensome restrictions, local leaders can spend education dollars to meet their kids' unique needs.
- ✓ **Greater accountability:** Giving districts and schools more say over spending and operational decisions means they can be held accountable for outcomes.
- ✓ **Customized approaches:** Local stakeholders can adopt context-appropriate and diverse approaches, such as specialized staffing and service models to meet the various needs of individual students.
- ✓ **Increased community responsiveness:** When families aren't restricted by neighborhood and district boundaries, local leaders are must be responsive to their needs.

STATE EXAMPLES TO LEARN FROM

California

First enacted in 2013–2014 and implemented over the subsequent five years, California's Local Control Funding Formula (LCFF) now delivers roughly two-thirds of all state and local education funding to districts as unrestricted weighted student funding. The state rolled more than 30 restricted grants that existed before the reform into the LCFF, making it so that a majority of K-12 funding in California is now unrestricted.

Multiple recent studies and surveys have found wide support for LCFF among district superintendents and principals, and found that the reform led to positive cultural shifts within districts where local leaders began to customize programs such as expanding school days and developing new services for disadvantaged students.

Florida

In 2016, Florida passed its Controlled Open Enrollment law, which allows families to enroll in any public school in the state provided it has not reached capacity and a child is not currently subject to expulsion or suspension. There are other minor stipulations, such as preferential treatment for students residing in the district, but, otherwise, all of the state's 67 districts must participate. Available data on the program are promising and show an increase in participation of more than 50% since 2016, with over 90% transferring to A or B rated districts.

DISTRICT EXAMPLES TO LEARN FROM

Most school districts across the country provide school leaders with very little flexibility, with the average U.S. district giving principals control over only 8% of their operational budgets. However, a growing number of districts are adopting weighted student funding and delivering additional flexibilities to schools.

Denver Public School District funnels more than half of its general fund revenues through a weighted formula, a model it has used since 2007. It provides its schools with an array of autonomies, such as flexibility over staffing decisions, the ability to grant work-based stipends to some teachers, and the ability to opt out of district-provided professional development and instead purchase their own programs. It also allows well-performing schools to apply for "Innovation" and "Innovation Zone" status, whereby they can get even more flexibilities, such as the ability to hire teachers with alternative certifications and change school hours.

Chicago Public School District has used weighted funding since 2013 and has around 40% of its general fund budget in the formula. It affords its schools broad autonomies over staffing arrangements, allows both work-based and performance-based stipends for teachers, and generally gives schools a lot of options to opt out of central services like professional development and district curriculum in exchange for dollars that can be spent on strategic priorities.

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