

TIPPING THE SCALE TOWARDS EQUITY:

MAKING WEIGHTED STUDENT FORMULA WORK FOR CALIFORNIA'S HIGHEST-NEED STUDENTS



Tipping the Scale Towards Equity:

Making Weighted Student Formula Work for California's Highest-Need Students

BY HEATHER BARONDESS, CARRIE HAHNEL, AND JONATHON STEWART

California's education funding system is fundamentally unfair. The Education Trust—West's previous research has exposed that the highest-poverty school districts—those with the largest concentrations of low-income students—are actually receiving an average of \$620 less per student from local and state sources than the most affluent districts.¹ This cruel divide is the result of an irrational, opaque, and overly complex system that has failed to prioritize equity. In addition to these between-district gaps, considerable previous research—including The Education Trust—West's landmark *2005 Hidden Teacher Spending Gap*—has revealed that most school districts in California fail to distribute state funding equitably among their schools.²

Our examination of a new set of data from the Office for Civil Rights (OCR) at the U.S. Department of Education reveals three main findings that build upon this research. First, significant teacher salary gaps persist between the highest-poverty and lowest-poverty schools in almost all of the state's 20 largest school districts. Low-poverty schools with more experienced teachers continue to receive far more funding per teacher than high-poverty schools. Second, there is tremendous variation within districts in school spending, and this variation is typically not aligned with the needs of students in higher-poverty schools. Third, when we compare this new OCR data tracking school-level expenditures with existing state data on revenues provided to districts, we find a lack of transparency and incoherence as to the way school districts account for their resources. This lack of transparency can prevent educators, parents, and community stakeholders from accurately identifying how well districts are supporting their schools and whether funds designated for high-need students are supporting their educational programs.

Over the past decade, there have been multiple efforts to rationalize California's education funding and make it more equitable. Most recently, Governor Jerry Brown proposed shifting state education funding to a weighted student formula (WSF), a model that acknowledges that it costs more to educate low-income students and English learners. Because a WSF model provides additional dollars to school districts based on student need, it has the potential to distribute state education funding equitably across districts, and demystify the state's education finance system for educators and community members. However, shifting to a WSF will not result in funding equity unless the model also ensures that education dollars are equitably distributed to schools *within* districts.

Based on these findings, we recommend that California adopt a weighted student formula model that ensures additional weighted funding will flow to the schools and to the high-need students who generate the funding. Without these assurances, a WSF may actually create even greater inequities as districts direct funding previously designated for English learners and low-income students to other purposes.

By combining a WSF with strong assurances, funding transparency, structures to promote community engagement in site-level spending decisions, and accountability for spending those dollars effectively, California can establish an equitable education funding system that could serve as a national model.

A NEW EDUCATION FINANCE PLAN FOR CALIFORNIA

CALIFORNIA'S EXISTING EDUCATION FINANCE SYSTEM

California's current school finance system provides school districts with a base amount of funding, called the "revenue limit." The revenue limit comprises a mix of local property tax dollars and state aid. This complicated formula considers a district's type (elementary, high, or unified), size (small or large), historical spending patterns, and other variables such as the number of charter schools in a district. In districts where property tax revenues exceed the revenue limit, the district can retain this excess funding. These "Basic Aid" districts serve approximately 2 percent of students in California.

In addition to base revenue, school districts receive categorical funding targeted toward specific programs or student needs. There are more than 60 categorical programs, each with their own spending requirements. In recent years, the requirements for many of these programs have been lifted to provide districts with greater spending flexibility as they respond to state budget cuts.

THE NATIONAL CONTEXT

California lags behind most other states in the nation when it comes to allocating education funding based on student need. Forty-five states and the District of Columbia use weights or adjustments in their school finance formula to allocate additional funds to specific districts or schools based on student characteristics such as low-income students or English learners. Other weighted student characteristics include special education eligibility and grade-level adjustments.³

California is one of just a few states that do not use student-based weights or adjustments to allocate education funding, instead relying on a large number of categorical programs to provide supplemental resources.⁴ While many of California's categorical programs address the needs of disadvantaged students, they also serve to complicate the finance system at the state and district levels. Often the categorical allocations are based on historical precedent and not student need. And since each program is accompanied by specific apportionment formulas and spending restrictions, this model of funding leads to tremendous complexity.

Although the state has recently consolidated many categorical programs to simplify the school finance system, California has not significantly altered

its education funding formulas in decades. Meanwhile, other states rely on more progressive education funding models. For example, Rhode Island has switched to a weighted student funding system that provides additional funding to low-income students and incorporates transparent accounting measures. Other states, such as Louisiana and New Jersey, are updating their weighted formulas to direct even more dollars to high-need students and create additional financial transparency.

GOVERNOR BROWN'S WEIGHTED STUDENT FORMULA PROPOSAL

In his proposed 2012-13 budget, Governor Brown sought to consolidate nearly all categorical programs and eliminate their requirements. A small number of categorical programs, accounting for about 14 percent of school district revenue, were excluded from this consolidation.⁵ The proposal sought to add the consolidated dollars to revenue limit funding and distribute the total amount to school districts under a new weighted student formula.

Under the governor's WSF proposal, every California school district would receive a base dollar amount for each student, varying by student grade level (from \$4,934 to \$5,887 per student). This grant would account for the basic costs of educating students, such as teacher and administrator salaries, school supplies, and so on.

On top of the base grant, districts would also receive a "weighted" supplemental grant for each student they serve who qualifies for free or reduced-price meals or is an English learner. (Students who are both are counted only once.)⁶ Districts with higher concentrations of these students would receive additional weighted funding compared to districts with lower concentrations. In combination, the two grants would provide 20 and 40 percent more than the base grant for each high-need student. Some districts would also continue to receive dollars from a few remaining state categorical programs, including Targeted Instructional Improvement Block Grant and Home-to-School Transportation.

Despite the Brown administration's efforts, the WSF proposal was not included in the final budget agreement. But the proposal did garner attention and provoked discussion about the value of moving toward a WSF in California. Policymakers are expected to develop additional proposals in the next legislative session.

WITHIN-DISTRICT SPENDING IN CALIFORNIA: IS IT EQUITABLE?

Using new data from the federal Office for Civil Rights, we analyze school-level expenditures in California's 20 largest school districts, which serve approximately 27 percent of all California students. These data indicate that there is broad variation in levels of school spending *within* districts that is not correlated to student need. In most school districts we analyzed, schools serving the greatest percentage of poor and English learner students do not receive considerably more dollars relative to schools serving the fewest high-need learners. Unfortunately, shifting to a weighted student formula at the state-level alone would not change this. These data also signal that there is a major lack of transparency and consistency in how California school districts account for education dollars.

PERSISTENT HIDDEN TEACHER SPENDING GAPS

Teacher salaries make up the highest percentage of expenditures in any individual school budget. It is for this reason that teacher salaries are the key source of within district spending differences. In most California districts, higher-poverty schools tend to employ teachers with fewer years of experience. Conversely, lower-poverty schools tend to employ more experienced teachers, who earn higher salaries because teacher salaries are usually determined by a single salary schedule based on factors like years of experience, highest educational level (e.g., bachelor's or master's degree), and accrued professional development hours. Rarely do districts compensate teachers for performance or effectiveness in the classroom.

As a result, wealthier schools with more senior teachers spend considerably more on personnel than do high-poverty schools with fewer senior teachers. Unfortunately, this difference is rarely acknowledged in school budgets. For reporting and budgeting purposes, districts almost always use *average* district salaries instead of *actual* teacher salaries when determining a school's funding allocation. This "salary averaging" significantly shortchanges the highest-poverty schools in a district. It also hides large inequities in funding between a district's lowest-poverty and highest-poverty schools. In 2005, The Education Trust—West estimated that the average-size high-poverty elementary school spent approximately \$80,000 less on teacher salaries every year than lower-poverty schools.¹⁰ (This study estimated \$2,396 less per teacher, times 34 teachers in a school.)

Table 1 looks at teacher salaries in California's 20 largest school districts, comparing the average salary in the least disadvantaged schools to the average salary in the most disadvantaged schools. The data reveal a significant gap between

ABOUT THIS DATA

The U.S. Department of Education's Civil Rights Data Collection (CRDC), which has been in place since 1968, compiles data related to public schools' obligation to provide equal educational opportunity. For the first time, the 2009-10 data collection (released in 2012) included information on school-site expenditures, including each school's total personnel expenditures, total teacher salaries, and total non-personnel expenditures. These data were collected from 502 local education agencies (LEAs) and 7,976 schools throughout California. The data allow us to look at both personnel and non-personnel expenditures at the school level, from state and local sources.

This report uses CRDC data from California's 20 largest school districts. The data was cleaned to address data quality and remove obvious outliers. On average, the 20 districts included in this analysis report school-level expenditures of \$3,797. This is substantially lower than the \$8,705 per-student expenditure that the National Center for Education Statistics reports for unified districts in 2009.⁷

These differences can be explained by several factors. First, the 2009-10 CRDC did not require districts to report certain categories of expenditures to isolate state and local support of core educational spending. As a result, federal dollars such as Title I and special education are not included in the data set or the analysis, nor is spending on adult education, school nutrition programs, summer school, preschool, and employee benefits (other than salaries).⁸ Second, since California does not require school districts to report school-level financial data, districts may not have the systems in place to ensure these data are of the highest quality. Lastly, the Office for Civil Rights allowed for discrepancies in the way districts reported expenditures, such that districts did not account for or report district and school-level expenditures in the same way.⁹

the salaries of teachers in many districts' highest-poverty and lowest-poverty schools. In some cases, the salary gap can be quite stark. In San Bernardino City Unified, teachers in the wealthiest schools earn about \$6,600 more than teachers in the highest-poverty schools. However, there are also exceptions. A few of the state's largest districts, including Los Angeles Unified, Fontana Unified, and Santa Ana Unified actually have higher average teacher salaries in their highest-poverty schools than in their lowest-poverty schools.

This gap can have a major impact on school-level expenditures. This means an average-size low-poverty elementary school in San Bernardino City Unified, for example, spends over \$224,000 more on teacher salaries than the most disadvantaged schools. In Elk Grove Unified, the most disadvantaged elementary school spends almost \$62,000 less than the least disadvantaged school. As school district budgets are cut, these salary gaps force more significant cuts at schools with large percentages of underserved students.

TABLE 1: The teacher salary gap in California’s largest school districts

District	Average Teacher Salaries		
	Least Disadvantaged Schools	Most Disadvantaged Schools	Teacher Salary Gap
LOS ANGELES UNIFIED	\$55,520	\$62,463	\$6,943
FONTANA UNIFIED	\$65,413	\$67,719	\$2,306
SANTA ANA UNIFIED	\$79,119	\$79,248	\$129
CAPISTRANO UNIFIED	\$78,716	\$77,980	-\$736
CORONA-NORCO UNIFIED	\$70,372	\$69,329	-\$1,044
SAN JUAN UNIFIED	\$69,021	\$67,677	-\$1,344
ELK GROVE UNIFIED	\$55,058	\$53,245	-\$1,813
RIVERSIDE UNIFIED	\$71,547	\$69,587	-\$1,960
STOCKTON CITY UNIFIED	\$63,906	\$61,299	-\$2,607
CLOVIS UNIFIED	\$65,922	\$62,868	-\$3,054
GARDEN GROVE UNIFIED	\$80,873	\$77,810	-\$3,063
FRESNO UNIFIED	\$73,102	\$69,444	-\$3,658
SAN FRANCISCO UNIFIED	\$62,930	\$59,018	-\$3,912
SACRAMENTO CITY UNIFIED	\$71,251	\$67,049	-\$4,202
MORENO VALLEY UNIFIED	\$73,167	\$68,933	-\$4,234
OAKLAND UNIFIED	\$56,883	\$52,282	-\$4,601
SAN DIEGO UNIFIED	\$70,007	\$65,301	-\$4,706
LONG BEACH UNIFIED	\$78,034	\$72,237	-\$5,797
SAN BERNARDINO CITY UNIFIED	\$68,006	\$61,362	-\$6,644

Note: Sweetwater Union High School District is excluded from this analysis due to inaccurate data reporting. Quartiles were established within each district by the percentage of low-income and/or English learner students. The “least disadvantaged schools” category represents the bottom quartile, and “most disadvantaged schools” category represents the top quartile.

Data Sources: 2009-10 Civil Rights Data Collection, Office for Civil Rights, U.S. Department of Education. California Department of Education, 2009-10 Free and Reduced-Price Meals Program and 2009-10 English Learner Enrollment.

SCHOOL SPENDING NOT DETERMINED BY NEED

The Education Trust—West has previously estimated teacher salary gaps, but we have not had access to data on total school-level expenditures per student—until now. Our analysis reveals tremendous variation in how much schools within a district spend on their students. For example, in Garden Grove Unified in Orange County, school spending ranges from \$3,692 in one school to \$5,424 in another—a difference of over \$1,700. This is a pattern we see across the state’s largest districts, with differences amounting from \$821 in Capistrano Unified to \$3,923 in San Francisco Unified.

Variation is not a bad thing. To the contrary, we would expect to see considerable differences in school spending within a district that reflects the variation in student need. The weighted student formula model is predicated on this exact presumption: some schools should receive and spend more resources than other schools to fund the additional needs of their students. We would expect to see schools serving a lower percentage of poor and English learner students receiving fewer resources than schools serving a higher percentage of poor and English learner

students. If we were to plot this on a graph, we’d expect to see points (representing schools) converging around a diagonal line, indicating equitable funding of a district’s schools. This line would represent the way in which dollars would be allocated if school funding in the district were based on need. (For more on this, see “How Much Does It Cost to Educate a High-Need Learner?” on page 5.)

Unfortunately, in most of the 20 school districts we analyze, school spending within the district could not be characterized as equitable. Instead, we see a random smattering of points on the graph that are not correlated to student need. For example, Long Beach Unified is a diverse school district in Los Angeles County. Many Long Beach schools serve relatively few low-income or English learner students. Other schools are composed of almost entirely low-income and English learner students.

Figure 1 plots each Long Beach Unified school, comparing the percentage of high-need students to its current spending. This chart reveals that spending in many high-poverty schools is below the district’s average school-level spending (marked by the blue horizontal line), while many low-need schools are

HOW MUCH DOES IT COST TO EDUCATE A HIGH-NEED LEARNER?

We know that traditionally underserved students—low-income students, students of color, English learners—often require higher levels of funding to close persistent achievement gaps. Indeed, it is for this reason that federal programs such as Title I and state categorical programs such as Economic Impact Aid were created. But formulas for many state categorical programs are based more on historical precedent than on actual student need. So the question remains: How much does it cost to educate a high-need learner?

There is no definitive answer to this question. Researchers and policymakers in other states have varied in their estimates of the additional resources necessary to address student needs. Governor Brown’s most recent weighted student formula plan, for example, proposed to allocate 20 to 40 percent more funding to school districts for each low-income and/or English learner student they serve.

District leaders from around the country who are implementing weighted student formulas in their districts have set weights at varying levels.¹¹ In these districts, weights for English learners range from 10 to 50 percent of a base amount, and weights for low-income students range from 5 to 25 percent. For example, if English learners are weighted at 20 percent, for every \$100 in base funding a district receives, the district would receive an extra \$20 for a student who is an English learner.

One reason that researchers and policymakers have difficulty estimating how much it costs to educate a high-need learner is that the way districts spend these additional resources can vary. Some districts spend supplemental dollars providing underserved students with a more effective teacher, while others may provide extra supports like extended learning time or reading specialists.

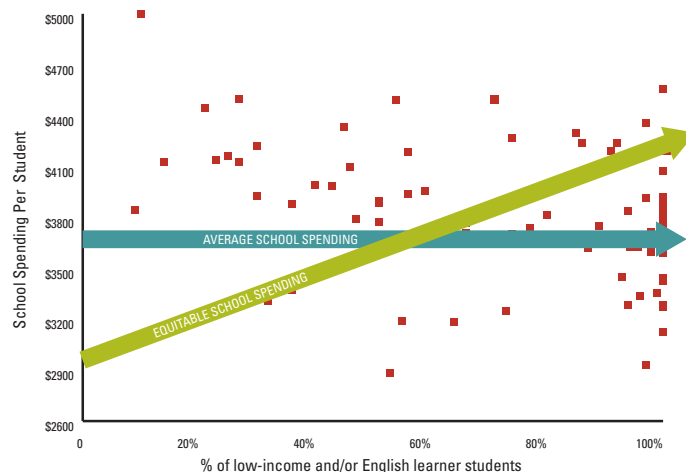
To best answer this question, researchers and policymakers should look at how much is spent on the high-need learners who make substantial academic gains from one year to the next, and monitor the programs and strategies that are leveraged through these resources to yield positive results.

spending above the district average. Few schools are clustered around the green diagonal line representing equitable spending.

On the other hand, Riverside Unified is similarly diverse, but its school spending patterns tell a different story. School-level expenditures in its highest-need schools are above the district average, and its lowest-need schools are more likely to be spending below the district average. As compared with Long Beach, Riverside’s actual school spending levels track fairly close to the green “equitable spending” line. (See Figure 2.)

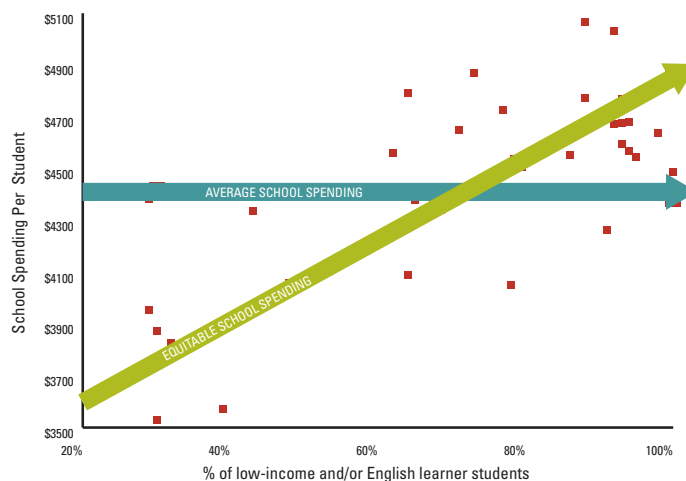
To see school spending patterns within each of the 20 largest districts in the state, visit www.edtrustwest.org to access a user-friendly web tool.

FIGURE 1: School spending per student in Long Beach Unified School District



Note: Expenditures from state and local sources only.
Data Sources: 2009-10 Civil Rights Data Collection, Office for Civil Rights, U.S. Department of Education. California Department of Education, 2009-10 Free/Reduced-Price Meals Program and 2009-10 English Learner Enrollment.

FIGURE 2: School spending per student in Riverside Unified School District



Note: Expenditures from state and local sources only.
Data Sources: 2009-10 Civil Rights Data Collection, Office for Civil Rights, U.S. Department of Education. California Department of Education, 2009-10 Free/Reduced-Price Meals Program and 2009-10 English Learner Enrollment.

NOTHING TO HIDE?

Funding transparency is critical to funding equity. Currently, California requires all school districts to report financial data (both revenues and expenditures) using the Standardized Account Code Structure (SACS). However, these data are reported only at the district level, obscuring the total dollars spent at the school level. Although SACS does include codes to support school-level reporting, using these codes is voluntary under California law, and there are no common data definitions to ensure comparability of data at the school level (e.g., consistent allocation of district-provided services).¹²

TABLE 2: The revenue-expenditure gap in California's largest school districts

District	State and Local Revenue Per Student (California Department of Education)	Average School-Level Expenditure Per Student (Office for Civil Rights)	Revenue-Expenditure Gap
CORONA-NORCO UNIFIED	\$6,498	\$3,871	\$2,627
SWEETWATER UNION HIGH	\$7,809	\$5,115	\$2,694
RIVERSIDE UNIFIED	\$7,138	\$4,391	\$2,747
GARDEN GROVE UNIFIED	\$7,134	\$4,365	\$2,769
CAPISTRANO UNIFIED	\$6,559	\$3,307	\$3,252
MORENO VALLEY UNIFIED	\$6,824	\$3,460	\$3,364
FONTANA UNIFIED	\$6,863	\$3,489	\$3,374
STOCKTON CITY UNIFIED	\$7,643	\$4,255	\$3,388
LONG BEACH UNIFIED	\$7,367	\$3,761	\$3,606
CLOVIS UNIFIED	\$7,277	\$3,342	\$3,935
ELK GROVE UNIFIED	\$7,325	\$3,231	\$4,094
SANTA ANA UNIFIED	\$7,661	\$3,493	\$4,168
FRESNO UNIFIED	\$7,634	\$3,437	\$4,197
SAN BERNARDINO CITY UNIFIED	\$8,208	\$3,918	\$4,290
SAN JUAN UNIFIED	\$7,445	\$3,053	\$4,392
SACRAMENTO CITY UNIFIED	\$7,914	\$3,227	\$4,687
OAKLAND UNIFIED	\$9,420	\$4,251	\$5,169
SAN DIEGO UNIFIED	\$8,201	\$3,016	\$5,185
LOS ANGELES UNIFIED	\$9,094	\$3,720	\$5,374
SAN FRANCISCO UNIFIED	\$9,876	\$4,428	\$5,448

Data Sources: Revenue data from Ed-Data, fiscal year 2009-10 data, accessed September 2012. Expenditure data from 2009-10 Civil Rights Data Collection, Office for Civil Rights, U.S. Department of Education.

California's failure to develop systems to track school-level accounting presents challenges when we look at the new expenditure data from the Office for Civil Rights against existing financial data that school districts report to the California Department of Education. For example, San Juan Unified reported that it took in \$7,445 per student in revenue from state and local sources in 2009-10. And yet schools in San Juan Unified spent, on average, \$3,053 per student that same year, according to data collected from San Juan Unified by the Office for Civil Rights. This leaves a difference of \$4,392 per student. We see a similar pattern in each of the state's other large districts, ranging from differences as low as \$2,600 in Corona-Norco Unified to nearly \$5,500 in San Francisco Unified.

These large gaps between the funding that districts receive from the state and their school-level expenditures could be due to several factors. In the best-case scenario, it could mean that districts are retaining significant funding to provide services to underserved students at school sites, and promoting equity by administering those programs centrally. For example, a district that hires literacy coaches for English learners or staff for extended learning programs that serve students at a number of school sites would define these as

district-level expenditures. In the worst-case scenario, it could mean that district officials are not spending funds designated for students or schools but instead using these dollars to support increasing personnel costs or keeping funds in reserve.

Unfortunately, the way districts and schools account for their funds makes it impossible for stakeholders to know whether the funds are reaching schools and students, or whether they are being used for other purposes by districts coping with budget cuts and increasing personnel obligations. As the state considers shifting to a weighted student formula, it will be critically important that the state require districts to account for and report district and school-level expenditures transparently and consistently. This is critical for stakeholders to know how much funding is truly reaching school sites and to confirm that dollars generated by high-need students are being spent on programs and resources to support them. Similarly, stakeholders should be aware of district-level spending decisions around personnel benefits and salaries, and the impact of those decisions on funding available for students.

FUNDING EQUITY IN ACTION

A number of California school districts are engaged in efforts to distribute resources to schools more equitably. Oakland Unified, for example, provides substantially more dollars to its highest-need schools, which is likely a by-product of its investments in a Results-Based Budgeting (RBB) process. When first implemented in 2003, Oakland was trying to break the troubling link between neighborhood wealth and school performance.¹³ The district observed that the wealthier neighborhoods were able to attract more experienced, higher-paid teachers to their higher-performing schools. In response, Oakland Unified leaders developed RBB, which allocates school funding according to pupil enrollment rather than staff positions and programs in order to increase equity, transparency, school-level autonomy, and accountability.¹⁴ Through RBB, the district was able to provide greater resources to the highest-poverty schools and offer schools with less experienced (and thus less expensive) teachers additional funding that could be used to support supplementary programs and other needs.

San Francisco Unified has also been implementing forms of site-based budgeting and weighted student formula since the 2002-03 academic year. San Francisco's model provides each school with a base grant according to its grade levels and its population of English learner and low-income students. In addition, the district provides schools additional funding through various categorical and block grants.¹⁵ Both Oakland and San Francisco continue to struggle with teacher salary gaps, but their efforts to offset those gaps by distributing other funds to low-income schools has resulted in more equitable school spending overall.

Twin Rivers Unified is currently piloting a program called "Strategic School Funding for Results." (This 30,000-student school district outside of Sacramento was not included in the analysis due to its smaller size.) The goal of this program is to combine a weighted student formula and school-level decision-making on spending with increased accountability for student performance. The model provides principals authority over 85% of their school's general purpose funding. As a result, principals are investing in high-impact, site-specific reforms that lead to increased student achievement, including opportunities for extended learning time, targeted staff development, and English learner support programs. Site leaders are explicitly held accountable for using new autonomy over resources to advance student achievement.¹⁶

LESSONS LEARNED FROM OTHER STATES: ENSURING THAT WEIGHTED DOLLARS REACH THE HIGHEST-NEED STUDENTS

Although many states weight funding by student need, few have put in place the assurances and accountability necessary to ensure these "extra" dollars reach the students for whom they are intended. However, there are some promising practices:

To hold districts accountable for funding decisions and increase public transparency, **Rhode Island** has implemented a uniform chart of accounts along with its weighted student formula. All districts use standardized accounting practices to classify and report district *and* school expenditures, and data reports are available publicly via the Rhode Island Department of Education website.

Hawaii implemented a public accountability system to accompany its weighted student formula. Schools are required to submit academic goals and financial plans to reach these goals. These plans are available through a public online portal.

In 2010, the **Colorado** Interim Committee on School Finance proposed legislation that would have provided incentives to districts to implement weighted student formulas locally. The plan called for grants of up to \$100,000 for districts to design their formula and provide principals professional development on site-based budget decisions. Although the bill did not make it into law, it provides an example of how California might incentivize districts to pass weighted dollars through to their schools and develop systems of site-based budgeting.

Louisiana requires that weighted funding for at-risk, vocational education, and special education students be spent for specific purposes such as personnel and instructional materials. In addition, the Louisiana State Board of Education has recently approved a student-based budgeting (SBB) pilot that will include as many as seven districts in the 2012-13 school year. The Louisiana Department of Education is supporting the pilot districts in creating weighted student formulas and training principals in budgeting practices. Some districts will implement SBB district-wide, and others will select schools to pilot SBB.

ENSURING SCHOOL FUNDING EQUITY

Analysis of existing school spending patterns makes it clear that simply diverting more dollars to the district level through a WSF model, while important, will not ensure that the highest-need schools receive an equitable share of district funds. If state leaders do pursue a new school funding system for California, there are steps the state should take to ensure an equitable implementation at the school level.

ASSURANCES THAT ADDITIONAL FUNDING WILL BE SPENT ON HIGH-NEED STUDENTS

The state must ensure that additional dollars generated by low-income and English learner students are actually being spent to support their needs. The state should require that a certain percentage of the dollars generated by each school site actually reaches the school level. If a district wishes to redirect additional funds into other schools, programs, or district services, it should be required to notice parents publicly and hold a public hearing to explain its decisions. Further, districts should make assurances that the weighted student dollars are truly being used to supplement the services offered to the highest-need learners—not to replace gaps caused by lower teacher salaries or inadequate base funding.

TRANSPARENCY AROUND REVENUES AND EXPENDITURES

The state must make it clear how much funding each school is generating for its district, based on the share of low-income and English learner students. The state should require school districts to report how much funding is actually spent at each school, including how much is spent on instructional and non-instructional salaries.

To make the data on school-level spending meaningful and comparable across districts, the state should develop uniform accounting guidelines and definitions. This will allow educators, policymakers, and the public to compare spending across categories, such as expenses on supplies and instructional time.

COMMUNITY INVOLVEMENT IN SPENDING DECISIONS

Decisions about school-site spending should be made in collaboration with each school's community of stakeholders. Families, teachers, and administrators must be involved in decisions about how their school's dollars are spent; this will ensure that each school's activities and spending are aligned with its unique needs and goals. To help support that engagement, especially among parents and guardians representing disadvantaged students, the state should preserve and enhance the role of school site councils and other parent committees.

California should also incentivize districts to implement site-based budgeting practices, using lessons learned from models in Oakland, San Francisco, and Twin Rivers. It could do this by providing extra funds through the new WSF or through a separate funding stream. Either way, such an incentive would allow districts to build the capacity they need to develop and implement systems that equitably allocate dollars to their schools and meaningfully engage the community in the budgeting process.

ACCOUNTABILITY FOR SPENDING DOLLARS EFFECTIVELY

Finally, district and school spending decisions should be informed by their impact on student outcomes. A weighted student formula would provide an influx of new dollars into many school districts and increased flexibility on how those dollars could be spent.

To make sure that these dollars benefit students, the state must build a robust accountability system that measures district and school success in preparing students for college and career. The state should publish transparent spending data alongside student performance results to provide information about which investments are promoting student learning. Such information can foster cross-school and cross-district dialogue about strategies and investments that most positively impact students, particularly those who are underserved. A weighted student formula model paired with accountability for student outcomes is already being piloted in Twin Rivers Unified where, as discussed above, school leaders with autonomy over their spending are held accountable for their decisions.

CONCLUSION

Through a weighted student formula, California can begin to correct profound inequities in the way the state currently funds districts, schools, and students. To achieve this goal, a WSF model must go beyond simply taking all state funding and distributing it directly to school districts without any accountability. To truly promote equity, a WSF model must reach both districts and schools and be accompanied by strong spending assurances, public transparency, stakeholder involvement, and accountability for student outcomes. With these prerequisites, a WSF model has the potential to restore Californians' faith in their educational investments and provide the resources necessary to help all students achieve their college and career dreams.

NOTES

1. Heather Barondess, Laura Schroeder, Carrie Hahnel, "The Cruel Divide: How California's Education Finance System Shortchanges Its Poorest School Districts" (Oakland, CA, The Education Trust—West, 2012).
2. The Education Trust—West, "California's Hidden Teacher Spending Gap: How State and District Budgeting Practices Shortchange Poor and Minority Students and Their Schools" (Oakland, CA., The Education Trust—West, 2005).
3. Amy M. Hightower, Hajime Mitani, and Christopher B. Swanson, "State Policies That Pay: A Survey of School Finance Policies and Outcomes" (Editorial Projects in Education, 2010).
4. The exception is charter-school funding, which is weighted based on grade level.
5. Calculation based on 2009-10 financial data. Margaret Weston, "California's New School Funding Flexibility" (San Francisco, Calif.: Public Policy Institute of California, May 2011), and the Legislative Analyst's Office, "Overview of the Proposition 98 Budget" (Sacramento, Calif., Legislative Analyst's Office, May 27, 2010).
6. The percentage of low-income and/or English learner students is based on statewide CALPADS data, which shows a 75% overlap in these two student populations. This assumption is used throughout the analysis in the paper, although the percentage of overlap likely varies by district.
7. Stephen Q. Corman and Amber M. Noel, "Revenues and Expenditures for Public Elementary and Secondary School Districts: School Year 2008–09 (Fiscal Year 2009), Table 5" (U.S. Department of Education, National Center for Education Statistics, November 2011).
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9. Specific school finance instructions are included with the Civil Rights Data Collection dataset. More information is available at <http://www2.ed.gov/about/offices/list/ocr/data.html?src=rt>.
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The Education Trust—West works for the high academic achievement of all students at all levels, pre-k through college. We expose opportunity and achievement gaps that separate students of color and low-income students from other youth, and we identify and advocate for the strategies that will forever close those gaps.

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