The New Focus of Ed Finance: THE SCHOOL

Marguerite Roza & Katie Hagan
mr1170@Georgetown.Edu
Katie.Hagan@Georgetown.Edu
ESSA includes a new requirement to report spending by SCHOOL.
Message research on school finance

• Message research by Winston Group on finance generally.
• Edge Research and HCM: How stakeholders think about resource allocation and use in schools and financial transparency; reactions to calls for equity, efficiency, productivity.
Interviews with principals/district leaders about school spending...

District Leader: We are transparent – we put all our financial files online.

Principal: All in, my school receives about $40,000 a year.

Principal: I don’t get as much $ as other schools in the district because my school is in a neighborhood with lower property values.

Principal: Is the district shortchanging my school? I assume not, but I have no idea.
District Leader: Our equity initiative has funded counselors, reading programs and social workers.

District Leader: We give extra staff to our higher needs schools, but they don’t know that. They assume all schools have what they have.

Principal: In my district, principals don’t question budget choices.

Principals: I want to be more engaged in school finance decisions.
On Equity

• Parents, teachers, and principals are comfortable spending more on high-needs students. ²

• No one (even a school who will gain) feels good about taking money away from some schools. ²

• District leaders believe they have been working on equity, ...but they define it in terms programs, services, inputs, vs spending by school. ²

• Many district/school leaders haven’t thought about inequitable spending due to uneven salaries. ²

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On Trust

• Lots of distrust regarding school financial info (by teachers, parents). ¹

• Parents/teachers are more likely to trust their principals on $ issues. ¹ (Less trust for district/state leaders)

• District leaders generally respect their principals. ²

• Communities want to hear about financial info in a format that allows for them to WEIGH IN. ¹

¹. Research from The Winston Group on behalf of the Smarter School Spending for Student Success project, Dec 2016.
How district leaders respond to FT requirement

Annoyance, Frustration, Anxiety

“This is stupid” “Insulting”
“Community won’t understand why we spend the way we do”
“More federal requirements to micromanage us”

It’s a good thing. It’s about time.

“We need more dialogue on how we spend our money”
“Maybe if more people were involved, we can start to make some changes to help students”

Commits to looking at school-by-school spending to see what the numbers say
Successful Communication

• Avoid business lingo.
• All financial communication should reference students (and what XX will do for students).
• Communication that sites evidence/research should acknowledge local context to be trusted.
• “Fair” is received better than “Equitable”
• Citing dollar figures improves credibility.
Don’t say:  

Reallocation
Efficiency
Do more with less
Acknowledge a cut as just that:
“We were told we had to…”

Do say:

Leveraging dollars to do more for students
Link discussion to STUDENTS
Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.”
Spending smarter
Communicate with $ amounts
We have the flexibility to make tradeoffs that meet the needs of our students.

Leveraging dollars to do more for students
Don’t say:

- Reallocation
- Efficiency
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- Acknowledge a cut as just that:
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Do say:

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- ✓ Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.
- ✓ Spending smarter
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Reallocation
Don’t say:

x Reallocation

Do say:

✓ Leveraging dollars to do more for students.
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Do more with less
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- Reallocation
- Efficiency
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- Leveraging dollars to do more for students.

Link discussion to STUDENTS
Don’t say:

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× Efficiency
× Do more with less

Do say:

✓ Leveraging dollars to do more for students.
✓ Link discussion to STUDENTS

Admit to the tradeoff: “We could have done XX or YY and we chose YY because it helps us do ZZ for students.”
Don’t say:

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Do say:

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- Link discussion to STUDENTS
- Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.”

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- Spending smarter

Communicate with $ amounts
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“We were told we had to...”
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We have the flexibility to make tradeoffs that meet the needs of our students.
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What works? What could be better?

#1. **Chicago Public Schools:** The largest single wave of school closures in history is planned to take place this fall in Chicago Public Schools, when 54 buildings will permanently shut their doors despite protests from parents and the Chicago Teachers Union. “Chicago Public Schools faces a $1 billion deficit that threatens the quality of education that children receive,” says district spokesperson Molly Poppe. “At the same time, financing underutilized schools comes at a significant cost to the district.”

#2 “The state’s school funding system is inefficient, ineffective, outdated”
What works? What could be better?

#3 "For me there is great value in the containment of costs," said school board President Monica Garcia, who voted yes along with George McKenna, Scott Schmerelson and Kelly Gonez. "We need good jobs and good schools."

#4 “This information makes conversations around equity possible. For too long, districts have been engaged in unjust budgeting practices that do not take into account the significant gaps between low income and high-income schools in the same district."
What works? What could be better?

#5 “The research is really clear and at some point, people need to pay attention to the data," said Bob Sanborn, president and CEO of the advocacy group Children at Risk. "If you're putting Texas first, you can't help but put pre-K up there. This is beyond politics. It's about taking care of our children."

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Thank you!
Marguerite Roza and Katie Hagan
MR1170@georgetown.edu