

Results in Brief:

Districts' Use of Weighted Student Funding Systems to Increase School Autonomy and Equity: Findings From a National Study

October 2019

Over the past 25 years, a small but growing number of school districts have implemented weighted student funding (WSF) systems as a way to increase school-level autonomy and more equitably distribute resources among schools. In these districts, which are predominantly large urban school systems, education leaders have implemented policies that allocate dollars to schools rather than staffing positions, using weights to provide higher levels of funding for certain types of students who need additional support, such as students from low-income households, English learners, and students with disabilities. In addition, these systems are intended to shift more decision-making responsibility over resource allocation and school programming to principals and other school stakeholders. This study identified 27 districts operating WSF systems as of the 2018–19 school year and used survey and case study data to examine how WSF districts have implemented these systems, the types of weights and other adjustments that they use, how they compare with districts that use more traditional resource allocation practices, and funding equity outcomes.

STUDY QUESTIONS

1. How are resources allocated to schools in districts with WSF systems, and how do they compare with districts with more traditional resource allocation practices?
2. In what ways do schools have autonomy and control over resource allocation decisions, and how does this vary between WSF and non-WSF districts?
3. Do WSF districts have higher levels of per-pupil spending in their higher-need schools, and has funding equity increased since the adoption of the WSF system?

STUDY DESIGN

This report is based on surveys of district administrators and principals in a nationally representative sample of WSF and non-WSF districts and more in-depth data from a purposive sample of nine WSF districts. Primary data collection was in the 2017–18 school year; some additional data for the case study sites were collected in 2018–19.

The district survey was completed by 253 districts, including 13 WSF districts and 240 non-WSF districts. The principal survey was completed by 318 principals, including 104 WSF principals and 214 non-WSF principals. Response rates were 63 percent for districts and 47 percent for principals.

The nine case study districts were Baltimore City, Boston, Cleveland, Denver, Indianapolis, Milwaukee, Nashville, Prince George's County, and San Francisco. The case studies included in-person interviews with district administrators and principals, examination of documents describing the WSF formulas, and analysis of longitudinal school-level expenditure data.

Because study findings are based on case studies and on surveys with relatively low response rates, they do not necessarily generalize to the nation as a whole. Additionally, observed differences between WSF and non-WSF districts were not necessarily caused by the use of WSF.

Highlights

- WSF districts were more likely than non-WSF districts to classify principal autonomy and transparency as high-priority goals for their system of allocating resources to schools.
- The most common student subgroups weighted in WSF formulas were students from low-income families, English learners, and students with disabilities.
- Although all WSF case study districts reported that their schools use average teacher salaries in developing their budgets, three districts also used actual teacher salaries, either for some of their schools or by incorporating them into their weighting scheme.
- On average, WSF district administrators reported that over half (53 percent) of their total operational spending was under school discretion, compared with 8 percent in non-WSF districts.
- Despite flexibility to make decisions about resources, principals in all nine WSF case study districts reported that their effective autonomy was constrained by district requirements to fill certain “non-negotiable” staff positions, collective bargaining agreements, and resource limitations.
- In six of the nine WSF case study districts, higher-poverty schools had higher per-pupil spending levels than lower-poverty schools, but after controlling for other school characteristics, only two had a positive relationship between poverty and spending, while three had a negative relationship.
- Among the five WSF case study districts with sufficient trend data, three showed increases in relative funding levels for high-poverty schools after WSF implementation.

GOALS AND STRUCTURE OF WSF SYSTEMS

WSF districts were more likely than non-WSF districts to classify principal autonomy and transparency as high-priority goals for their system of allocating resources to schools.

For example, 95 percent of WSF district administrators reported that principal control over budgeting decisions was a high priority, compared with 49 percent of non-WSF districts. In case study interviews, respondents in seven of the nine case study districts indicated that improving equity in resource allocation was a driving motivation behind their WSF systems.

The most common student subgroups weighted in WSF formulas were students from low-income families, English learners, and students with disabilities.

Ten out of 14 WSF districts used weights for low-income students, while nine used weights for English learners (ELs) and seven had weights for students with disabilities. Six of the 14 districts had weights for students performing below grade level, while three had weights for gifted and talented students.

The size and structure of these weights varied considerably among the nine case study districts. For example, weights for individual low-income students ranged from 0.02 to 0.15, and three of the districts provided additional funding for schools with high concentrations of these pupils. For EL students, some districts used a single weight for all ELs, while others varied the weights by English proficiency level.

Among the nine case study districts, seven provided larger per-pupil amounts for lower grade levels, but they differed in the specific grades that were favored. Six case study districts supplemented their WSF allocations with additional allocations for specialized programming.

Although all WSF case study districts reported that their schools use average teacher salaries in developing their budgets, three districts also used actual teacher salaries, either for some of their schools or by incorporating them into their weighting scheme.

Previous research has found that more qualified teachers with higher salaries often cluster in schools serving more affluent neighborhoods, while high-poverty schools tend to employ less experienced teachers with lower salaries; this has been referred to as an implicit subsidy from schools with low teacher salaries to schools with higher teacher salaries.

To address this issue, Boston and Denver allowed schools with below-average salaries to “opt in” to using actual teacher salaries for budgeting purposes, which effectively frees up additional funds the schools can use to purchase additional resources such as an instructional coach, professional development, or instructional materials.

SCHOOL AUTONOMY

On average, WSF district administrators reported that over half (53 percent) of their total operational spending was under school discretion, compared with 8 percent in non-WSF districts.

WSF principals reported that decisions about hiring teachers and other instructional staff, selecting instructional materials,

and making decisions about instructional programming and professional development were mostly made at the school level by the principal and other school staff and stakeholders (such as teachers, parents, and other community members).

Despite this flexibility, principals in all nine WSF case study districts reported that their effective autonomy was constrained by district requirements to fill certain non-negotiable staff positions, collective bargaining agreements, and resource limitations.

District and principal interviewees also discussed challenges related to principals’ budgeting skills and workload, and the need for additional training and support for principals.

FUNDING EQUITY

In six of the nine WSF case study districts, higher-poverty schools had higher per-pupil spending levels than lower-poverty schools, but after controlling for other school characteristics, only two had a positive relationship between poverty and spending, while three had a negative relationship.

Two of the districts had a positive relationship between percentage of ELs and spending levels; the other seven showed no relationship. Eight districts had substantially higher spending levels in schools with higher proportions of students with disabilities.

Among the five WSF case study districts with sufficient data to examine trends, three showed increases in relative funding levels for high-poverty schools after WSF implementation, after controlling for other variables.

For high-EL schools, three of the five districts showed gains in relative funding levels after WSF implementation. Four of the five districts largely maintained their distribution of resources with respect to students with disabilities in the post-WSF time period.

CONCLUSIONS

Overall, WSF districts reported allocating over half of their total operational spending to schools to be used under principals’ discretion. Principals in WSF districts reported that many key decisions in their schools were mostly made by school staff and stakeholders, although their autonomy was constrained in some ways.

Analyses of expenditure data found that while some WSF case study districts had progressive equity outcomes and showed equity gains after WSF implementation, others did not. Although WSF is a tool that may be used to direct higher levels of funding to schools with greater needs, its effectiveness in improving equity will be affected by the types and sizes of weights used, the share of total funding distributed through the formula, and whether schools may use actual or average salaries for budgeting and spending the funds that are allocated to them.

ADDITIONAL INFORMATION

The complete report is available online: <http://www2.ed.gov/about/offices/list/opepd/ppss/reports.html#school-finance>.