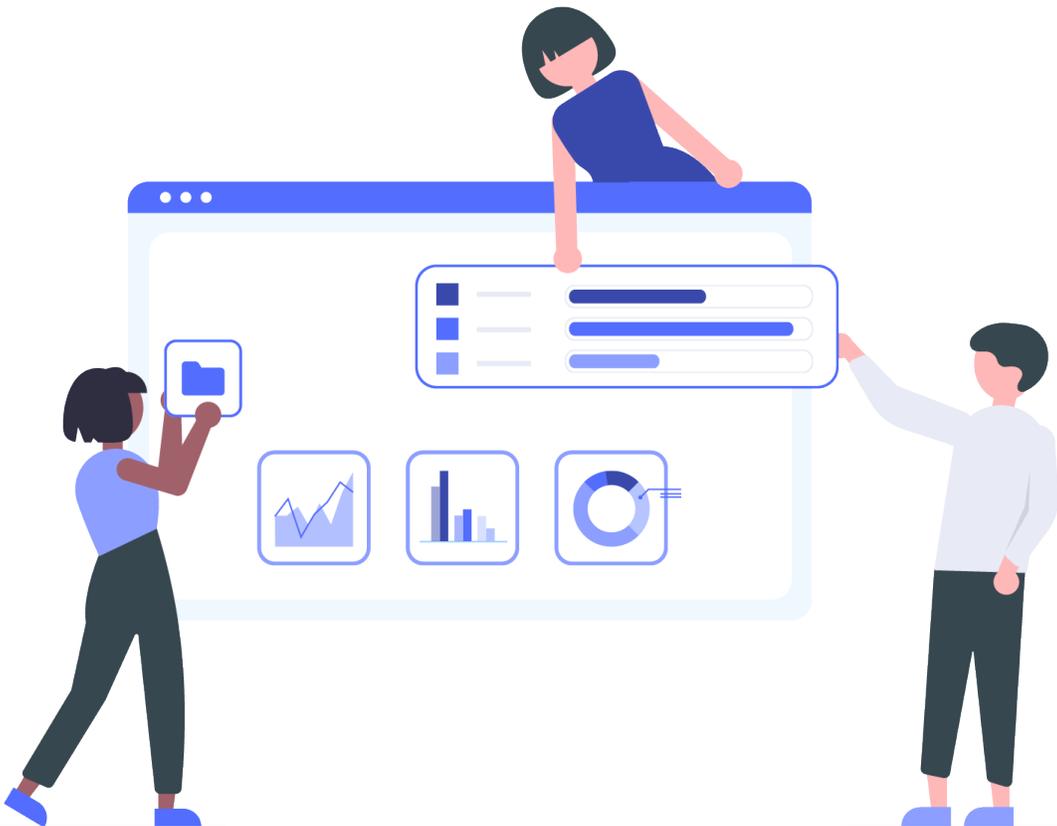


Better than Equal

BUILDING EQUITABLE RESOURCE ALLOCATION MODELS



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Introduction

Resource equity is the cornerstone of Allovue’s mission and vision. Eight years ago, we set out with a mission of making it easier for districts to evaluate the equity of their funding allocations and create school budget plans that were strategically aligned to district goals but specific to the student needs and priorities of each school community.

Over the years, we’ve worked with districts to analyze spending patterns, streamline budget workflow, and align resources to strategic priorities. Yet some of the most consequential equity work in a district happens prior to budget development in the process of allocating funding and staffing resources to individual schools. How dollars are allocated to schools (and, thereby, the students who attend them) is the single most important lever in a district for advancing resource equity or perpetuating inequity. We’re thrilled to launch *Allocate* this year to make funding formula creation and evaluation easy and accessible for every school district.

New regulations in the Every Student Succeeds Act require districts to report school-level actual per-pupil spending. Through these data reports, many districts are realizing that legacy methods of funding and staffing allocation are producing spending patterns that are equal, not equitable. Other districts are uncovering disparities in spending that reveal more severe inequities in which the highest need students are not receiving the additional resources they need to thrive.

A passive approach to resource allocation guarantees inequity. Resource equity must be implemented intentionally—and that starts with defining what resource equity means in a district. The United States has over 13,000 school districts of different shapes, sizes, urbanicity, and demographics across geographic regions. Equity is not one-size-fits-all; by definition, equity requires specificity.

How does a district define equity? What rules should dollars follow to uphold that definition of equity? What trade-offs must be considered? What is non-negotiable? We invited education finance experts and advocates around the country to take on a fictional district data set and wrestle with these questions as they developed a sample resource allocation model. Their models and reflections are shared in this publication. As you can see, there are myriad ways to approach funding models—even with identical prompts, data, and tools.

- What does your district allocation model say about your definition of equity?
- Are you funding schools in a way that is consistent with your district values?

If you don't know the answers to these questions, let's find out together. Start here and now.



Jess Gartner
Founder & CEO
Allovue

Background

Staff-Based Allocation

Traditionally, dollars are allocated to schools primarily through personnel-based ratios of Full-Time Equivalents (FTEs), with some modest per-pupil allocations for discretionary spending.

- Staff-based ratios (e.g., 1 teacher per 18 students, 1 counselor per 450 students, 1 principal per school)
- Per-pupil allocations for products/services (e.g., technology, materials and supplies, food, student activities)

Staff-based allocations steer dollars using FTE ratios of staff-to-students. These allocations may produce school-level budgets that are more *equal* than equitable. One way to achieve more equitable allocations is to provide extra staff FTE based on student subgroups. For example, additional literacy and mathematics coaches may be allocated with a ratio to students eligible for Free or Reduced-Price Lunch (FRPL), rather than to all students in a school. Students with certain disabilities may be associated with additional paraprofessional staff.

Staff-based allocations can present some challenges when it comes to decisions about pro-rating allocations when the enrollment ratios are imperfect. For example, if a district allocates one teacher per 20 students, should a second teacher be allocated when there are 21 students? 25 students? 30 students? Decisions about when to round up or round down may create unintentional resource inequities.

Student-Based Allocation

Student-based allocation (SBA) is a system in which dollars-based resources are allocated based on the enrollment of students at each school. This practice is known by many different names, including Student-Based Budgeting (SBB), Weighted Student Funding/Formulas (WSF), and Fair Student Funding (FSF).

Districts often use student-based allocations to provide additional dollars to student subgroups that, presumably, require more resources to educate. Districts attempt to advance fiscal equity by allocating additional dollars-based

Horizontal Equity: the 'equal treatment of equals' in resource distribution

Vertical Equity: the differential treatment of different groups in resource distribution

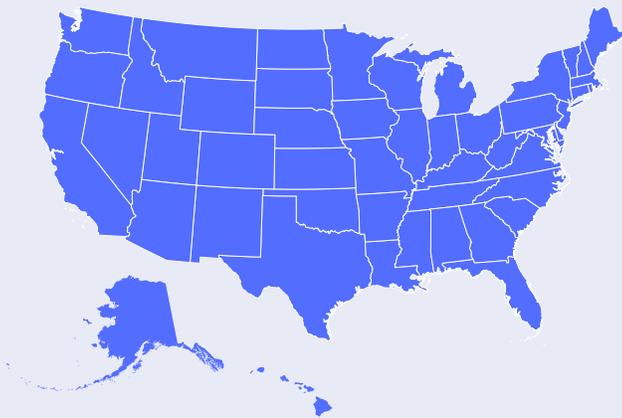
Adequacy: resource distribution that will be sufficient to achieve student outcomes

resources based on enrollment within those particular student subgroups at each school.

As a result, per-pupil amounts may vary based on student demographics or on the allocation of specific resources on a per student basis (for example, \$10 per student for instructional supplies). Because schools are funded per student, the amount of funding attached to each child will vary based on their needs as defined within the funding formula.

With student-based allocations, individual students may be given additional funding

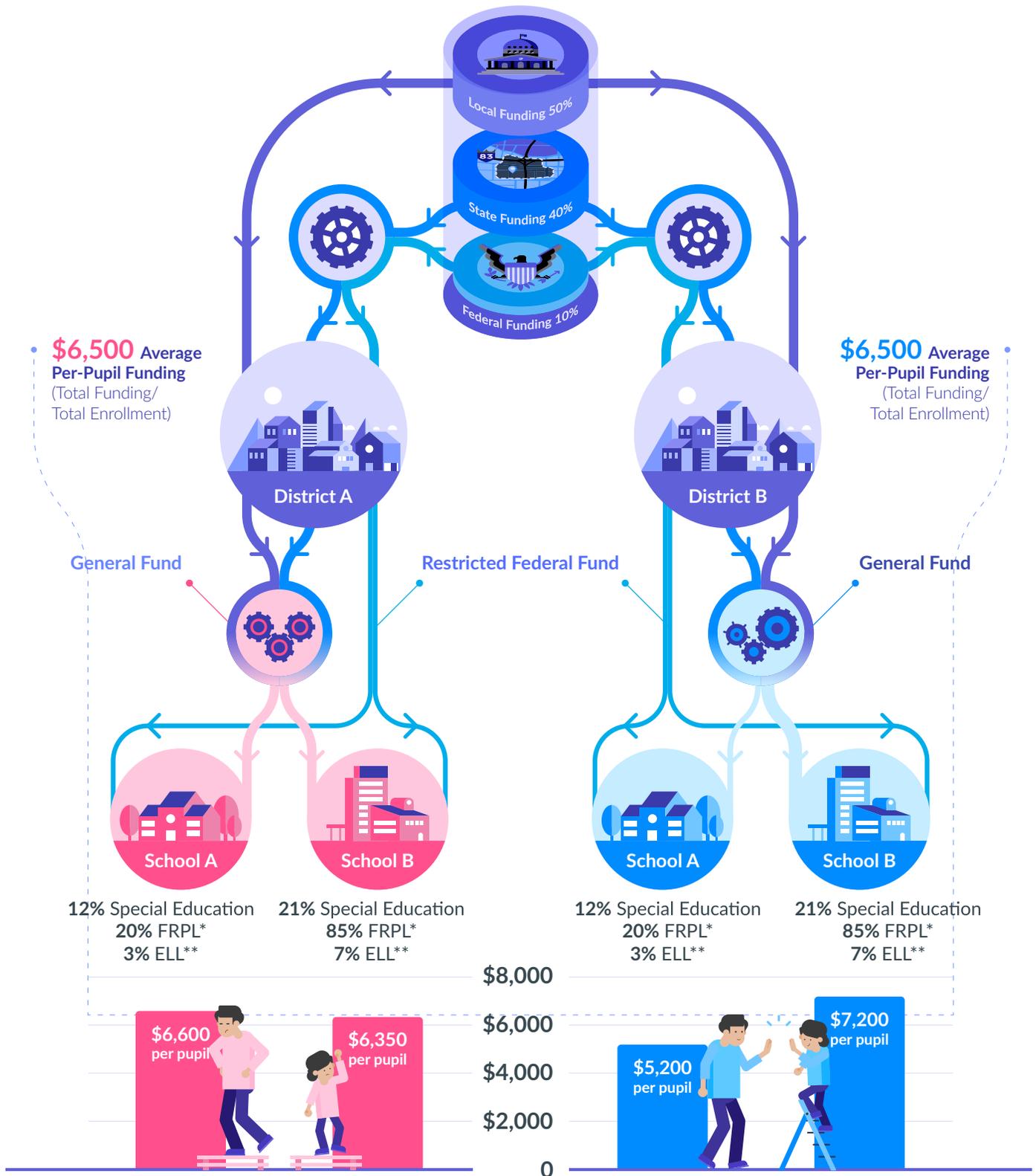
based on characteristics (for example, students eligible for Free or Reduced-Price Lunch (FRPL), English Language Learners (ELL), or Student with Disabilities (SWD)) in the form of dollars, which can be used to purchase staffing FTEs or other resources. One advantage of student-based allocations is that they can be more “precise”— unlike staffing rules, there are no big discontinuities when adding an additional staff member. Additional resources can come as little as a dollar at a time. This way, if an extra teacher is too expensive, a school might still have additional resources to use on other supports.



Most districts use both staff-based and student-based allocation systems.

Few districts allocate all resources to schools using strictly staff-based allocations or student-based allocations. Nearly all schools will allocate some resources based on staffing ratios and others based on student counts. Different resource allocation formulas may fall anywhere on a continuum from entirely staff-based to entirely student-based and still achieve similar results with careful consideration for how student needs are embedded into the formulas.

The illustration below shows how district resource allocation models can promote the inequitable (left) or equitable (right) distribution of financial resources to students.



*FRPL—Free and Reduced Priced Lunch

**ELL—English Language Learners

Modeling Challenge

The simulation district mirrors a medium-large K-12 district with 48 schools enrolling 44,000 students. The demographic includes 4% English Language Learners (ELL), 16% students with disabilities (SWD), and 41% free- or reduced-price meal (FRPL) eligible students. High poverty schools are defined as having 400+ FRPL eligible students. Small schools are defined as having fewer than 250 students.

Enrollment is predicted to be stable between the current fiscal year (FY) and the next. Enrollment data are from the [National Center for Education Statistics \(NCES\) Common Core of Data \(CCD\)](#) and correspond to 48 schools from large, randomly selected K-12 school districts in the United States.

The district's final FY21 formula (page 11) reflects a true-to-life allocation model for a district that uses a combination of staff- and per-pupil dollar-based allocations. The only element of the formula driven by student characteristics is a series of per-pupil discretionary allocations.

The formula represents the status quo for the simulation district—it's "what they've always done." **The formula is staff ratio-based, driving equalization between schools and student subgroups. The modeling challenge participants were tasked with revising the formula to advance resource equity.**

DISTRICT OVERVIEW

Student Enrollment

44,301

Previous Year: 44,299



FTEs Allocated by Formula

3,754.50

Previous Year: 3,738.50



Per-Pupil Funding Amount

\$6,365.19

Previous Year: \$6,337.95



Total Formula Dollars

\$281,984,247

Previous Year: \$280,764,657



Funding Formula Modeling Tool

Districts typically spend a lot of time in complex spreadsheets to understand how enrollment and other potential changes to the resource allocation formula's rules will affect school- and department-level allocations.

For this challenge, participants created a revised funding formula for the simulation district in Allovue *Allocate* (pictured below) instead of a spreadsheet. Allovue *Allocate* is the tool of choice for this exercise because it enables the participants (our de facto District Budget Office) to leverage their experience and institutional knowledge to engage in an equity-focused revision of the funding model. Participants were provided with a funding scenario that reflected the existing District Rule Book and a new scenario in which to make their model revisions.

The tool allows participants to articulate staff- and student-based allocation rules, apply the rules to projected enrollment, and evaluate the impact of those rules on dollars and FTEs district-wide and for each school. To help fine tune their formula recommendations, participants can directly compare funding formula scenarios—allocation rules and enrollment data—to gauge the overall and school-level impacts of formula rules on resource allocation.

The screenshot displays the Allovue Allocate web application interface. The top navigation bar includes the Allovue Balance logo, the title "Allocate", and the user "Allovue County Unified". A left sidebar contains navigation options: Overview, Scenarios, Formulas, Enrollment projections, and Configuration. The main content area is titled "GenEd Baseline_FY21" and includes links to "Enrollment Projection Final Enrollment_FY21" and "Formula GenEd Baseline". Below this is a "Scenario Overview" section with three summary cards: "Total Enrollment 14,521", "Total FTE 707", and "Total Dollars \$99,271,250.00". The "School Summary" section features a table with 84 schools, showing details for four schools: Abraham Lincoln Middle School, Bill Clinton Middle School, East Springfield High School, and Friendship Elementary School. Each row includes the school name, amount, characteristics (grades served and magnet status), enrollment, and FTE.

School	Amount	Characteristics	Enrollment	FTE
Abraham Lincoln Middle School	\$7,499,000.00	Grades Served: Middle 7-9 Magnet School: Magnet School	1,235	53.5
Bill Clinton Middle School	\$7,708,000.00	Grades Served: High 10-12 Magnet School: Not a Magnet School	1,060	53.5
East Springfield High School	\$11,867,500.00	Grades Served: Middle 7-9 Magnet School: Magnet School	2,033	83.5
Friendship Elementary School	\$5,228,250.00	Grades Served: Elementary K-6 Magnet School: Not a Magnet School	750	39.5

Allocation Rule Types

Building a formula is the primary function of Allovue *Allocate*. The allocation rules are designed to capture any potential combination of criteria for which a district wishes to allocate dollars or staff to schools and departments. Rule types are displayed in the table below.

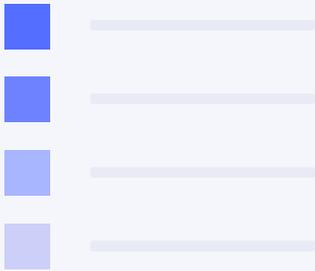
Rules can be used to provide allocations for dollars and staffing:

- **Dollar allocation rules** allocate dollars to schools either as flat allocations or based on school- or student subgroup-level criterion.
- **Staffing allocation rules** allocate some amount of staff (FTEs) and the associated dollar cost.

Rule Type	Description
Gross Dollar Allocation	Allocates a total dollar amount to all selected schools
Per-Pupil Dollar Allocation	Allocates a dollar amount to all selected schools, per-total pupils enrolled
Subgroup Per-Pupil Dollar Allocation	Allocates a dollar amount to all selected schools, per-subgroup-eligible pupils enrolled
Staffing Allocation	Allocates a selected quantity of FTEs to all selected schools
Ratio-Based Staffing Allocation	Allocates FTEs per number of students to all selected schools
Subgroup Ratio-Based Staffing Allocation	Allocates FTEs per number of sub-group-eligible students to all selected schools
Manual Adjustment	Allocates or takes away a dollar amount from specific school(s)

Baseline rules are sets of allocation rules that ensure that each school receives a minimum amount of funding. This minimum amount of funding is determined by the allocation rules that comprise the baseline rule set. Schools whose allocations from the regular allocation rules total less than the baseline amount receive adjustment dollars to reach the baseline amount. The connection between allocation rules and baseline allocation rules is illustrated on the following page.

Baseline Allocation

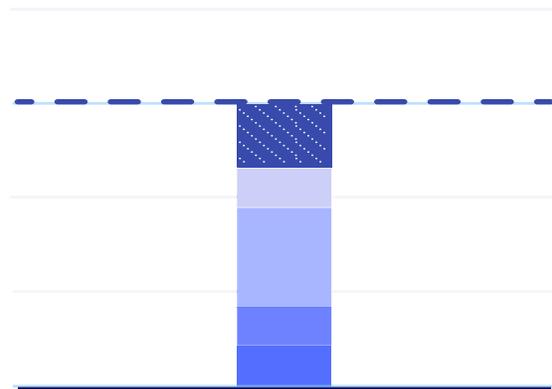
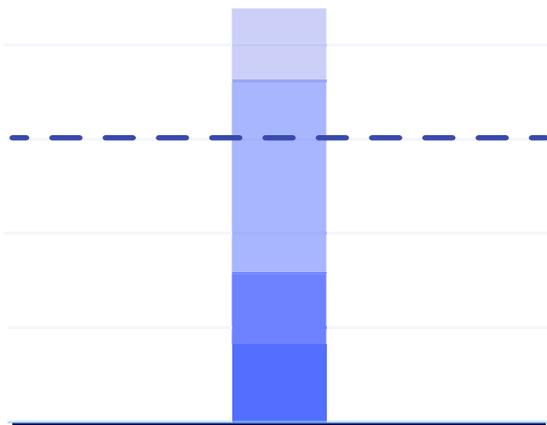


ALLOCATION RULES

Allocation rules like per-pupil dollar and ratio-based staffing allocations make up the primary set of rules in the funding formula.

BASELINE ALLOCATION

Baseline rules define a minimum funding threshold to allocate to a school. If allocation rules do not drive sufficient dollars to a school, then additional adjustment dollars are provided to reach the baseline allocation threshold.



SCHOOL A

The allocation rules drive dollars to School A that **exceed** the baseline allocation. School A does not require additional adjustment dollars.

SCHOOL B

The allocation rules drive dollars to School B that are **under** the baseline allocation. School B receives additional adjustment dollars so that the total allocation meet the baseline requirement.

 Adjustment dollars

District Funding Rule Book

Allocation Rule	Rule Type	Explanation
Principal	Staffing Allocation	Allocate 1 Principals to every school
Assistant Principal - ES	Ratio-Based Staffing Allocation	Allocate 1 Assistant Principal for every 300 students enrolled, rounded up to the nearest 1.00 matching Grade Structure: Elementary School
Assistant Principal - MS	Ratio-Based Staffing Allocation	Allocate 1 Assistant Principal for every 350 students enrolled, rounded up to the nearest 1.00 matching Grade Structure: Middle School
Assistant Principal - HS	Ratio-Based Staffing Allocation	Allocate 1 Assistant Principal for every 375 students enrolled, rounded up to the nearest 1.00 matching Grade Structure: High School
Office/Support - ES	Staffing Allocation	Allocate 1 Secretary Is to every school matching Grade Structure: Elementary School
Office/Support - MS	Staffing Allocation	Allocate 1 Secretary Is to every school matching Grade Structure: Middle School
Office/Support - HS	Staffing Allocation	Allocate 2 Secretary IIs to every school matching Grade Structure: High School
GenEd Grade K	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 20 students enrolled, rounded up to the nearest 1.00 at Grade K GenEd schools
GenEd Grade 01	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 21 students enrolled, rounded up to the nearest 1.00 at Grade 1 GenEd schools
GenEd Grade 02	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 21 students enrolled, rounded up to the nearest 1.00 at Grade 2 GenEd schools
GenEd Grade 03	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 21 students enrolled, rounded up to the nearest 1.00 at Grade 3 GenEd schools

Allocation Rule	Rule Type	Explanation
GenEd Grade 04	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 23 students enrolled, rounded up to the nearest 1.00 at Grade 4 GenEd schools
GenEd Grade 05	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 23 students enrolled, rounded up to the nearest 1.00 at Grade 5 GenEd schools
GenEd Grade 06	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 23 students enrolled, rounded up to the nearest 1.00 at Grade 6 GenEd schools
GenEd Grade 07	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 25 students enrolled, rounded up to the nearest 1.00 at Grade 7 GenEd schools
GenEd Grade 08	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 25 students enrolled, rounded up to the nearest 1.00 at Grade 8 GenEd schools
GenEd Grade 09	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 28 students enrolled, rounded up to the nearest 1.00 at Grade 9 GenEd schools
GenEd Grade 10	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 28 students enrolled, rounded up to the nearest 1.00 at Grade 10 GenEd schools
GenEd Grade 11	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 28 students enrolled, rounded up to the nearest 1.00 at Grade 11 GenEd schools
GenEd Grade 12	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 28 students enrolled, rounded up to the nearest 1.00 at Grade 12 GenEd schools
Coverage Teacher	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 65 students enrolled, rounded to the nearest 0.50
SPED FTE	Subgroup Ratio-based Staffing Allocation	Allocate 1 SPED Teacher for every 18 students enrolled, rounded up to the nearest 1.00 at SWD schools
SPED Para	Subgroup Ratio-based Staffing Allocation	Allocate 1 Paraprofessional for every 60 students enrolled, rounded up to the nearest 0.50 at SWD schools

Allocation Rule	Rule Type	Explanation
Supplies & Materials	Per-Pupil Dollar Allocation	Allocate \$100.00 in additional funding for every (1) enrolled student
Poverty Supplement	Subgroup Per-Pupil Dollar Allocation	Allocate \$360.00 in additional funding for every FRPL enrolled
ELL Supplement	Subgroup Per-Pupil Dollar Allocation	Allocate \$500.00 in additional funding for every ELL enrolled
Gifted Program Support	Subgroup Per-Pupil Dollar Allocation	Allocate \$100.00 in additional funding for every Gifted enrolled
Small School Support	Per-Pupil Dollar Allocation	Allocate \$50.00 in additional funding for every (1) enrolled student matching School Size: Small School
Mental Health	Ratio-Based Staffing Allocation	Allocate 1 Social Worker for every 350 students enrolled, rounded down to the nearest 1.00
Instructional Coaching	Ratio-Based Staffing Allocation	Allocate 1 Reading Specialist for every 400 students enrolled, rounded down to the nearest 0.50
Media Specialist - ES	Staffing Allocation	Allocate 0.5 Media Specialists to every school matching Grade Structure: Elementary School
Media Specialist - MS	Staffing Allocation	Allocate 1 Media Specialists to every school matching Grade Structure: Middle School
Media Specialist - HS	Staffing Allocation	Allocate 2 Media Specialists to every school matching Grade Structure: High School
Interventionist	Ratio-Based Staffing Allocation	Allocate 1 Testing Coordinator for every 350 students enrolled, rounded up to the nearest 1.00 matching Poverty: High Poverty

Funding Model Revisions

Education finance experts and advocates (below) created revised versions of the simulation district's resource allocation model. Their revised models and reflections are shared on the pages to follow, including:

- Highlights and reflections
- Revised Model Rule Book
- Example School Profile
- Participant biography

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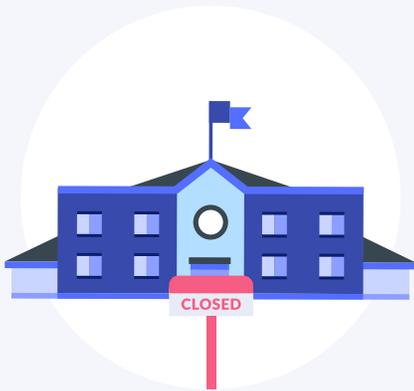


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Revised Model (A)

Marques Whitmire, Vice President, Finance & Operations | PIE Network

HIGHLIGHTS



Revised Model (A) funding formula revisions consider **closing smaller schools to redistribute funding**. The formula is constructed to provide academic teams at schools with the ability to staff flexibly to support student subgroups. One goal of the revision was to ensure that majority high poverty schools received more dollars per-pupil than under the prior year’s formula.

How did you define equity?

When education leaders talk about equity, generally they’ll say it means “everybody gets what they need.” Given the constraint of resources for schools today, I think this is a slightly unrealistic definition. For me, equity is about how we support the needs of our students given the limited resources that we have. To put it another way, equity means ensuring that everyone gets their fair share of the limited resources available.

For this exercise, I tried to focus on the largest population of typically most under-served students. I prioritized directly additional resources to students in poverty because the district is a high poverty district.

Does the “flat” or equal baseline funding fit your definition of equity—why or why not?

No. Every single student has a different set of needs. You want to be able to put extra resources with the students that need them most and this isn’t possible with an equal or “flat” formula. The formula needs some nuance.

Where did you start in evaluating the formula and considering adjustments?

The starting per-pupil dollar amount (total dollars divided by enrollment) gave me a frame of reference for the value of each student, given the resources available. The original formula was staff ratio-based. More often than not, this type of formula construction is inequitable because of the way rounding works and the

disconnect from student need. However, I did notice a few guardrails in the baseline formula that made sense to retain.

From my perspective, I want to provide the academic team with the ability to be flexible in staffing schools. There are so many different ways that student subgroups could receive extra support through teachers, additional curriculum, supplemental materials, etc. This is another driving reason behind my decision to move from a ratio-based formula to a per-pupil model.

In revising the formula, I dismantled most of the staff ratio-based formula elements. A few key changes I made were to:

- Create a base level of funding (\$4,000) for every student.
- Add additional funding based on school configuration, where elementary students received \$300 additional dollars, middle school students received \$200 additional dollars, and high school students received \$100 additional dollars.
- Allocate \$250 per gifted student to account for programmatic costs.
- Construct ratio-based allocations for special education students and doubled paraprofessionals to encourage compliance with staffing requirements for this student population.
- Retain the FTE ratio for social workers, but adjusted the formula so that it was more targeted to students in poverty (FRPL eligible). I wanted to lower this ratio and also add the caveat that it is specifically for students in poverty since there is a greater need for this support.
- Add formula rules to direct dollars to students in poverty and students who are English Language Learners.

After studying the demographics and enrollment trends, it is clear that a few of the smaller schools in the district are consuming more than their fair share of resources. Some of the small schools are receiving an extra several million dollars in adjustment dollars to reach the baseline funding threshold. My recommendation would be to close at least two such schools and redistribute those resources. For districts facing similar challenges, modeling potential scenarios in a tool like Allovue *Allocate* can provide the data needed to have a productive conversation with the school board about potential closures.

What was the most important thing that you wouldn't compromise on?

Once I finished my formula, I wanted to ensure that the majority high poverty schools were receiving more dollars per-pupil than they did the year prior. When I compared my new formula with the existing formula in Allovue *Allocate*, I could see that schools with high poverty populations had significant gains.

Does what you've done match or contrast with what most districts do in this same situation?

No, there's not a lot of discernment in how most districts approach their resource allocation formula and it's a real problem with how we distribute funds to schools right now. On the whole, districts do not pay enough attention to changes in demographics, student populations, and the needs of the community. In this way, the budget becomes disconnected from the actual work.

Districts that have moved toward student-based allocations still need to re-evaluate their approach, too. But this exercise is so difficult

when the formula is in a spreadsheet with 200,000 rows and 60 tabs, not to mention another spreadsheet on enrollment of the same size. A formula breaks, you fat finger a number—it can be so hard to manage. The work is just hard. Using *Allovue Allocate* for this exercise helped to eliminate this barrier to revising a funding formula.

There are several factors that lead districts to roll over their formula year-to-year, including:

- Lack of creativity because there is so much red tape and regulation around school funds. People feel boxed in.
- Lack of staff capacity to conceptualize and move toward a weighted formula.

Despite these challenges, it is always worth the effort because this work is about the opportunities that we're providing to students.

“ A formula breaks, you fat finger a number—it can be so hard to manage. The work is just hard. Using *Allocate* for this exercise helped to eliminate this barrier to revising a funding formula.

Are we living up to the vision of our district or charter? Evaluating your formula, whether staff- or student-based, is a really strategic exercise. More districts should start a practice of studying enrollment, student demographics, and the needs of populations served by the district to adjust their formulas year over year so that the available resources are supporting student need.

Revised Model (A) Rule Book

Allocation Rule	Rule Type	Explanation
Principal	Staffing Allocation	Allocate 1 Principals to every school
Office/Support - ES	Staffing Allocation	Allocate 1 Principals to every school Grade Structure: Elementary School
Office/Support - MS	Staffing Allocation	Allocate 1 Secretary Is to every school matching Grade Structure: Middle School
Office/Support - HS	Staffing Allocation	Allocate 1 Secretary IIs to every school matching Grade Structure: High School
SPED FTE	Subgroup Ratio-Based Staffing Allocation	Allocate 1 SPED Teacher for every 25 students enrolled, rounded up to the nearest 1.00 at SWD schools
SPED Para	Subgroup Ratio-Based Staffing Allocation	Allocate 1 Paraprofessional for every 30 students enrolled, rounded up to the nearest 0.50 at SWD schools
Elementary Students	Per-Pupil Dollar Allocation	Allocate \$378.00 in additional funding for every (1) enrolled student matching Grade Structure: Elementary School
ELL Students	Subgroup Per-Pupil Dollar Allocation	Allocate \$725.00 in additional funding for every ELL enrolled
GenEd Students	Per-Pupil Dollar Allocation	Allocate \$4,000.00 in additional funding for every (1) enrolled student
Gifted Students	Subgroup Per-Pupil Dollar Allocation	Allocate \$250.00 in additional funding for every Gifted enrolled
High School Students	Per-Pupil Dollar Allocation	Allocate \$100.00 in additional funding for every (1) enrolled student matching Grade Structure: High School

Allocation Rule	Rule Type	Explanation
Instructional Coaching	Ratio-Based Staffing Allocation	Allocate 1 Reading Specialist for every 400 students enrolled, rounded down to the nearest 0.50 matching Grade Structure: Elementary School
Media Specialist - ES	Staffing Allocation	Allocate 1 Media Specialists to every school matching Grade Structure: Elementary School
Media Specialist - MS	Staffing Allocation	Allocate 1 Media Specialists to every school matching Grade Structure: Middle School
Media Specialist - HS	Staffing Allocation	Allocate 1 Media Specialists to every school matching Grade Structure: High School
Interventionist	Staffing Allocation	Allocate 1 Testing Coordinator for every 350 students enrolled, rounded up to the nearest 1.00 matching Poverty: High Poverty
Middle School Students	Per-Pupil Dollar Allocation	Allocate \$223.33 in additional funding for every (1) enrolled student matching Grade Structure: Middle School
Social Work/Poverty Supports	Ratio-Based Staffing Allocation	Allocate 1 Social Worker for every 350 students enrolled, rounded up to the nearest 0.50 matching Poverty: High Poverty
Students in Poverty	Subgroup Per-Pupil Dollar Allocation	Allocate \$1,335.00 in additional funding for every FRPL enrolled

Baseline Rule	Rule Type	Explanation
Every School Gets a Media Specialist	Staffing Allocation	Allocate 1 Media Specialists to every school
Every School Gets a Principal	Staffing Allocation	Allocate 1 Principals to every school
Assistant Principal	Ratio-Based Staffing Allocation	Allocate 1 Assistant Principal for every 375 students enrolled, rounded up to the nearest 1.00
Elementary Teachers	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 22 students enrolled, rounded up to the nearest 0.25 Grade Structure: Elementary School
Middle School Teachers	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 25.75 students enrolled, rounded up to the nearest 0.25 matching Grade Structure: Middle School
High School Teachers	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 30 students enrolled, rounded up to the nearest 0.25 matching Grade Structure: High School

School Profile, Revised Model (A)

School Characteristics: Grade Structure, High School | Poverty, High Poverty

▼ -3.0%

Student Enrollment

1,387



Previous Year: 1,430

▼ -78.6%

FTEs Allocated by Formula

24.00



Previous Year: 112.00

↗ 2.6%

Per-Pupil Funding Amount

\$6,027.81



Previous Year: \$5,875.47

▼ -0.5%

Total Formula Dollars

\$8,360,577.50



Previous Year: \$8,401,926.00

Baseline Rule	Explanation	FTE Change	Dollar Change
Every School Gets a Principal	<ul style="list-style-type: none"> Flat FTE 1 Principals * \$120,432.00 	1.00	\$120,432.00
Every School Gets a Media Specialist	<ul style="list-style-type: none"> Flat FTE 1 Media Specialists * \$76,501.00 	1.00	\$76,501.00
Assistant Principal	<ul style="list-style-type: none"> 1 Assistant Principal per 375, rounded up 4 Assistant Principals * \$100,927.00 (Avg. Cost) 	4.00	\$403,708.00
High School Teachers	<ul style="list-style-type: none"> 1 GenEd Teacher per 30, rounded up for Grade Structure: High School 46.25 GenEd Teachers * \$70,867.00 (Avg. Cost) for Grade Structure: High School 	46.25	\$3,277,598.75
Elementary Teachers	<ul style="list-style-type: none"> 1 GenEd Teacher per 22, rounded up 63.25 GenEd Teachers * \$70,867.00 (Avg. Cost) 	63.25	\$4,482,337.75

Allocation Rule	Explanation	FTE Change	Dollar Change
Principal	<ul style="list-style-type: none"> Flat FTE 1 Principals * \$120,432.00 	1.00	\$120,432.00
SPED Para	<ul style="list-style-type: none"> 1 FTE per 30 SWDs Enrolled, rounded up 6 Paraprofessionals * \$38,294.00 	6.00	\$229,764.00
Office/Support - HS	<ul style="list-style-type: none"> Flat FTE for Grade Structure: High School 1 Secretary IIs * \$57,951.00 for Grade Structure: HS 	1.00	\$57,951.00
SPED FTE	<ul style="list-style-type: none"> 1 FTE per 25 SWDs Enrolled, rounded up 7 SPED Teachers * \$70,867.00 	7.00	\$496,069.00
Media Specialist - HS	<ul style="list-style-type: none"> Flat FTE for Grade Structure: High School 1 Media Specialists * \$76,501.00 for Grade Structure: HS 	1.00	\$76,501.00
Interventionist	<ul style="list-style-type: none"> 1 Testing Coordinator per 350, rounded up for Poverty: High Poverty 4 Testing Coordinators * \$77,147.00 (Avg. Cost) for Poverty: High Poverty 	4.00	\$308,588.00
Social Work/ Poverty Supports	<ul style="list-style-type: none"> 1 Social Worker per 350, rounded up for Poverty: High Poverty 4 Social Workers * \$74,863.00 (Avg. Cost) for Poverty: High Poverty 	4.00	\$299,452.00
GenEd	<ul style="list-style-type: none"> \$4,000.00 * 1387 Enrolled 	-	\$5,548,000.00
ELL Students	<ul style="list-style-type: none"> 18 ELLs Enrolled * \$725.00 	-	\$13,050.00
Students in Poverty	<ul style="list-style-type: none"> 482 FRPLs Enrolled * \$1,335.00 	-	\$643,470.00
Gifted Students	<ul style="list-style-type: none"> 39 Gifteds Enrolled * \$250.00 	-	\$9,750.00
High School	<ul style="list-style-type: none"> \$100.00 * 1387 Enrolled for Grade Structure: HS 	-	\$138,700.00
Baseline Adjustment	<ul style="list-style-type: none"> Additional Funding to meet \$8,360,577.50 baseline 	-	\$418,850.50



Marques Whitmire

Vice President, Finance & Operations

PIE Network (Policy Innovators in Education)

www.pie-network.org

Marques has over nine years of experience in finance and operations. Six years ago, he finally acted upon a driving notion that he had intrinsically known his entire life: “Education could and should consistently provide better and more equitable opportunities to traditionally under-served students.”

Since then he has worked across the K-12 education space in a district, with a charter, and with K-12 service providers to ensure that all students are provided with opportunities to learn and succeed. At Indianapolis Public Schools, Marques led district efforts to modernize payroll and accounting systems and was primarily responsible for moving the district from a traditional staffing-based allocation model to a system of student-based allocations/budgeting and school autonomy.

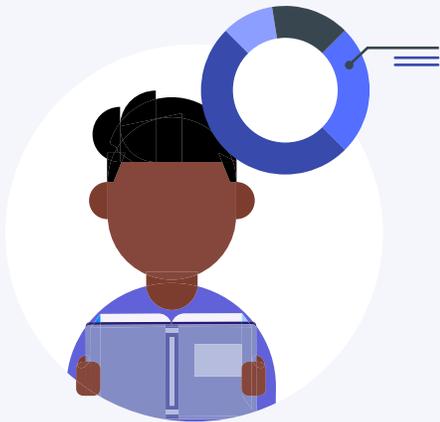
At Instruction Partners, he built and developed the financial and administrative systems that allowed the education non-profit to grow from \$3MM in annual revenue and 15 employees to over \$9MM in annual revenue and 75 employees. At Allovue, he worked with districts across the country to help ensure their resources are spent more equitably.

Marques is a Broad Residency and Pahara Next Gen alumnus, he holds an MBA and an M. Ed., and is also a founding board member and treasurer of Believe Schools in Indianapolis. In his spare time he listens to music, podcasts, and, occasionally, his wife. He also enjoys playing basketball games and having lightsaber duels with his two young sons.

Revised Model (B)

Zahava Stadler, *Special Assistant for State Funding and Policy* | The Education Trust

HIGHLIGHTS



Revised Model (B) funding formula revisions prioritize **aligning dollars to student characteristics** using a purely student-based calculation. The entirely weighted approach steers funding to student populations with high needs including low-income students, English language learners, and different tiers of students with disabilities. This strategy is drawn from state-level resource allocation practices.

How did you define equity?

In this context, I defined equity as aligning dollars as much as possible to student characteristics. In other words, it's about trying to make sure that a student's additional needs are accounted for with additional dollars.

Does the “flat” or equal baseline funding fit your definition of equity—why or why not?

I chose not to implement a baseline for schools. The lens I bring to this work is from my area of expertise in state funding formulas and the considerations at that dimension are a little bit different. When you're thinking about the relative need level of the district, there is always some room for the district to “bring up the slack” with local funding. You think

about how to prioritize a state's spend and also acknowledge that different districts have different abilities to pull their weight locally.

However, when it comes to districts funding schools, you can't assume that there is any slack that can be picked up at the school level because that's not how the funding dynamic works. So, I can understand the instinct to provide a baseline. However, if your initial per-pupil dollar amount can't get you to this level of funding, then I think there's likely a problem with the way you're thinking about funding students. I approached this challenge focused on using the student-based formula as the mechanism for getting schools enough operational dollars rather than crafting an initial baseline for all schools. In my initial attempt at creating a revised model, I did specify non-negotiable staff

that a building needs to operate, like principals and secretaries. This is the closest element to a baseline that I considered constructing, but ultimately, I opted for an entirely student-based allocation approach.

Where did you start in evaluating the formula and considering adjustments?

Because the prior year formula was staff driven, I didn't use it as a reference point very much. To me, prescribing all of the staff at schools is not the best way to support principals. Instead, I started the exercise from scratch because I approached it with an entirely different allocation philosophy. I wanted to see to what extent my convictions about the proper weights and allocations at the state-level could translate down to the district-level and still hold.

My biggest challenge was properly accounting for the needs of students with disabilities (SWD). The simulation initially presented this as one big group of students. In reality, though, these students have a broad range of needs, and at the school level, the difference between a student who needs speech therapy and a student who needs a full-time shadow and multiple assistive devices has really big budgetary impact.

I used *Allovue Allocate* to add differentiation in my formula, with tiers of funding for SWD sub-categories, to better account for the reality faced by schools. Designing a formula around subgroups of SWD helped me to more purposefully fund these groups within the broader bucket of the special needs population. This is a very common strategy at the state level, and I still think it was the appropriate

thing to do. However, trying to truly fund SWD in line with their needs put me over my budget. This is where all the money went at first, and I was forced to reorganize to make sure I wasn't under-serving other groups of students. I had to make some hard choices, and ultimately, none of the amounts were as high as I would have wanted. Things were just too constrained.

What was the most important thing that you wouldn't compromise on?

I was not willing to compromise on any of the three core student categories of concern:

- Students from low-income backgrounds, included in the tool as "students eligible for Free or Reduced-Price Lunch (FRPL)"
- English Language Learners (ELL)
- Students with disabilities (SWD)

These groups of students have greater resource needs. This informed my decision to create an entirely student-based allocation funding formula. If you start by allocating money based on inputs without first considering these students, then you ultimately won't have the money to give these students the support they need. There was very little room in the budget to have the supplements as big as I would have liked, on a percentage basis, but I did my best to keep them as generous as possible.

Specifically, I added formula rules and additional boosts in funding for:

- FRPL eligible students generally
- FRPL-eligible students in high poverty schools specifically, in recognition of the challenges of concentrations of poverty
- ELL
- SWD across different tiers

At the end of the day, if I wanted to keep those supplements reasonably generous, I found that my general per-pupil base amount had to go down to make space in the budget. I was only able to get my per-pupil general base amount to \$4,700 and still keep those other allocations. I don't love this base amount—it's low. However, it allowed me to provide a significant increase in funding for the highest needs students in the highest needs schools, and that struck me as the right priority.

I know that a student-based allocation model can be a challenge for schools with lower enrollments, and that a per-school funding floor is helpful to those smaller schools. But with limited dollars, it comes down to the most pressing needs. You have to ask yourself, "What are immutable needs, versus what are situational needs that can be addressed just by modifying the situation?" If a student comes to school with a disability or their native language is not English, that student's unique situation—their strengths, assets, and additional needs—are going to be with them wherever they are, and schools will always require extra resources to serve them well. In contrast, the way you organize your school buildings is a choice and

“ To me, prescribing all of the staff at schools is not the best way to support principals.

one that you construct as a district. I wanted to make sure that students' genuine circumstances were met with additional resources.

How does what you've done match or contrast with what most districts do in this same situation?

My understanding is that student-based allocations at the district level are not that common. While it's a growing trend, these formulas are still rare enough that evaluation studies are being done on them individually. It was a good challenge for me to see how I translate what I think of as the obvious state-level model to the level at which it's a rarer approach.

Revised Model (B) Rule Book

Allocation Rule	Rule Type	Explanation
Base per-pupil amount	Per-Pupil Dollar Allocation	Allocate \$4,700.00 in additional funding for every (1) enrolled student
ELL Supplement	Subgroup Per-Pupil Dollar Allocation	Allocate \$1,410.00 in additional funding for every ELL enrolled
High-Poverty Supplement	Subgroup Per-Pupil Dollar Allocation	Allocate \$2,115.00 in additional funding for every FRPL enrolled matching Poverty: High Poverty
Poverty Supplement	Subgroup Per-Pupil Dollar Allocation	Allocate \$1,410.00 in additional funding for every FRPL enrolled
SWD Supplement - Moderate	Subgroup Per-Pupil Dollar Allocation	Allocate \$3,350.00 in additional funding for every SWD-Moderate enrolled
SWD Supplement - Severe	Subgroup Per-Pupil Dollar Allocation	Allocate \$5,750.00 in additional funding for every SWD-Severe enrolled
SWD Supplement - Speech/Language	Subgroup Per-Pupil Dollar Allocation	Allocate \$470.00 in additional funding for every SWD-Speech/Language enrolled
SWD - High-Cost	Subgroup Per-Pupil Dollar Allocation	Allocate \$10,000.00 in additional funding for every SWD-High-Cost enrolled

School Profile, Revised Model (B)

School Characteristics: Grade Structure, Middle School | Poverty, High Poverty

↗ 1.0%

Student Enrollment

847



Previous Year: 839

↘ -100.0%

FTEs Allocated by Formula

0.00



Previous Year: 72.50

↗ 14.6%

Per-Pupil Funding Amount

\$7,535.21



Previous Year: \$6,572.46

↗ 15.7%

Total Formula Dollars

\$6,382.320.00



Previous Year: \$5,514,295.00

Allocation Rule	Explanation	FTE Change	Dollar Change
Base per-pupil amount	<ul style="list-style-type: none"> \$4,700.00 * 847 Enrolled 	-	\$3,980,900.00
ELL Supplement	<ul style="list-style-type: none"> 47 ELLs Enrolled * \$1,410.00 	-	\$66,270.00
Poverty Supplement	<ul style="list-style-type: none"> 526 FRPLs Enrolled * \$1,410.00 	-	\$741,660.00
SWD Supplement-Speech/Language	<ul style="list-style-type: none"> 20 SWD-Speech/Languages Enrolled * \$470.00 	-	\$9,400.00
High-Poverty Supplement	<ul style="list-style-type: none"> 526 FRPLs Enrolled * \$2,115.00 for Poverty: High Poverty 	-	\$1,112,490.00
SWD Supplement-Moderate	<ul style="list-style-type: none"> 91 SWD-Moderates Enrolled * \$3,350.00 	-	\$304,850.00
SWD Supplement-Severe	<ul style="list-style-type: none"> 29 SWD-Severes Enrolled * \$5,750.00 	-	\$166,750.00
SWD-High-Cost	<ul style="list-style-type: none"> 0 SWD-High-Costs Enrolled * \$10,000.00 	-	\$0.00



Zahava Stadler

Special Assistant for State Funding and Policy

The Education Trust

www.edtrust.org

Zahava serves as the Special Assistant for State Funding and Policy at the Education Trust. She previously served as Direct of Policy and then Managing Director at EdBuild, an organization focused on school finance equity.

At EdBuild, Zahava focused on state funding formulas and formula reform, funding inequality issues generally, and the relationship between funding policies and segregation.

Prior to EdBuild, Zahava worked primarily on human capital initiatives serving high-need schools and districts, and she assisted the school district of Philadelphia in its action planning process. She holds a bachelor's degree in political science from Princeton University and master's degrees in public administration and education policy from the University of Pennsylvania.

Revised Model (C)

Jess O'Connor, Manager | ERS (Education Resource Strategies)

HIGHLIGHTS



Revised Model (C) funding formula revisions incorporate **need-based per pupil allocations** along with **establishing baseline allocation rules**. The rationale emphasizes the need to connect the formula planning to a clear vision for the District's experience for students and teachers.

How did you define equity?

I believe **resource equity** is making sure that school unlocks every child's power to live a life of their choosing – and that race and family income no longer predict a student's life trajectory. I think of resource equity as being about how much – the focus of the case exercise- and how well. By "how much", I considered several categories of student needs and community contexts so that all students can reach high standards and thrive. For this case, I focused on English Language Learners (ELL), FRPL eligible students, and students with disabilities (SWD). I typically draw from research about student needs to inform the magnitude of weights and explore how concentration of need—particularly for concentration of poverty—may be contextually

relevant. I also recognize the need to balance investing in need against what all schools, regardless of need, require to thrive.

Does the "flat" or equal baseline funding fit your definition of equity—why or why not?

Providing dollars based on baseline levels of funding is about school viability, as opposed to equity. Any dollars provided through a baseline as opposed to student need will reduce equity across schools, because it will create different funding levels for schools with similar student characteristics. That said, viability and equity are both important factors to consider in designing a funding formula and districts must navigate this trade-off in their design process. Additionally, we know that baseline factors can be driven both by a conceptual belief about

what schools need, as well as real policy regulations that might dictate resource levels. One way to ensure these policy regulations are met is through a baseline set of funding.

An approach I've seen work well for districts is to have baseline rules that apply to just a portion of dollars. This is a great way to make sure that schools get what they need, but preserve dollars targeted for high-need student groups.

Where did you start in evaluating the formula and considering adjustments?

We want to ensure that a system's formula results in equitable experiences for all students. That means, looking at the dollars allocated to individual students and schools and assessing the comparative equity across the system (at ERS, we use a "dollar per weighted pupil" calculation that takes into account different student needs to assess equity across school funding levels.)

In considering adjustments, we want to consider a few factors:

1. What does the research suggest about the additional needs- and therefore weights- of various student groups?
2. What is the programmatic experience we want to enable with dollars for all students, and for certain student groups?

“ It’s important for districts to have a strategic conversation about student and school needs and determine how to translate those needs into actual allocations.

What was the most important thing that you wouldn't compromise on?

I won't compromise on our definition of equity, and how we want to see that play out in school-level funding. Tactically, that means understanding the baseline set of resources all schools need, and from there, we want to maximize the resources that can be allocated based on need factors, such as poverty, ELL and SWD status, and other community factors. And I believe strongly in flexibility of dollars at the school level, whether that happens via a dollar-based allocation, a flexible staffing allocation, or a mix of both.

How does what you did in the exercise match or contrast to what a lot of districts do in a similar situation?

This exercise represents a single funding scenario- without district context or a theory of action for which to ground decisions. As districts design their funding formulas, design decisions must be made in the context of their overall vision and priorities. This includes decisions on whether to implement staffing-based allocations or student-based allocations, on what student characteristics to include or weight, on if and how to include a baseline level of funding, along with many other decisions. There is no single right answer to these decisions- but it is crucial to start with a vision for the student and teacher experience you want to enable.

In working with districts across the country on implementing SBB, ERS has developed [tools](#) that help districts navigate these complex decisions in order to implement a funding system that is equitable, transparent, and flexible—and that drives toward improved student outcomes.

Revised Model (C) Rule Book

Allocation Rule	Rule Type	Explanation
Admin/Office Support	Staffing Allocation	Allocate 1 Secretary Is to every school
Principal	Staffing Allocation	Allocate 1 Principals to every school
Assistant Principal	Ratio-Based Staffing Allocation	Allocate 1 Assistant Principal for every 250 students enrolled, rounded up to the nearest 0.50
Social Worker	Ratio-Based Staffing Allocation	Allocate 1 Social Worker for every 175 students enrolled, rounded down to the nearest 0.50
Discretionary Base Amount	Per-Pupil Dollar Allocation	Allocate \$1,000.00 in additional funding for every (1) enrolled student
Discretionary Poverty Supplement	Subgroup Per-Pupil Dollar Allocation	Allocate \$1,500.00 in additional funding for every FRPL enrolled
Discretionary ELL Supplement	Subgroup Per-Pupil Dollar Allocation	Allocate \$3,000.00 in additional funding for every ELL enrolled
Discretionary SWD Supplement	Subgroup Per-Pupil Dollar Allocation	Allocate \$5,000.00 in additional funding for every SWD enrolled
GenEd Teachers - ES	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 24 students enrolled, rounded up to the nearest 1.00 matching Grade Structure: Elementary School
GenEd Teachers - MS	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 26 students enrolled, rounded to the nearest 1.00 matching Grade Structure: Middle School
GenEd Teachers - HS	Ratio-Based Staffing Allocation	Allocate 1 GenEd Teacher for every 28 students enrolled, rounded up to the nearest 1.00 matching Grade Structure: High School

Baseline Rule	Rule Type	Explanation
Principal		Allocate 1 Principals to every school
Secretary		Allocate 1 Secretary Is to every school
Social Worker		Allocate 0.5 Social Workers to every school
Teachers-ES		Allocate 1 GenEd Teacher for every 24 students enrolled, rounded down to the nearest 1.00 matching Grade Structure: Elementary School
Teachers- MS		Allocate 1 Assistant Principal for every 26 students enrolled, rounded down to the nearest 1.00 matching Grade Structure: Middle School
Teacher- HS		Allocate 1 GenEd Teacher for every 28 students enrolled, rounded down to the nearest 1.00 matching Grade Structure: High School

School Profile, Revised Model (C)

School Characteristics: Grade Structure, High School | Poverty, High Poverty

▼ -3.0%

Student Enrollment

1,520



Previous Year: 1,567

▼ -43.1%

FTEs Allocated by Formula

72.00



Previous Year: 126.50

↗ 4.4%

Per-Pupil Funding Amount

\$6,369.63



Previous Year: \$6,101.12

↗ 1.3%

Total Formula Dollars

\$9,681,840.00



Previous Year: \$9,560,458.00

Baseline Rule	Explanation	FTE Change	Dollar Change
Principal	<ul style="list-style-type: none"> Flat FTE 1 Principals * \$120,432.00 	1.00	\$120,432.00
Teacher- HS	<ul style="list-style-type: none"> 1 GenEd Teacher per 28, rounded down for Grade Structure: HS 54 GenEd Teachers * \$70,867.00 (Avg. Cost) for Grade Structure: HS 	54.00	\$3,826,818.00
Social Worker	<ul style="list-style-type: none"> Flat FTE 0.5 Social Workers * \$74,863.00 	0.50	\$37,431.50
Secretary	<ul style="list-style-type: none"> Flat FTE 1 Secretary Is * \$36,862.00 	1.00	\$36,862.00

Allocation Rule	Explanation	FTE Change	Dollar Change
Principal	<ul style="list-style-type: none"> Flat FTE 1 Principals * \$120,432.00 	1.00	\$120,432.00
Assistant Principals	<ul style="list-style-type: none"> 1 Assistant Principal per 250, rounded up 6.5 Assistant Principals * \$100,927.00 (Avg. Cost) 	6.50	\$656,025.50
Admin/Office Support	<ul style="list-style-type: none"> Flat FTE 1 Secretary Is * \$36,862.00 	1.00	\$36,862.00
Social Worker	<ul style="list-style-type: none"> 1 Social Worker per 175, rounded down 8.5 Social Workers * \$74,863.00 (Avg. Cost) 	8.50	\$636,335.50
ELL Supplement	<ul style="list-style-type: none"> 64 ELLs Enrolled * \$3,000.00 	-	\$192,000.00
Poverty Supplement	<ul style="list-style-type: none"> 835 FRPLs Enrolled * \$1,500.00 	-	\$1,252,500.00
Base Amount	<ul style="list-style-type: none"> \$1,000.00 * 1520 Enrolled 	-	\$1,520,000.00
GenEd Teachers- HS	<ul style="list-style-type: none"> 1 GenEd Teacher per 28, rounded up for Grade Structure: HS • 55 GenEd Teachers * \$70,867.00 (Avg. Cost) for Grade Structure: HS 	55.00	\$3,897,685.00
SWD Supplement	<ul style="list-style-type: none"> 274 SWDs Enrolled * \$5,000.00 	-	\$1,370,000.00
Baseline Adjustment	<ul style="list-style-type: none"> Additional Funding to meet \$4,021,543.50 baseline 	-	\$0.00



Jess O'Connor

Manager

ERS (Education Resource Strategies)

www.erstrategies.org

Since joining ERS in 2015, Jess has worked with district partners nationally, with a focus on the way in which resources are allocated and organized to support strategic school design.

Her work includes the development of school design “prototypes” to help principals explore ways to reorganize their resources to support key strategies. She has directly supported school teams in Boston, Holyoke, Oakland, Indianapolis, and Tulsa design schedules and staffing plans to implement research-backed strategies to improve student outcomes.

Jess has also conducted analyses in several systems to help district leadership teams understand how resources currently play out across the district and in schools, and to implement or improve their allocation and use of resources.

Jess is a member of the School Design Practice Area, which advances ERS knowledge and methodology on how schools can organize their resources to improve equity and excellence.

Prior to ERS, Jess was the Associate Director of Operations at a network of charter schools in Rhode Island. There, she led several strategic initiatives to support the network’s growth, including implementing their student information and data analysis systems, managing the lottery and enrollment process, and supporting the design and launch of the network’s high school, which emphasizes personalized learning in partnership with Summit Learning.

Reflection

There is no single best approach to translate student needs to school resources. The many choices and customizations that make resource allocation models so powerful are also what can make them seem so daunting. Where to begin? We believe this work must be rooted in equity, and so we asked each of our participants to start by defining equity and to describe how their formula-building approach embedded equity. Each district community has to define equity and develop resource allocation methods to support equity based on their unique needs. Our participants, even with identical datasets, each brought different perspectives and strategies to their work. Although they had similar goals, they developed strikingly different resource allocation formulas.

DEFINING EQUITY

All three participants defined equity as allocating resources based on student need across the district. They specifically addressed three major categories of student needs: FRPL eligible students, English language learners, and students with disabilities. As a caveat, this focus may have been influenced by the simulation district dataset, as these were the major sub-enrollment groups presented in the dataset. Only one participant requested additional student data, and even then, it was for the separation of high service and low service students with disabilities. These are the most common sub-groups that we see factored into funding formulas, but districts may also have certain geographic regions or other student subgroups that have local significance for equity considerations.

Notably, none of the participants felt that the simulation district's "flat" staff allocation we provided as a baseline fit their definition of equity, yet this remains the most common method of allocation in the country. Also, none of our participants chose to use weighted-staffing rules, where additional staff are allocated based on student enrollment in particular groups. Additional resources aligned with student needs were all accomplished using student-based dollar allocations.

In Model A, Mr. Whitmire detailed his focus on students in poverty (FRPL eligible) because of the concentrated poverty enrollment in the district. These priorities can also be reflected in staff ratios. For example, Model A adjusted the staff allocation for social workers to be allocated at a lower ratio for "high poverty" designated schools. Ms. Stadler discussed the challenge of accounting for adequate weights for students with disabilities, in part because of the broad range of services and associated costs for fulfilling Individualized Education Plan (IEP) accommodations and modifications, noting, "the difference between a student who needs speech therapy and a student who needs multiple assistive devices is a really big budgetary difference." In Model C, Ms. Connor broke down her approach to consider what the research suggests about additional needs of various student groups and the desired programmatic experience for all students and for certain student groups.

TO BASELINE OR NOT TO BASELINE?

The question of how to approach a “baseline” funding amount was the biggest difference between the participants’ approaches to revising the original model. Ms. Stadler eliminated the baseline entirely and chose to exclusively use the formula mechanisms. Ms. Connor took the opposite approach and aimed to include an appropriate baseline and specified that “providing dollars based on baseline levels of funding is about school viability, as opposed to equity.” Mr. Whitmire’s model took a hybrid approach, noticing “a few guardrails in the baseline formula that made sense to retain.”

Ms. Connor points out that “viability and equity are both important factors to consider ... and districts must navigate this trade-off in their design process.” The baseline allocations are a good way to ensure that schools are complying with state mandates about class size, union contracts, or special education. On the other hand, the less prescriptive your baseline is, the more flexibility principals will have to participate in strategic decisions about how to allocate resources for their school. “To me, prescribing all of the staff at schools is not the best way to support principals,” writes Ms. Stadler. Mr. Whitmire also nodded to this benefit of per-pupil allocations, adding, “There are so many different ways that student subgroups could receive extra support through teachers, additional curriculum, supplemental materials, etc.”

THE SMALL SCHOOLS CONUNDRUM

Another challenge that our participants puzzled over: what to do about small schools? Because of the fixed costs associated with schools like buildings, maintenance, and leadership staff, small schools are expensive to operate on a

per-pupil basis. Our model developers provided a variety of insights to consider when factoring small schools into an allocation model.

Mr. Whitmire noted that several of the small schools in the baseline formula were receiving millions of dollars in adjustment funding to hit the baseline funding threshold. He recommended closing at least two small schools to redistribute resources. Ms. Stadler called out the importance of asking the question, “Why is this school small and does it have to be?” There may be different funding considerations or policy approaches based on whether a school was intentionally designed to be small versus a school that is suffering from enrollment loss and operating at 40% capacity of the building.

CLOSING THOUGHTS

Resource allocation models are a powerful tool for creating and maintaining resource equity in school districts. Defining what equity means for your local student population and strategically allocating financial resources to match that definition tells a clear story about how your district is working to meet the needs of every student. There is no such thing as a perfect funding formula—even in this exercise, education finance experts built three very different models with the same data and parameters. The important part of building an equitable resource allocation model is that you engage your community in a discussion about resource priorities and trade-offs and can easily articulate how those decisions translate into school funding.

Are you ready to explore the resource allocation model in your district?

Support for Revising Your Model

Implementing a revised funding model is an adjustment that affects all aspects of a school district. Convene a cross-departmental steering committee to help you define your guiding strategies and determine the desired outcomes of your resource allocation model. Consider including school principals, parents or community members and potentially members of your Board of Education to gather early feedback and buy-in.

Since a “one-size-fits-all” approach doesn’t apply for developing a resource allocation model, use your steering committee to develop a common definition of equity for your district as well as guiding strategies for the committee itself, the funding formula, and implementation. Lastly, make sure to identify who needs to be involved to approve the new model.

PLANNING

Set a realistic timeline. Successful districts don’t transition to resource allocation models overnight. A big transition like this may take several years. Often, the first year will include only a pilot group of schools or hold-harmless measures to scale the change over time.

Understand your current context. Ask how resources are currently distributed across your district. To incorporate student-based allocations, districts must have a solid definition of need and measure it objectively. Traditionally, districts rely on quantitative measures like grade level, IEP hours, language proficiency, FRPL status, and/or student performance.

Communicate with stakeholders. Talk to board members, students, parents, teachers, and principals. There should be no surprises. It’s incumbent upon district leaders to communicate the need for this change. Consider where potential gains and potential losses in funding will occur—this sensitive information must be communicated thoughtfully.

DRAFTING

Create the formula. The resource allocation formula should aim to ensure that students with the highest need receive the most resources. Those priorities should be determined in partnership with stakeholders.

Project enrollment and create accountability. Districts should develop a process for accurately forecasting how many and what type of students will be enrolled at each school and each grade. This will be the primary input into the resource allocation formula. Funding should be adjusted later for schools that exceed or miss the enrollment target. Consider modeling a variety of enrollment scenarios alongside your resource allocation model to see how funding will be impacted by enrollment fluctuations.

As your steering committee begins modeling and assessing different resource allocation models, use the questions below to measure the efficacy of each model:

- Resolution of equity gaps: Is the model solving the problem we intended it to solve?
- Communication: Is it easy to understand?

- Sensitivity: How sensitive is the model to changes in parameters?
- Implications: What wraparound processes and policies have to change as a result of each of these scenarios?
- Impact to schools: How does funding in each model variation compare to the current state?

Get feedback from board members, principals, and members of your local community as you model and assess different funding scenarios.

IMPLEMENTING

Account for most spending at the school level. Most district spending must be attributed to individual schools in order to accurately represent all the resources being expended at a school. This style of accounting is a reporting requirement under the Every Student Succeeds Act (ESSA).

Consider limited exceptions and make contingency plans. Certain programs incur higher costs, like magnet schools. Consider whether those costs are justified, and if so, how to fund them. Be transparent about the costs and benefits. It's also a good practice to set aside a small reserve fund for the unexpected.

Evaluate progress. Following implementation, districts should plan an annual review process. Resource allocation models should be regularly analyzed to ensure they are improving the

equitable distribution of resources across schools. If the new resource allocation model falls short or new data needs to be considered, formulas should be adapted and changed. One way to infuse transparency is to commit to publishing a detailed annual report of the prior year's spending by school.

Your district's success will also depend on how well your district is trained to adopt the new changes. Aim to engage and reassure those affected by the resource allocation model on more than one occasion. Explain the specific and relevant benefits of the new funding model, assuring them of the district's support. Clearly articulate the risks and benefits of the resource allocation model change to demystify the process. Ongoing communication and training is essential and should be tailored for each stakeholder group.

Districts that aspire to achieve greater equity in funding, flexibility in the use of funds, and transparency can successfully revise a resource allocation model even amidst structural, systemic, or financial challenges. How dollars are allocated to schools is the single most important lever in a district for advancing resource equity or perpetuating inequity. *The time you invest in this work matters.* What does your district resource allocation model say about your definition of equity? Are changes in order?

Acknowledgments and Further Reading

The information and tools described in this publication build on foundational work in the field of resource equity and funding system design, including the following web sources and literature.

[Alliance for Resource Equity](#)

[Education Resource Strategies' Student-Based Budgeting Toolkit](#)

[Edunomics: Spending Patterns, Equity And Achievement In Districts Using Weighted Student Funding](#)

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ABOUT ALLOVUE

Allovue provides innovative education finance technology solutions to educators nationwide to help them allocate, budget, and manage school spending. Allovue's flagship product is an online software platform designed to help K-12 administrators access, understand, and control their financial data.

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