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Thank you for your request for **research on whether student-based budgeting contributes to school improvement and increased student achievement**. Ask A REL is a collaborative reference desk service provided by the 10 regional educational laboratories (REL) that, by design, functions much in the same way as a technical reference library. It provides references, referrals, and brief responses in the form of citations on research-based education questions.

Please note that REL Southwest has not done an evaluation of the resources themselves but offers this list to you for your information only.

BACKGROUND

“Student-Based Budgeting (sometimes called Weighted Student Funding or Fair Student Funding, depending on the district) differs fundamentally from the traditional funding model, which distributes resources to schools in the form of staff and dollars designated for specific purposes.

Student-Based Budgeting (SBB) allocates dollars to schools based on the number of enrolled students, where each student receives a funding "weight" based on need. This model can allow districts to increase equity, transparency, and flexibility in their funding system.”¹

Following an established REL Southwest protocol, we conducted a search for research reports, websites, as well as descriptive briefs on whether student-based budgeting contributes to school improvement and increased student achievement. **We searched the references in the response from the most commonly used resources of research, but they are not comprehensive and other relevant references and resources may exist.** The sources included federally funded organizations, additional research institutions, educational databases, and general Internet searches using Google and Bing. See the methods section at the end of this Ask A REL for additional information on how we identified the following sources.

QUESTION

Portfolio Districts—Does student-based budgeting contribute to school improvement and increased student achievement?

¹ *Transforming School Funding: A Guide to Implementing Student-Based Budgeting*—
https://www.erstrategies.org/library/implementing_student-based_budgeting.

SOURCES

Baker, B. D., Farrie, D., & Sciarra, D. G. (2016). Mind the gap: 20 years of progress and retrenchment in school funding and achievement gaps. Princeton, NJ: Educational Testing Service (ETS), Policy Information Report. ETS RR-16-15. ETS Research Report Series. <https://eric.ed.gov/?id=EJ1124843>

From the ERIC abstract: “Although there has been significant progress in the long term, achievement gaps among the nation's students persist. Many factors have contributed to the disparities in outcomes, and societal changes can explain progress, or lack thereof, over the past few decades. This is well documented in the 2010 Educational Testing Service (ETS) report "Black-White Achievement Gaps: When Progress Stopped", which explored achievement gap trends and identified the changing conditions that may have influenced those trends. In this report, we extend that work by focusing on the relationship between school funding, resource allocation, and achievement among students from low-income families. We tackle the assumption that greater resources, delivered through fair and equitable school funding systems, could help raise academic outcomes and reduce the achievement gap. The goal is to provide convincing evidence that state finance policies have consequences in terms of the level and distribution of resources, here limited to staffing characteristics, and that the resulting allocation of resources is also associated with changes in both the level of academic achievement and achievement gaps between low income children and their peers. Using more than 20 years of revenue and expenditure data for schools, we empirically test the idea that increasing investments in schools generally is associated with greater access to resources as measured by staffing ratios, class sizes, and the competitiveness of teacher wages. When the findings presented here are considered with the strong body of academic literature on the positive relationship between substantive and sustained state school finance reforms and improved student outcomes, a strong case can be made that state and federal policy focused on improving state finance systems to ensure equitable funding and improving access to resources for children from low-income families is a key strategy to improve outcomes and close achievement gaps.”

Shambaugh, L. S., Chambers, J. G. & DeLancey, D. (2008). Implementation of the weighted student formula policy in San Francisco: A descriptive study of an equity-driven, student-based planning and budgeting policy. Issues & Answers, REL 2008-No. 061. U. S Department of Education, Institute of Education Sciences, Regional Educational Laboratory West. <https://eric.ed.gov/?id=ED502615>

From the ERIC abstract: “This report describes the planning and implementation of San Francisco's weighted student formula policy, an equity-driven student-based planning and budgeting policy. It examines one district's policy goals, planning and implementation considerations, and how the policy interacted with other local, state, and federal policies. Although limited to one district, the report raises questions that might help education policymakers decide whether and how to implement a weighted student formula policy. Appended to this report is the methodology and a discussion guide. (Contains 4 boxes, 2 figures, and 5 tables) [This report was prepared for the National Center for Education Evaluation and Regional Assistance, Institute of Education

Sciences, U.S. Department of Education by Regional Educational Laboratory West administered by WestEd.]”

Verstegen, D. A. (2015). On doing an analysis of equity and closing the opportunity gap. *Education Policy Analysis Archives*, 23(41). <https://eric.ed.gov/?id=EJ1062331>

From the ERIC abstract: “Is public education equitable and does it provide an equal opportunity to all children and youths? Equity in public school funding is a critical issue facing all communities and has been addressed by the courts in all but five states. A key focus is on funding gaps between rich and poor school districts. Recently, attention has turned to the relationship between funding gaps and the opportunity gaps that have real and important impacts on student outcomes. This research provides a comprehensive analysis of equity in a western state of the U.S.A. Fifteen quantitative statistics, weighted for high-cost students, sparsity, district population, and the cost of education, are calculated and discussed. It was found that there are large opportunity gaps among school districts and they are linked to local wealth. This makes the quality of education a function of local wealth that abridges equal opportunities to learn and to be successful, for children and youth in schools and classrooms. Implications for closing the opportunity gap are discussed in the final section.”

ADDITIONAL RESOURCES

Baker, B., Sciarra, D. & Farrie, D. (2014). *Is school funding fair? A national report card. Third Edition*. Newark, NJ: Education Law Center. <https://eric.ed.gov/?id=ED570455>

From the ERIC abstract: “The third edition of the National Report Card examines the condition of states' finance systems as the country emerges from the Great Recession, but is still wrestling with its consequences. As in prior editions, this Third Edition of the National Report Card continues to make the case for states to take immediate and longer-term action to improve the fairness of their school finance systems. The Report builds on previous analyses to highlight the repercussions of the financial crisis on the fairness of states' school funding systems. This Edition also presents some additional indicators that exemplify how school finance policies affect the distribution of resources across districts. This data further illustrates the importance of fair school funding as the essential precondition for the delivery of a high-quality education throughout the states. To meet the pressing national imperative to improve educational outcomes, the states must develop finance systems designed to provide a sufficient level of funding that is fairly distributed so that all students, no matter where they live, have the opportunity to learn. Two appendices are included: (1) National Child and Student Poverty Rates; and (2) Federal Equity Commission Report. [For the second edition, see ED533413.]”

NOTE: This source was not peer reviewed.

Chambers, J., Shambaugh, L., Levin, J., Muraki, M., & Poland, L. (2008). *A tale of two districts: A comparative study of student-based funding and school-based decision making in San Francisco and Oakland unified school districts*. Washington, DC: American Institutes for Research. <https://eric.ed.gov/?id=ED503547>

From the ERIC abstract: “Though the number of districts with student-based funding-type (SBF) policies has grown, the literature on the implementation and possible impacts of these policies is limited. To address this, this report describes the implementation of SBF policies in two California school districts--San Francisco Unified School District and Oakland Unified School District--and addresses the following research questions: (1) What are key considerations that San Francisco and Oakland have faced when designing and implementing their respective SBF policies? What are the perceived impacts of these districts' decisions?; (2) Have San Francisco and Oakland distributed and utilized their resources in different ways after adopting SBF policies?; and (3) Based on San Francisco and Oakland's experiences, what are some "lessons learned" for other district and state policymakers interested in an SBF policy? This study is not an evaluation of SBF policies in California. Instead, the goal is to describe and compare SBF systems in two case study districts, to report the perceptions of key constituencies on these policies, and to present data on the patterns of resource allocation before and after implementation. Seven chapters comprise this report, following an introduction. They present information on the processes and procedures around implementing an SBF policy, some qualitative assessment of the implementation in the case study districts, and some quantitative analyses of the patterns of resource allocation before and after SBF implementation. Chapter 2 outlines the general planning and budgeting process in San Francisco and Oakland, along with the driving force behind each district's implementation of its SBF policies. Chapters 3 and 4 then detail nine key considerations both districts faced when planning and implementing their SBF policies. Chapter 3 focuses specifically on the three considerations that revolved around funding. Chapter 4 details the planning and implementation considerations beyond those specific to funding. Each consideration is laid out in detail along with the school and district stakeholders' reactions to those decisions. These chapters are especially geared toward district administrators who are interested in pursuing or refining an SBF policy based on real-life experiences in two California districts. Chapter 5 provides a detailed analysis of the changes in the patterns of resource allocation over time, both before and after the implementation of an SBF policy. Chapter 6 then summarizes the analysis of whether the equitable relationship between student need and resource expenditures changed during the implementation of an SBF policy in both districts. Finally, Chapter 7 concludes with lessons learned from our observation of both districts' SBF policies in general as well as specific insights for both district and state policymakers in California. (Contains 64 exhibits and 8 notes.)”
NOTE: This source was not peer reviewed.

Doyle, D., Boast, L., Rosch, J. & Hassel, B. (2012). *Funding a better education: Conclusions from the first three years of student-based budgeting in Hartford*. Chapel Hill, NC: Public Impact; and Hartford, CT: Achieve Hartford!
<https://eric.ed.gov/?id=ED541046>

From the ERIC abstract: “When the Connecticut State Department of Education published its first district report cards in 2003, it was obvious that the Hartford Public Schools district was struggling. Fewer than half of its students were proficient on the state reading exam. Math performance was better, but 63 percent of 10th-graders and 43 percent of younger students failed to meet proficiency benchmarks. Compared with

the state, Hartford looked even worse; its proficiency rates trailed by as many as 39 percentage points. The arrival of Steven Adamowski as district superintendent in 2006 began a new chapter at Hartford Public Schools (HPS). Within months, Adamowski introduced a plan to improve the quality of a Hartford education. The first pillar was school choice, allowing students' families to choose the schools their children would attend. The second pillar was Managed Performance Empowerment (MPE), giving schools the autonomy and accountability to promote high performance. Critical to both pillars was a new school funding model that allocates funding according to student enrollment and need: student-based budgeting. Student-based budgeting (SBB) allocates school funding based on the number of students schools enroll and the needs of those students. Through SBB, district leaders sought to accomplish three goals: (1) increase funding equity; (2) improve budgeting and accountability; and (3) increase transparency, all in an effort to improve student performance. Now, three years later, is SBB meeting these goals? This report seeks to answer that question by analyzing six years of budget data and through interviews with Hartford principals running schools both before and after SBB implementation. Using these data, the authors evaluate the progress the district has made in implementing SBB. In so doing, the report considers four research questions: (1) Has SBB changed the amount of funding individual schools receive?; (2) Has the allocation of school funding become more equitable, both in providing schools with the same amount of funding for students with the same characteristics, and in allocating more funding for students with greater need?; (3) Has SBB increased principals' sense of accountability at the school level?; and (4) Has SBB brought greater transparency to the district's funding process? Appended are: (1) A Transition Plan for SBB in Hartford; and (2) Methodology. (Contains 9 figures, 3 tables, and 25 notes.) [Funding for this paper was provided by H. A. Vance Foundation.]
NOTE: This source was not peer reviewed.

Perry, M. (2013). Site-based budgeting: A new age of district finance. *Leadership*, 42(5), 8-11. <https://eric.ed.gov/?id=EJ1005290>

From the ERIC abstract: "The effects of linking school districts' funding directly to the students they serve and providing local school districts and communities with more control over how that money is spent could ripple through the entire K-12 system, from the state Capitol to the classroom. For district leaders anxious to improve their schools and better support learning for all students, it could also represent a real opportunity to depart from business as usual in the areas of financial management and budgeting. The Strategic School Funding for Results (SSFR) project was designed to translate the ideas of per-pupil resource allocation tied to student characteristics, site-level budgeting and financial autonomy into more transparent budgeting processes and increased local accountability for results. In the process, the SSFR partners identified some strategies likely to prove useful to any district leaders wanting to find effective ways to put more budget control into the hands of their school principals, staffs and communities." NOTE: This source was not peer reviewed.

Rosenberg, D., Gordon, J. & Hsu, B. (2014). *Transforming school funding: A guide to implementing student-based budgeting (SBB)*. Watertown, MA: Education Resource Strategies (ERS). <https://eric.ed.gov/?id=ED545128>

From the ERIC abstract: “Student-Based Budgeting (sometimes called Weighted Student Funding, or Fair Student Funding, depending on the district) differs fundamentally from the traditional funding model, which distributes resources to schools in the form of staff and dollars designated for specific purposes. Student-Based Budgeting (SBB) allocates dollars to schools based on the number of enrolled students, where each student receives a funding “weight” based on need. This model can allow districts to increase equity, transparency, and flexibility in their funding system. In this guide, you will find information to consider whether SBB is right for your school system, including stories of how districts such as Boston, Denver, Baltimore, and Cleveland implemented SBB. [Foreword by Karen Hawley Miles.]” NOTE: This source was not peer reviewed.

Snell, L. (2013). *A handbook for student-based budgeting, principal autonomy and school choice*. Los Angeles, CA: How to Guide No. 22, Reason Foundation.
http://reason.org/files/student_based_budgeting_handbook.pdf

An excerpt from the executive summary: “The growth of student-based budgeting in school districts and a few states mirrors a national trend toward more decentralized school funding where the money follows the child. In the United States, we are in a transition period, moving from funding institutions to funding students. K-12 education funding is moving closer to the funding model for higher education, where the money follows students to the public, private or nonprofit school of their choice. We are moving away from a K12 system funded by local resources and driven by residential assignment to a system where funding is driven by parental choice and student enrollment.

Public funding systems at the state and local level are adapting to a “school funding portability” framework, where state and local school funding is attached to the students and given directly to the institution in which the child enrolls. More than 30 “school funding portability” systems (in cities like New York, Baltimore, Denver, Hartford and Cincinnati, and states including Rhode Island, Hawaii and Indiana) are funding students through student-based budgeting mechanisms.” NOTE: This source was not peer reviewed.

Willis, J. & Hill, M. (2011). Budgeting based on student needs. *District Administration*, 47(5), 79-84. <https://eric.ed.gov/?id=EJ929901>

From the ERIC abstract: “School finance reform has become a key component for transforming public schools in the United States. Over the last decade, a growing number of districts have turned to an approach known by different names—student-based budgeting, weighted student funding and fair student funding, among others--in which budgets are allocated to schools in dollars, based on the needs of students within a school, rather than in staff positions. Student-based budgeting allows for a more equitable and rational allocation of funds among students and schools with differing levels and types of needs and a better alignment of school budgets with instructional goals. This article describes how the authors helped the Oakland (California) Unified School District transform itself and use student-based budgeting to better meet the needs of its students.” NOTE: This source was not peer reviewed.

METHODS

Keywords and Search Strings Used in the Searches

Student-based budgeting; Weighted student funding; Fair student funding; Fair student funding and student outcomes

Search of Databases and Websites

- Institute of Education Sciences (IES) website (<http://www.ies.ed.gov>) and IES sources: Regional Educational Laboratory (REL) Program, National Center for Education Statistics (NCES), National Center for Education Research (NCER), What Works Clearinghouse (WWC)
- ERIC database (www.eric.ed.gov)
- Google Scholar (scholar.google.com)
- Google (www.google.com)
- Bing (www.bing.com)

Criteria for Inclusion

REL Southwest selected resources that provide research on whether student-based budgeting contributes to school improvement and increased student achievement. When REL Southwest staff reviewed resources, we considered – among other things – three factors:

1. Date of Publication: The most current information (primarily published from 2010 to the present) is included.
2. Source and Funder of the Report/Brief/Article: Priority was given to publications written in relevant, peer-reviewed journals or reports or produced by well-known research organizations.
3. Methodology: sources include reported studies, literature reviews and policy reports.

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