



District
Management
Group

DMGROUP IN ACTION

Implementing Weighted Student Funding: Boston Public Schools (MA)

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Through Weighted Student Funding, the district sought to make rule-based budgeting allocations to preserve transparency, consistency, and equity.

DMC IN ACTION

Implementing Weighted Student Funding

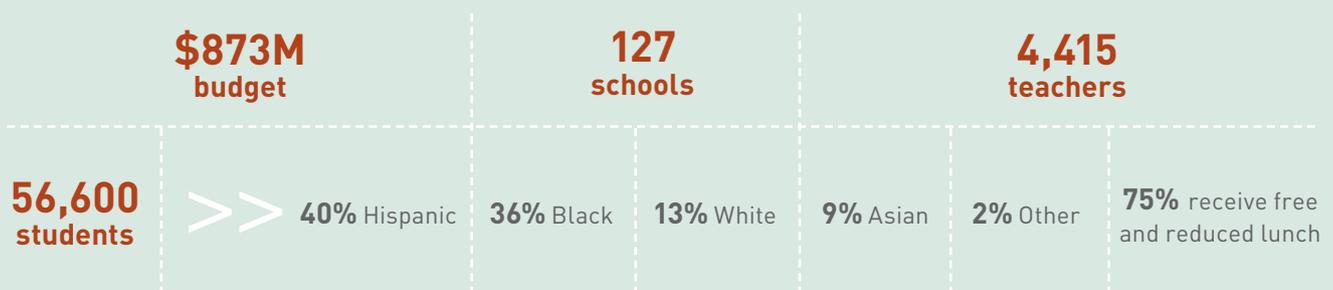
BOSTON PUBLIC SCHOOLS

The Challenge

In the spring of 2010, Boston Public Schools (BPS) was facing a budget gap projected at \$63 million for fiscal year 2012 and expected to increase to \$91 million by fiscal year 2013. The fiscal challenges coincided with mounting requirements and initiatives from the Massachusetts Department of Elementary and Secondary Education and Race to the Top. There was also growing urgency to implement the district's new strategic plan to address student achievement levels, reduce achievement gaps, and better prepare graduates for college and careers.

The district realized that the traditional staff-based funding model was unwieldy. Years of fiscal challenges had resulted in the layering of new budget adjustments upon previous years' adjustments. This approach, combined with some of the district's investments in initiatives aimed at improving student achievement, had had the unintended consequence of contributing to inequities within the district. The budgeting system was no longer equitable or transparent. →

FAST FACTS: Boston Public Schools (2013)



Source: Boston Public Schools

DMC In Action profile the District Management Council's consulting engagements, which help districts improve student outcomes, operational efficiency, and resource allocation.

The Approach

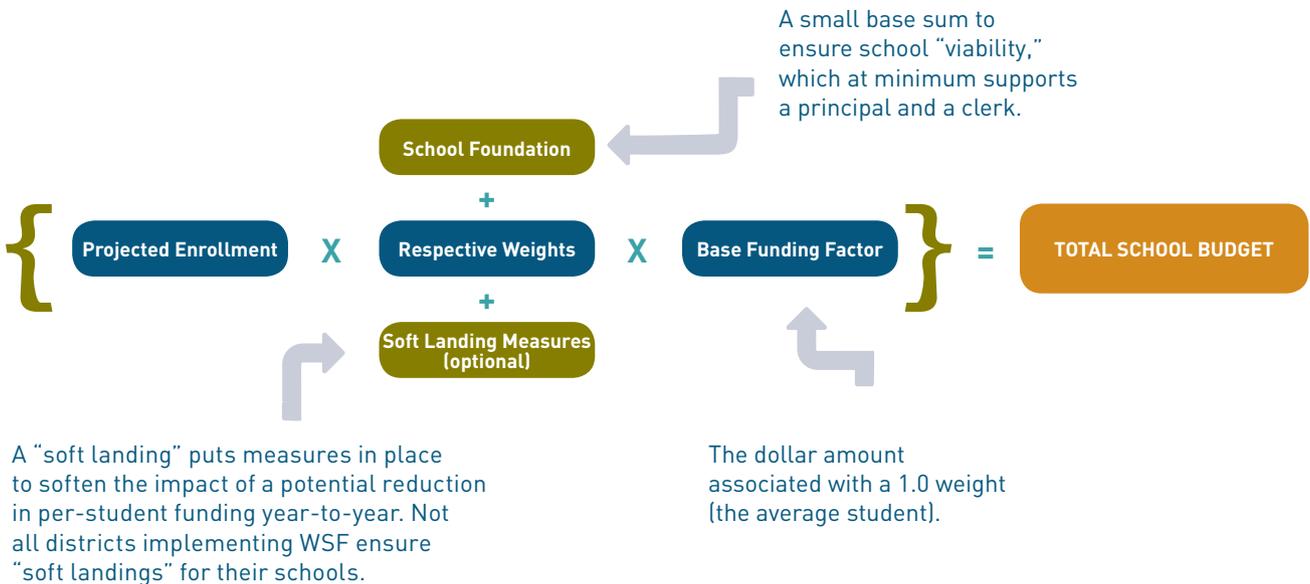
For several years, BPS had been studying a weighted student funding (WSF) model and contemplating it as an alternative to their traditional approach.

Weighted student funding is a budgeting process that allocates funds based on students and their needs rather than based on programs, people, or other proxies for students' needs. The basic tenets are that (1) funds follow students rather than programs or staff, (2) per-student funding varies according to a student's educational needs, and (3) funds arrive at schools as real dollars, giving principals increased authority to budget flexibly. This creates a system that is more equitable since each student receives the same amount of funding as other students with comparable educational needs; it is also more transparent, as the budget for each school can be calculated easily.

The WSF model is tailored according to district context. A certain percentage of the budget is controlled by the central office, with the remainder allocated to the schools; these percentages vary greatly by district and obviously affect the principals' degree of autonomy. In many districts, each school retains some "foundation funding," which covers the costs of a school's administrative staff. The rest of the funds are then allocated based on WSF calculations. Determining weights is another major area of variation between districts. The district must decide on the amount of funding for the average student, and then must determine which student subgroups should receive "weights" and how much those weights should be. These decisions are the means by which resources and incentives are aligned with a district's theory of action and strategic agenda.

EXHIBIT A

How is a School Budget Calculated using Weighted Student Funding?



Source: DMC

TAKING ACTION

Boston Public Schools engaged The District Management Council to assist them with the design and implementation of the weighted student funding model.

A working group of 60 leaders from the district was assembled to ensure that many parts of the organization had input into the design of the system. DMC first worked with the group to design the technical aspects of the program. The group debated the percentage split between the central office and the school buildings, and weighed in on which parts of the system should be controlled at the central office level or the building level. A base amount was provided for administrative purposes at the building level, and the rest was to be distributed to the schools based on the number of students and their weightings. The weights were carefully crafted to be in line with the strategic plan. BPS assigned additional weights to students who were struggling, students who were economically disadvantaged, and ninth-grade students who were at risk of dropping out of school, as well as an additional weight per school based on the concentration of poverty. All of these choices supported and advanced their new strategic plan.

As WSF is a zero-sum budgeting structure, the district was forced to make difficult tradeoffs. Not everything could be funded. For example, the decision not to fund dual-language programs received a great deal of pushback. At every juncture, BPS had to ask this difficult question: “Does this type of student-need represent something the district values to such an extent that we are willing to fund it at the expense of other students?”

Implementing WSF led to a significant overnight change in the dollar amount that each of the 131 schools received. While schools could easily adjust to a larger budget, it was difficult to figure out what to do for schools that would receive substantially less money than in past years. In thinking through implementation, BPS created a “soft landing” for such schools by establishing a reserve in the budget to ease this transition. Schools were divided into categories and were provided differing amounts

from this reserve. As with all changes made through WSF, the district sought to make rule-based allocations to preserve transparency, consistency, and equity.

“The budgeting process was no longer equitable or transparent, creating a perception of differential treatment within the district.”

— John McDonough,
then Chief Financial Officer, and
currently Interim Superintendent

Results

With a working model of WSF in hand, BPS presented to its school committee a fully balanced budget for the first time in nine years, and it was unanimously approved. If BPS had continued with its historical budgeting model, all schools would have received a 7.4% reduction in their total allocation. Under the WSF model, 81% of BPS students attended a school that received more money than it would have under the previous model. The district still had to work out issues related to the “soft landings” and needed to continue to review and tweak weightings. However, BPS had put in place a transparent, predictable, and rules-based funding method that can help further the district’s strategic objectives. ♦