Key Elements of a Financial Strategy

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The Portfolio Strategy

• Great school in every neighborhood for every student
• Empowers families, teachers, and leaders
• Equitable, efficient use of resources
• Transparent accountability systems
• Better outcomes for all students
Seven interconnected components of the portfolio strategy

- Citywide choice, great options for all families
- School autonomy
- Pupil-based funding
- Talent-seeking strategy
- Performance-based accountability
- New support providers
- Extensive parent/public engagement
Time, commitment, and newly designed districts are most fully implementing
District funds are allocated to schools based on the number of students and student types.

- Weights are deliberate and for student types only:
  - poverty, LEP, disability type, gifted, grade level, etc.
  - What’s not weighted: school delivery model, size, service, magnets, etc.
- Formula detail can be summarized on one page
- District leaders manage the weights, not each school’s allocations or how funds are used
- The district spends the same amount on a student regardless of where that student attends school.
High proportion of district funds are being sent to and managed at the school level

<table>
<thead>
<tr>
<th>District</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baltimore City Public Schools</td>
<td>38.6%</td>
</tr>
<tr>
<td>Boston Public Schools</td>
<td>40.0%</td>
</tr>
<tr>
<td>Chicago Public Schools</td>
<td>31.0%</td>
</tr>
<tr>
<td>Cleveland Public Schools</td>
<td>38.8%</td>
</tr>
<tr>
<td>Denver Public Schools</td>
<td>37.6%</td>
</tr>
<tr>
<td>Hartford Public Schools</td>
<td>45.3%</td>
</tr>
<tr>
<td>Houston Independent School District</td>
<td>42.0%</td>
</tr>
<tr>
<td>Los Angeles Public Schools</td>
<td></td>
</tr>
<tr>
<td>Milwaukee Public Schools</td>
<td>34%</td>
</tr>
<tr>
<td>New York City Public Schools</td>
<td>27.6%</td>
</tr>
<tr>
<td>Newark Public Schools</td>
<td></td>
</tr>
<tr>
<td>Prince George’s County School District</td>
<td>23.5%</td>
</tr>
<tr>
<td>Recovery School District</td>
<td>100%</td>
</tr>
<tr>
<td>Saint Paul Public Schools</td>
<td></td>
</tr>
<tr>
<td>Unified School District (Memphis)</td>
<td>0%</td>
</tr>
</tbody>
</table>

Analysis in process
School leaders developing capacity to manage resources.

- Learning what stuff costs.
- Know that raising enrollment raises revenue.
- Have had increased exposure to what’s possible.
- Understand that changes can happen with:
  - Staff attrition
  - Stipend authority
Common prices set for facilities and central services across sectors

- Each school’s budget includes their share of the allocations to central office.
- They specify the level of services provided and the cost.
- Where feasible, schools are given the choice on whether to participate and “buy back” services or keep the funds.
- Where not feasible, the district “charges back” a fixed per student amount to cover the service.
Pricing examples for central services

This is about central office redesign, not only efficiency

- Superintendent’s office
  - $8.56 per pupil, Charge back

- Board of directors
  - $5.02 per pupil, Charge back

- Accountability, research/data support
  - $6.80 per pupil, Charge back

- C&I: Educational plan review
  - $3082 per school, Buy back

- Grant writing
  - $80 per hour, Buy back

- Mail delivery
  - $2200 for 5 days/wk, $900 for 2 days/wk, $500 for 1 day/week
Plan in place to identify and address schools with low productivity (low achievement, low enrollment, or high costs)

- Visibility into peers’ spending choices and outcomes.
- Clarity on real input costs
Plan in place to identify and address schools with low productivity (low achievement, low enrollment, or high costs)

Can we celebrate these schools and share their practices?

These schools are effective but draw resources from other schools. Can we raise enrollment? Or make tradeoffs to offset costs? Or could private funds cover the difference?

These schools are not maximizing outcomes at their spending level. Over time, what changes can we make to shift to higher productivity models?

How can reallocation in the district enable more equity?
THANK YOU