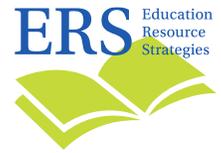


# Promoting Transformation Through the State Budget Process and Policy

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## | THE ISSUE |

Advocates will always have the critical role of ensuring that schools have adequate funding — especially those that serve children and families with greater needs. But influencing policies and processes to promote and enable effective use of that funding is at least as important. After all, if a school system gets more dollars but cannot organize in high performing ways or purchase the time, talent or technology it needs, what’s the point? Too often, resources are tied up by state and local policies, legislation and contractual obligations that do not serve students or improvements, including rigid staffing and class size ratios, special education policies, antiquated compensation structures, and narrowly defined funding streams. The state budget process presents an enormous opportunity to push for transformative policies.

States have three key levers to help districts make the big changes necessary:

1. Promoting **equity** and **adequacy** to assure the neediest students get the resources they require.
2. Increasing **flexibility** and removing barriers to allow districts to use their resources to best fit needs and context in exchange for accountability for outcomes.
3. Providing **support** for implementing new strategies that ensure more effective district-level resource use.

## | POTENTIAL SOLUTIONS |

California, Georgia and Tennessee provide examples of ways to tackle these levers.

In 2013, California adopted a new funding formula that includes a significant reinvestment in public education after years of budget cuts. The new law allocates funds differently, directing more resources to students with higher needs and providing more local control and greater transparency. This revolutionary change presents California districts with the opportunity to fundamentally transform how they use resources.

Georgia has created an atmosphere conducive to change by investing in accountability metrics, such as a comprehensive and balanced teacher evaluation system, creating a range of flexibility options that put more decision-making authority in the hands of district leaders and require and inspire more dialogue between district and state leaders. At one end of the spectrum, districts can apply to become “charter systems” freed from virtually all state requirements. The result shows more and more districts improving — using student data, increasing school-level autonomy, offering more effective professional growth and creating innovative strategic school designs.

Tennessee has targeted their outmoded structure of teacher compensation. State legislation mandates that districts offer differentiated pay, which can include rewarding teachers differently based on their roles and ability to improve student outcomes. In Tennessee, “differentiated pay” means more than “pay for test scores” — it can include anything from teaching in high-need areas to taking on new leadership roles or bonuses for increased student performance. To encourage this broader thinking about compensation, the state invested to provide design support to a group of leading districts and to make the tools these districts tested and helped refine available statewide.

## | WHAT YOU CAN DO |

### Equity and Adequacy

- Encourage weighted student funding systems that include additional resources for districts that serve high concentrations of the neediest students.
- Expand pre-K funding for neediest students to reduce spending later on special education and remediation.
- Combine state categorical funding streams in exchange for accountability.

### Flexibility

- Eliminate staffing unit, time and class size requirements that prohibit schools from organizing flexibly to meet student needs and directing resources toward higher compensation for teachers and leaders or technology.
- Create district flexibility structures such as charter districts and waivers that enable districts to organize cost-effectively around high performance strategies such as blended learning, personalized time and attention and extended time.

### Support

- Invest in innovative new models that change the cost structure with a focus on restructuring teacher career path and compensation and creating new strategic school designs.
- Propose more meaningful district reporting measures to aid decisions about resource use.

This policy brief was produced by Education Resource Strategies and Policy Innovators in Education (PIE) Network, a consortium of 49 citizen groups working in 31 states and the District of Columbia to improve K–12 education.