Resource Equity
NASBE Annual Conference
10/18/2018
Today’s Objectives

Build an understanding of:

• What we mean by resource equity

• How your state compares to others in terms of performance, spending, and equity and which key questions to explore further

• Levers to improve resource equity and the role states can play
Our mission

Education Resource Strategies is a national nonprofit that partners with district, school, and state leaders to transform how they use resources (people, time, and money) so that every school prepares every child for tomorrow, no matter their race or income.
What do we mean by resource equity?
With empowering, rigorous learning standards for all children...

Equal Funding

Schools get comparable resources based on size and/or other fixed allocation drivers.

Equitable Funding

Schools get resources that are comparable based on student needs and what it will take to reach high learning goals.
What is Resource Equity?

Resource Equity is the allocation and use of resources (people, time, and money) to create student experiences that enable all children to reach empowering, rigorous learning outcomes — no matter their race or income.
Inequities persist, even when funding increases. **How well** those funds are used is critical to equitably improving student outcomes.

Skepticism and lack of clarity for what the money will buy has hindered the case for more funds. Greater clarity for how resources would be used and proof points for using them well would bolster the case for greater investment in education.
Defining “equity” – a tale of two schools

<table>
<thead>
<tr>
<th></th>
<th>Sky Blue Academy</th>
<th>Green Street H.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grades</strong></td>
<td>9-12</td>
<td>9-12</td>
</tr>
<tr>
<td><strong>Students</strong></td>
<td>550</td>
<td>565</td>
</tr>
<tr>
<td><strong>Teachers</strong></td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td><strong>Pct Poverty (FRL)</strong></td>
<td>84%</td>
<td>82%</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td>$12,960</td>
<td>$13,080</td>
</tr>
</tbody>
</table>
# Defining “equity” – a tale of two schools

<table>
<thead>
<tr>
<th></th>
<th>Sky Blue Academy</th>
<th>Green Street H.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>13%</strong></td>
<td>Special Ed</td>
<td>24%</td>
</tr>
<tr>
<td>10% / 3%</td>
<td>Resource / Self-Contained</td>
<td>11% / 13%</td>
</tr>
<tr>
<td>7%</td>
<td>9th graders in bottom quartile ELA</td>
<td>22%</td>
</tr>
<tr>
<td>100%</td>
<td>Chose to attend school</td>
<td>35%</td>
</tr>
</tbody>
</table>

- **Sky Blue Academy**
  - $12,960
- **Green Street H.S.**
  - $13,080
Defining “equity” – a tale of two schools

<table>
<thead>
<tr>
<th></th>
<th>Sky Blue Academy</th>
<th>Green Street H.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$12,960</td>
<td>$13,080</td>
</tr>
<tr>
<td>20 Year Vet “Star”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hand-picked</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teaching Staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% ELA Proficient/Advanced</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>Novice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Force placed, 8 subs, no ELA certified</td>
<td>22%</td>
<td></td>
</tr>
</tbody>
</table>
States and districts can measure across how much and how well across “11 Dimensions of Resource Equity”
States can play a powerful role in enabling and supporting both resource equity.

State Roles or Mechanisms:
- Funding
- Accountability & Reporting
- Support
- Flexibility & Innovation

How much

How well
There are four levels of resource equity that must be addressed:

1. States
2. Divisions
3. Schools
4. Classrooms
What do you need to know to begin to assess the resource equity in your state?
Five key questions to ask about resource equity in your state

1. How does your state compare in terms of overall performance? Subgroup performance?
2. How does your state compare in terms of overall spending? Equity in funding across districts?
3. How much does spending vary within districts based on need?
4. Does your state support and enable school leaders to organize resources to accelerate learning for ALL students?
5. Does your state report useful resource equity data to inform decision making and support?
Key question #1

How does your state compare in terms of overall performance? In terms of subgroup performance?
Overall performance varies across states

Source: ERS analysis based on NAEP Data Explorer
The proportion of students living in poverty is highly correlated with performance—in Virginia:

2017 English Reading scores, Virginia

Source: Virginia Department of Education, SY 16-17
In our partner districts, school-level concentration of poverty lowers performance for ALL students.

Source: ERS analysis of 8 large districts across 8 states.
Key question #2

How does your state compare in terms of overall spending? Equity in funding across districts?
Even adjusted for cost of living, highest spending state spends 3X the lowest

While spending levels don’t predict outcomes, they limit or create possibility.

Source: Rankings of the States 2017 and Estimates of School Statistics 2018, NEA Research April 2018; NCES Comparable Wage Index; ERS analysis
In more than half of states, high poverty districts have lower funding levels than low poverty districts.

States can choose a starting place for reform based on the level of spending and equity in funding.

Equity index is based on an average of the standard deviations across the EdTrust Funding Gaps 2018 metric and the ELC Funding Distribution Ratio. Spending level is calculated as difference from the national average for each state for per pupil expenditure for 2017-18 after controlling for geography.

Key question #3

How much does spending vary within districts based on need?
We typically see significant variation in funding between schools in the same district.

Elementary Schools
- Median: $5.8K
- Hi-Lo Spread: 1.6X

Middle
- Median: $7.0K
- Hi-Lo Spread: 1.9X

High
- Median: $6.5K
- Hi-Lo Spread: 1.6X

Source: ERS Analysis; District Financial File 2016
Districts do not intentionally allocate resources inequitably

Funding inequity is never intentional...

...but district policies often unintentionally create inequity.
For example, most districts use average (as opposed to actual) teacher salary for budgeting which disguises inequity.

<table>
<thead>
<tr>
<th>Using average salary</th>
<th>School A</th>
<th>School B</th>
</tr>
</thead>
<tbody>
<tr>
<td>District average salary</td>
<td>$60,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Number of teachers</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Budgeted for salary</strong></td>
<td><strong>$600,000</strong></td>
<td><strong>$600,000</strong></td>
</tr>
</tbody>
</table>

Though the district would appear to be making an equal investment in these schools on an average salary basis...

<table>
<thead>
<tr>
<th>Using actual salary</th>
<th>School A</th>
<th>School B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novice teachers earning $30,000 each</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Mid-level teachers earning $60,000 each</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Experienced teachers earning $90,000 each</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td><strong>Actual salary</strong></td>
<td><strong>$450,000</strong></td>
<td><strong>$750,000</strong></td>
</tr>
</tbody>
</table>

...School B actuallyinvests $300k more than School A.
An important step for each district to take is to identify their drivers of spending variation.

<table>
<thead>
<tr>
<th>Student Need</th>
<th>District Strategy</th>
<th>Unplanned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Education $$$</td>
<td>School opening/ closure $</td>
<td>Enrollment/ School Size $$$</td>
</tr>
<tr>
<td>English Language Learners $$</td>
<td>School Level $</td>
<td>Teacher Compensation $</td>
</tr>
<tr>
<td>Economic Disadvantage $$</td>
<td>School Type $</td>
<td>Building Utilization $</td>
</tr>
<tr>
<td>Other Student Needs $</td>
<td></td>
<td>Enrollment Projections $</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ad-hoc exceptions $</td>
</tr>
</tbody>
</table>
Key question #4

Does your state support and enable school leaders to organize resources to accelerate learning for ALL students?
Schools that accelerate learning for all students “do” school differently
Organizing for high performance means making big shifts from traditional ways of organizing resources.

<table>
<thead>
<tr>
<th>Design Essential</th>
<th>From:</th>
<th>To:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teacher Collaboration</td>
<td>Teaching as an individual enterprise.</td>
<td>Teams of teachers who work together to execute a collective vision for excellent instruction, and their own professional improvement.</td>
</tr>
<tr>
<td></td>
<td>A “one-size-fits-all” teaching job.</td>
<td>Roles, assignments and compensation that match each individual’s unique skills and expertise to needed roles.</td>
</tr>
<tr>
<td>Personalized Time &amp; Attention</td>
<td>Standardized class sizes in “one-teacher classrooms.”</td>
<td>Groups of teachers and students that vary across subjects, activities and students.</td>
</tr>
<tr>
<td></td>
<td>Rigid time allocations.</td>
<td>Flexible schedules that allow time to vary with needs of students.</td>
</tr>
<tr>
<td>Whole Child</td>
<td>Investments in culture and social-emotional support that remove resources from core instruction.</td>
<td>Investments that are embedded within and reinforce the school’s core instructional work.</td>
</tr>
</tbody>
</table>
States and districts can support principals in making this transformation

- Provide financial support to cohorts of districts or schools that want to pilot new ways of organizing resources
- Provide tools for building class schedules, including scheduling models and example schedules
- Create job-embedded and targeted strategic school design supports
- Increase flexibility over financial and non-financial resources, such as flexibility over staffing assignments, hiring, and outside partnerships coupled with strong accountability for performance
Many districts don’t have meaningful flexibility over resources, in part because of state categorical mandates which limits their ability to use their resources strategically.

Categorical Mandates as Percent of State Education Budget (2013)

These percentages may not be indicative of the "true" amount of flexible resources when considering the form in which resources are distributed (i.e. teacher positions), among other characteristics of funding systems.

In general, states with a higher % of categorical funds also have a greater # of categorical programs.

Source: Center for American Progress, Categorical Funds: The Intersection of School Finance and Governance, 2013
State support is particularly important where low-performing schools are spread out across many districts.

Share of low-performing schools in 5 largest districts in 2013-14

Source: U.S. Department of Education, SY 13-14
Key question #5

Does your state report useful resource equity data to inform decision making and support?
Leveraging the Every Student Succeeds Act (ESSA)

ESSA offers two important levers:

1. It requires spending to be reported at the school level
2. It requires states and districts to conduct reviews of resource allocation in the lowest performing schools

How can we ensure ESSA moves beyond a compliance exercise and inspires actions that improve resource equity?
ESSA provides new ways of addressing these challenges: Financial Reporting Requirement

- State and district report cards must annually include per-pupil expenditures of Federal, State, and local funds, disaggregated by source of funds
- Must include actual personnel and non-personnel expenditures
- Must be reported for the LEA as a whole and for each school
- Must be reported for the previous fiscal year

_ESEA section 1111(h)(1)(C)(x), (h)(2)(C)_
Reporting needs to help explain the dollars that aren’t tracked to the school level—usually about one-third of spending.

ERS analysis in one state showed that the average district tracked 63% to schools.

Source: ERS analysis
Reporting can help explain why spending levels differ.

What Explains the differences in spending across schools?

- **Special Education**: 36%
- **English Learners**: 29%
- **Free and Reduced Price Meals**: 21%
- **Other**: 8%
- **School Size**: 5%
- **Teacher Compensation**: 1%

% of difference between high and low spending schools

Source: ERS Analysis
ESSA provides new ways of addressing these challenges: Financial Reporting Requirement

- State and district report cards must annually include per-pupil expenditures of Federal, State, and local funds, disaggregated by source of funds
- Must include actual personnel and non-personnel expenditures
- Must be reported for the LEA as a whole and for each school
- Must be reported for the previous fiscal year

Equity Leader states will include data that HELP INTERPRET REASONS FOR SPENDING DIFFERENCES

_ESEA section 1111(h)(1)(C)(x), (h)(2)(C)_
States can report on resource for decision making by creating metrics linked to the “Dimensions of Resource Equity”
For example, this metric shows that in this district, students in the highest need schools are twice as likely to have a new teacher.

% Novice Teachers by School Need Quartile,

Lowest need quartile: 17%
Middle 50% of Schools: 32%
Highest need: 38%

Source: District X PDR July, December 2015
ESSA provides new ways of addressing these challenges: Financial Reporting Requirement

- State and district report cards must annually include per-pupil expenditures of Federal, State, and local funds, disaggregated by source of funds
- Must include actual personnel and non-personnel expenditures
- Must be reported for the LEA as a whole and for each school
- Must be reported for the previous fiscal year

Equity Leader states will include data that HELP INTERPRET REASONS FOR SPENDING DIFFERENCES + include data on STUDENT PERFORMANCE AND RESOURCE USE

*ESEA section 1111(h)(1)(C)(x), (h)(2)(C)*
Resource Allocation Reviews can be a powerful lever for change

Ask questions about the data to be included in the reviews, and how the data will be used to inform school improvement plans.

Look for:

✓ Review of more than just dollars. Dollars are one important data point, but should not be the only piece of the conversation. Resources are more than just dollars.

✓ Reviews that include the whole pie. Not just the services and supports funded by “school improvement” dollars.

Source: ERS and EdTrust Partnership
Five key questions to ask about resource equity in your state

1. How does your state compare in terms of overall performance? Subgroup performance?

2. How does your state compare in terms of overall spending? Equity in funding across districts?

3. How much does spending vary within districts based on need?

4. Does your state support and enable school leaders to organize resources to accelerate learning for ALL students?

5. Does your state report useful resource equity data to inform decision making and support?