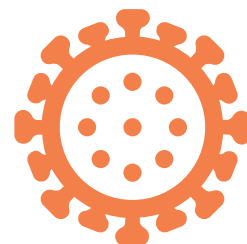


School finance in the aftermath of coronavirus



Policy makers must prepare for a new fiscal reality. In tough economic times every education dollar counts. Here's what state and school district officials can do.

1 DON'T MAKE EXISTING INEQUITIES WORSE



Not every dollar in state funding formulas is equal.

Most contain outside-the-formula provisions that divert scarce resources to high-spending districts.

SOLUTIONS

Take a surgical approach to reductions

Eliminate hold harmless provisions, minimum aid allotments, and other inefficient funding streams

Untether the relationship between funding and property wealth

Base funding on students' need, not students' zip codes

2 GIVE DISTRICTS AND SCHOOLS MORE AUTONOMY



Top-down spending mandates — in the form of categorical grants, programmatic funding, and staffing allotments — limit flexibility.

Kids have unique needs and local officials are in the best position to make trade-offs over how resources are used, which is especially critical when dollars are tight.

SOLUTIONS

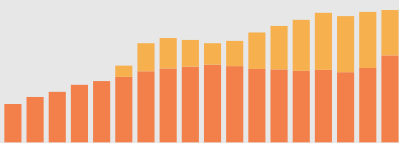
Streamline funding

For example, California's Local Control Funding Formula combined more than 30 separate programs into a weighted-student formula, which has given districts greater autonomy.

Empower principals

Principals typically control only 8% of operating dollars. Instead, spending decisions should be pushed down to school leaders as districts in cities such as Denver, Indianapolis, and Boston have done.

3 LEVERAGE SCHOOL SPENDING DATA



It's difficult to optimize dollars without good data.

The good news is that districts will have more financial data to work with since all states are now required to report school-level spending thanks to a provision in the federal Every Student Succeeds Act (ESSA). However, states must ensure that the data are both meaningful and actionable.

SOLUTION

Districts should make data-driven decisions

States should go above and beyond ESSA's baseline requirements by creating robust reporting tools. District and school leaders can use this information to examine trends related to equity and productivity. Ultimately, this will help them make more informed decisions.

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