



DIGITAL LEARNING NOW!

FUNDING STUDENTS, OPTIONS, AND ACHIEVEMENT



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EXECUTIVE SUMMARY



Today's school finance system was not created with the flexibility needed to support the wave of educational innovations spreading across the nation. Innovations such as online learning and competency-based education hold the potential to personalize and customize learning and extend equitable student access to high-quality learning options. Students are increasingly seeking alternatives to traditional, factory-model schooling by replacing or supplementing traditional courses with online and blended options. Teachers are increasingly harnessing the power of technology to offer students more personalized instruction that creates greater opportunities for deeper learning.

Unfortunately, today's school finance system has a chilling effect on educational innovation since the unit of funding is the instructional institution and not the individual student. Until a new funding system based on students replaces that which is currently based on institutions, even the most potentially revolutionary educational models will remain inaccessible to the student body at large.

PROBLEMS WITH THE CURRENT SYSTEM

Its suppressing effect on innovation is just one of the many problems with today's current finance system. Decades of layering on attempted fixes to a broken system have only created a funding structure that is fraught with a growing list of problems.

Today's broken school finance system:

- Stifles innovation;
- Locks in outdated delivery models;
- Restricts universal student access to diverse, high-quality learning opportunities; and
- Ignores the relationship between spending and student outcomes.

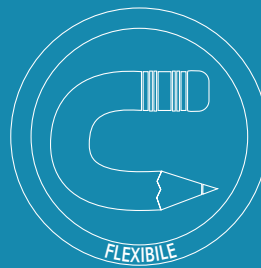
DESIGN PRINCIPLES OF A STUDENT-CENTERED FUNDING SYSTEM

Building on existing policy examples at the state and local level, the authors offer a set of design principles that will aid policymakers as they reorient the system around students. With these design principles at the core, a student-centered finance system will recognize diverse student needs, allow dollars to follow students to high-quality online and blended learning options, create mechanisms for ensuring quality, and foster educational innovation.



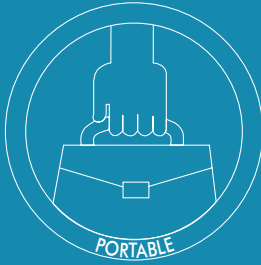
Weighted

Funding should reflect individual student needs by attaching “weights” to student funding amounts based on factors that affect the cost of educating certain students, such as poverty, special needs, ELL/LEP, or gifted.



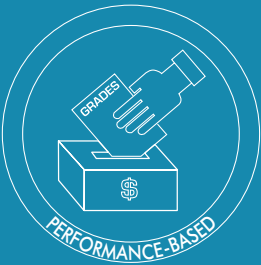
Flexible

A flexible finance system does not restrict funds or designate them for particular uses such as salaries, and thus creates greater school-level autonomy.



Portable

The principle of portability ensures that dollars can follow students to the school or course that best suits their individual needs – including fractional funding for full-time or part-time options.



Performance-Based

To ensure quality, a performance-based system creates incentives tied to student outcomes that reward performance and completion. Options include attaching a portion of provider payment and/or eligibility to student achievement data.

RECOMMENDATIONS

Of all the policy barriers that block student access to educational innovations which can personalize learning, improve outcomes, and prepare more college- and career-ready graduates, funding is the most problematic. The reason funding tops this list is the inherent disconnection between spending and learning that is built into the current system.

Beginning with the Fordham Institute’s 10 recommendations in the landmark report [Fund the Child: Tackling Inequity and Antiquity in](#)

[School Finance](#), this paper offers additional recommendations for school finance redesign, including thoughts on state and district collaboration, as well as how to create space for innovation rather than imposing a centrally-mandated agenda.

The authors contend that a full system redesign is needed and suggest that policymaker priority should be to unlock dollars and attach them to students through a weighted, flexible, portable, and performance-based system.

CONCLUSION

The face of education is changing. Shifts in the nature of teaching and learning necessitate complementary shifts in the way education is funded. With the implementation of college- and career-ready standards and the shift to personal digital learning, policymakers have an unprecedented opportunity to redesign the current school finance system to set students free to explore the myriad of instructional opportunities available today.

In order to provide universal and equitable access to these options, students need to be supported by a funding system that empowers these choices.

The design principles in this paper have been tested in policy and in practice on both the state and district level. What’s needed now is a commitment from leaders across federal, state, and local levels to commit to these principles in order to design a student-centered funding system.

States and districts today are facing the economic realities of “the new normal,” and are looking for solutions. Fueled by a wave of educational innovation, school finance redesign matters now more than ever.