

Strategic Financial Planning & COVID-19

September 2020

Agenda

1. Introductions
2. Policy Context Recap
3. Level Setting: The Intra-District Funding Formula
4. Funding Formula Policy Levers
5. Breakout One: Stakeholder Input and Decision-Making
6. Breakout Two: Armageddon, err 2020
7. Final Discussion/Open Q & A

Introductions

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Elsa Duré
Director of Strategic Partnerships
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Chiefs for Change



Marques Whitmire
Senior Account Executive
Allovue



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Vice President of Sales
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Get to Know
Allovue

ALLOVUE'S MISSION:

**Empower educators to
strategically and equitably
allocate resources to best
meet student needs.**

\$700B of annual K-12 education budget data looks like this:

FUND	YR	AWD	CAT	PROG	CC	OSO	Budget	Actual	Encum
2001	12	00	0213	0000	0760	0165	251.58	.00	.00
2001	12	00	0213	0000	0760	0166	2,743.34	.00	.00
2001	12	00	0213	0000	0760	0169	-251.58	.00	.00
2001	12	00	0213	0000	0760	0176	-2,743.34	.00	.00
2001	12	00	0213	0000	0760	0305	.00	-328.70	.00
2001	12	00	0213	0000	0760	0401	.00	-894.00	.00
2001	12	00	0213	0000	0761	0314	.00	-500.00	.00
2001	12	00	0213	0000	0761	0399	.00	-156.00	.00
2001	12	00	0213	0000	0761	0401	.00	-327.43	.00
2001	12	00	0213	0000	0761	0407	.00	8,921.40	.00
2001	12	00	0213	0000	0761	0431	.00	172.00	.00
2001	12	00	0213	0000	0761	0433	.00	79.92	.00
2001	12	00	0213	0000	0761	0435	.00	119,448.45	-2,122.20
2001	12	00	0213	0000	0761	0524	.00	-3,708.35	3,708.35
2001	12	01	0213	0000	0004	0435	.00	.00	-2,909.59
2001	12	01	0213	0000	0005	0435	.00	.00	-73.01
2001	12	01	0213	0000	0005	0437	.00	.00	5.30
2001	12	01	0213	0000	0007	0435	.00	.00	-2,115.47
2001	12	01	0213	0000	0008	0435	.00	-893.40	.00
2001	12	01	0213	0000	0011	0435	.00	.00	-558.00
2001	12	01	0213	0000	0012	0435	.00	.00	-1,044.47
2001	12	01	0213	0000	0013	0435	.00	.00	-2,586.40
2001	12	01	0213	0000	0021	0435	.00	-424.85	-1,678.06
2001	12	01	0213	0000	0022	0435	.00	.00	-177.59



FEDERAL, STATE AND LOCAL FUNDING

**Allvue makes
dollars work for
students and
communities.**

Policy Context Recap

What have you learned about your financial planning systems or your school allocation methodology during 2020?

- How nimble and effective are your financial systems?
- If you use student-teacher ratios to allocate resources to schools, how did that change or adjust with disruptions in in-person learning?
- If you use a weighted funding formula, how did it adjust? How did you maintain equity?

Level Setting: The Intra- District Funding Formula

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- Funding formulas in p-12 education finance, broadly, are the method by which a state or school allocates resources to its districts or schools, respectively.
- Historically, 'new' approaches to funding formulas were introduced at the state-level to address inter-district (between district) funding disparities.
- Districts began adopting these alternative approaches to funding their schools to address intra-district (between school) funding disparities.

Level Setting: The Intra-District Funding Formula

\$9,500 per-pupil
on average



School A

400 Students
20% FRL

\$8,000 per-pupil
on average



School B

400 Students
35% FRL

Funding formula vs. Discretionary Expense Planning

Funding Formula: Resource Allocation Model

Method of allocating funding to schools that uses a mathematical formula to allocate FTEs, dollars, or resources to schools.

Assigns resources to schools based on the amount of students, types of student characteristics, or both in each school

Expense Planning: Site-Based Management

Method of planning expenses from a given allocation, in which a site-level manager/planner makes choices about the staffing and resources the school plans to purchase

Allowing for principal discretion means that those nearest to schools can implement staffing and spending plans tied to the unique needs of each school community

Level Setting: The Intra-District Funding Formula

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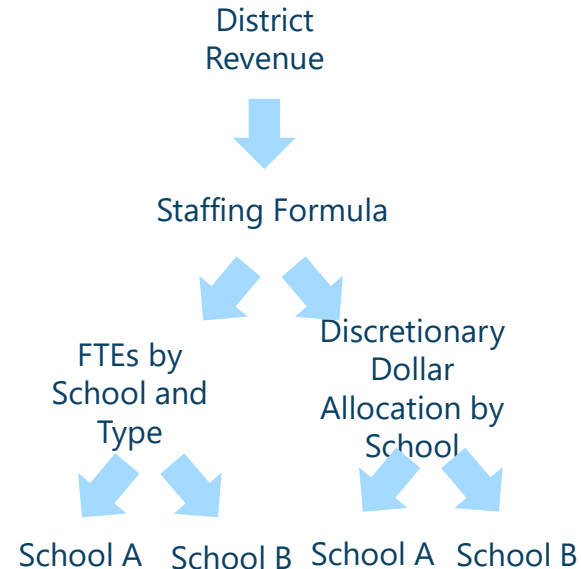
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Level Setting: The Intra-District Funding Formula

Method One: The Staffing Allocation Model

'Traditional' staffing allocation models allocate FTEs and discretionary resources to schools based on policy-driven or existing student:teacher ratios.

Formula rules can be universal (e.g., One principal for all schools) or conditioned on school- and student-level characteristics (e.g., 1 SPED FTE for every 12 students with an IEP).

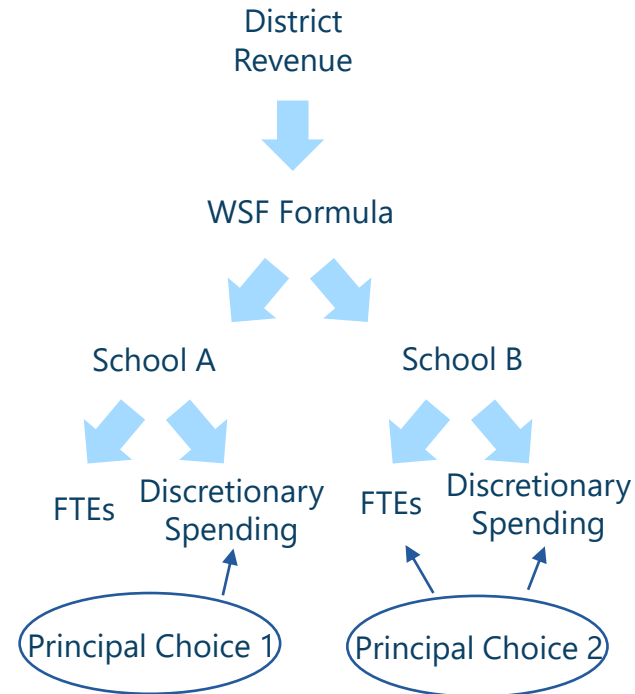


Level Setting: The Intra-District Funding Formula

Method Two: The Weighted-Student Funding Model

An allocation formula that assigns resources to schools using weights/student characteristics that reflect differences in costs for different types of students.

Rooted in the vertical equity concept wherein no two children are the same, and therefore no two children require the same resources.

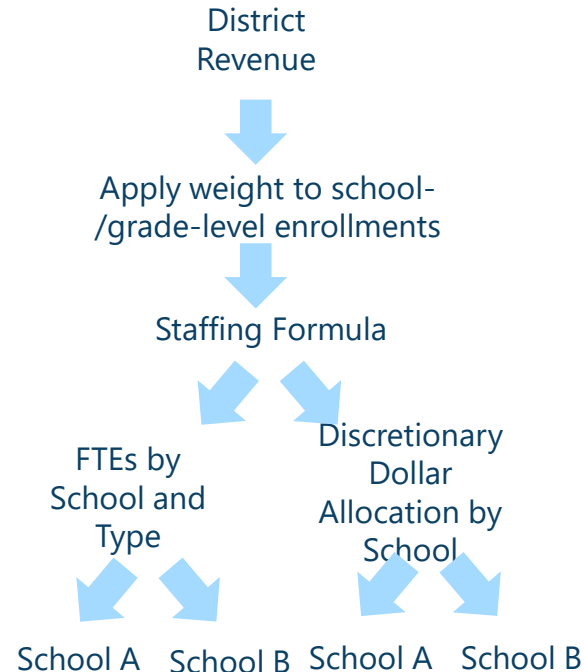


Level Setting: The Intra-District Funding Formula

Method Three: The Weighted-Student Staffing Funding Model

The weighted-student staffing model applies principles of the WSF model to a staffing model.

A WSSF model weights the student enrollments in schools/grades based on the presence of additional student need to drive additional staffing and discretionary resources to schools.



Policy Levers

Using a funding formula to plan for, model, and incorporate revenue changes

- What policy levers exist for districts with regard to how they allocate resources to schools and departments?
 - Check your district's Board/Admin policies – what can you do/do you have to do when making changes/new decisions?]
 - What are the guardrails and what is the legal picture?
- Differentiate between practice, policy, and law
 - "We have always just done it this way ..."

Using a funding formula to plan for, model, and incorporate revenue changes

- To what extent can districts implement strategic resource allocation policies when those policies are circumscribed by or in conflict with competing district policies and priorities?
- How can you go about bringing financial planning and district academic planning into lock-step?
 - Align planning to financial realities
 - Identify expenses and practices that need to shift
 - Align spending to goals

Using a funding formula to plan for, model, and incorporate revenue changes

- To what extent do policy constraints on spending decisions (policy mandates, etc.) present a barrier to a preferred strategic decision?
 - Ex: Rainy day or reserve funds
 - Ex: Allocating funds from restricted sources

Using a funding formula to plan for, model, and incorporate revenue changes

- Where might policy waivers or changes be useful in making tradeoffs that preserve strategic priorities?

Guiding Questions

Where are key opportunities for input into funding and spending decisions?

- Which stakeholders are currently a part of your annual resource allocation process (who is not)?
- Who could be a part of your annual resource allocation process?
- Feedback v. feedback in name only?

Guiding Questions

What are the goals and principles (conceptual framework) that should guide decisions?

- How should (if at all) long-term goals and/or priorities shift or adapt in the near and medium-term?
- Are there new medium-term goals or priorities that should be added to address immediate circumstances and new challenges?

Guiding Questions

How might needs in 2020-21 look different than in past years?

- What have state and local leaders learned this spring?
- How might COVID-19 require rethinking how resources should be deployed in order to best enable schools to address priority needs and goals for students?
- Whether and to what extent do we include new formula components to support virtual learning while maintaining equity (e.g., device/component weight/allocation)?

Guiding Questions

What is the specific and relevant context that may be beyond the control of participants?

- How might available resources look different in the coming year or two?
- How can/should leaders consider compounding challenges or other factors beyond their control, such as pension and benefit obligations?

Getting to those next steps!

Thank you!

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