How to Communicate About Money
(and the soon-to-be-released ESSA mandated school financials)
(and the soon to happen economic downturn)

Marguerite Roza
mr1170@Georgetown.Edu
ESSA requires:
parsing finance
by school!
How much is spent all in from public funds per pupil at a school near you?
School leaders will see what’s spent centrally on behalf of their schools

<table>
<thead>
<tr>
<th></th>
<th>District 1</th>
<th>District 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Elementary School #11</td>
<td>Elementary School #12</td>
</tr>
<tr>
<td>A: Enrollment</td>
<td>375</td>
<td>511</td>
</tr>
<tr>
<td>B: Federal</td>
<td>$456</td>
<td>$209</td>
</tr>
<tr>
<td>C: State/Local</td>
<td>$6,111</td>
<td>$4,756</td>
</tr>
<tr>
<td>D: Site level total</td>
<td>$6,567</td>
<td>$4,965</td>
</tr>
<tr>
<td>Site share of central</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E: Federal</td>
<td>$161</td>
<td>$161</td>
</tr>
<tr>
<td>F: State/Local</td>
<td>$5,378</td>
<td>$5,378</td>
</tr>
<tr>
<td>G: Site share of central total</td>
<td>$5,539</td>
<td>$5,539</td>
</tr>
<tr>
<td>H: Total school expenditures</td>
<td>$12,106</td>
<td>$10,504</td>
</tr>
</tbody>
</table>
Interviews with principals/district leaders about school spending...

District Leader: We are transparent – we put all our financial files online.

Principal: All in, my school receives about $40,000 a year.

Principal: I don’t get as much $ as other schools in the district because my school is in a neighborhood with lower property values.

Principal: Is the district shortchanging my school? I assume not, but I have no idea.

Sources: Research from The Winston Group on behalf of the Smarter School Spending for Student Success project, Dec 2016.
District Leader: Our equity initiative has funded counselors, reading programs and social workers.

District Leader: We give extra staff to our higher needs schools, but they don’t know that. They assume all schools have what they have.

Principals: I want to be more engaged in school finance decisions.

Principal: In my district, principals don’t question budget choices.
Parent: I can accept a cut in something if I understand what's at stake.

Parent: Of course the district has to spend more on a student with greater needs.

Teacher: My salary shouldn’t be counted as part of what’s spent on students.

Principal: I’m in favor of equity but not if it means taking money away from another school.
City district spends more on affluent schools
District doesn’t spend dollars on kids that generate them
Teachers don’t understand why spending increased by 5% but salaries are flat.
Parents demand better outcomes from high spending, low performing school
Per-Pupil Expenditures

Q1: Higher Spending, Higher Outcomes
Q2: Lower Spending, Higher Outcomes
Q3: Lower Spending, Lower Outcomes
Q4: Higher Spending, Lower Outcomes

Student Outcomes
How much is spent, all in, in public funds per student at your school?

Access School Spending Data Hub at https://edunomicslab.org/
#1. T/F? Two schools with roughly the same mix of students can spend the same amount money and get different results.

#2 T/F? Two schools with roughly the same mix of students can spend the same amount money in the same way and get different results.

#3 You are the superintendent and meeting with a principal in Quadrant I, what do you say? Quadrant IV?

#4 You are the principal in Quadrant IV, what do you say to your school staff? Quadrant I?
Successful Communication on Finance

- Avoid business lingo.
- Reference students (and what finances will do for students).
- If citing evidence/research, acknowledge local context.
- “Fair” is received better than “Equitable”.
- Citing dollar figures improves credibility. Explain tradeoffs with dollars.
- Get feedback from principals and invite them to communicate.
- Acknowledge good faith.
- When communicating, offer a means to weigh in.
Leveraging dollars to do more for students
<table>
<thead>
<tr>
<th>Don’t say:</th>
<th>Do say:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✔ Leveraging dollars to do more for students.</td>
</tr>
</tbody>
</table>

Reallocation
<table>
<thead>
<tr>
<th>Don’t say:</th>
<th>Do say:</th>
</tr>
</thead>
<tbody>
<tr>
<td>x Reallocation</td>
<td>✓ Leveraging dollars to do more for students.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency</td>
<td></td>
</tr>
</tbody>
</table>

©2019 Edunomics Lab, Georgetown University
<table>
<thead>
<tr>
<th>Don’t say:</th>
<th>Do say:</th>
</tr>
</thead>
<tbody>
<tr>
<td>x Reallocation</td>
<td>✓ Leveraging dollars to do more for students.</td>
</tr>
<tr>
<td>x Efficiency</td>
<td></td>
</tr>
</tbody>
</table>

Do more with less
Don’t say:
- Reallocation
- Efficiency
- Do more with less

Do say:
- Leveraging dollars to do more for students.

Link discussion to STUDENTS
Don’t say:

- Reallocation
- Efficiency
- Do more with less

Do say:

- Leveraging dollars to do more for students.
- Link discussion to STUDENTS

Admit to the tradeoff: “We could have done XX or YY and we chose YY because it helps us do ZZ for students.”
Don’t say:

- Reallocation
- Efficiency
- Do more with less

Do say:

- Leveraging dollars to do more for students.
- Link discussion to STUDENTS
- Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.”

Acknowledge a cut as just that: a cut.
<table>
<thead>
<tr>
<th>Don’t say:</th>
<th>Do say:</th>
</tr>
</thead>
<tbody>
<tr>
<td>x Reallocation</td>
<td>✓ Leveraging dollars to do more for students.</td>
</tr>
<tr>
<td>x Efficiency</td>
<td>✓ Link discussion to STUDENTS</td>
</tr>
<tr>
<td>x Do more with less</td>
<td>✓ Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.”</td>
</tr>
<tr>
<td>x Acknowledge a cut as just that: a cut.</td>
<td></td>
</tr>
</tbody>
</table>
Don’t say:

- Reallocation
- Efficiency
- Do more with less
- Acknowledge a cut as just that: a cut.

Do say:

- Leveraging dollars to do more for students.
- Link discussion to STUDENTS
- Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.”

Communicate with $ amounts
Don’t say:

- Reallocation
- Efficiency
- Do more with less
- Acknowledge a cut as just that: a cut.

Do say:

- Leveraging dollars to do more for students.
- Link discussion to STUDENTS
- Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.”
- Communicate with $ amounts

“We were told we had to...”
Don’t say:

x Reallocation
x Efficiency
x Do more with less
x Acknowledge a cut as just that: a cut.
x “We were told we had to...”

Do say:

✓ Leveraging dollars to do more for students.
✓ Link discussion to STUDENTS
✓ Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.”
✓ Communicate with $ amounts

We have the flexibility to make tradeoffs that meet the needs of our students.
Don’t say:

- Reallocation
- Efficiency
- Do more with less
- Acknowledge a cut as just that: a cut.
- “We were told we had to...”

Do say:

- Leveraging dollars to do more for students.
- Link discussion to STUDENTS
- Admit the tradeoff: “we could have done XX or YY and we chose YY because it helps us do ZZ for students.”
- Communicate with $ amounts
- We have the flexibility to make tradeoffs that meet the needs of our students.
Let’s try it. Message this:

A. 7% across-the-board raise for teachers.
B. Cuts in the theater program (or sports team, IB program, nurses, ??).
C. More investment in counsellors in some schools.
D. More flex funds given to schools where teacher salaries are lower (or where poverty is higher).
E. Closing an under-enrolled school to save money.
F. An increase in employee contributions to pensions
G. “This information makes conversations around equity possible. For too long, we’ve accepted an unjust funding structure that does not take into account the significant gaps between low income and high-income districts.”

©2019 Edunomics Lab, Georgetown University
Common findings: Here’s how to talk about them:

1. YIKES! (District feels defensive.)
   - Looking at the district’s expenses from the school lens is new for us and reveals some noteworthy patterns. We’re eager to engage with our principals/community to explore how to best deploy our limited funds to do the most for all the district’s students.

2. Seniority drives up $ at some schools
   - We use a salary scale based on experience so we spend more on schools that attract senior teachers. That leaves fewer dollars for schools w/ junior teachers. We’re eager to engage with our principals/teachers/community about options that might both retain our teachers and work better for all our students.

3. Special programs (magnets) are costly.
   - The extra funds we’ve been applying to our magnet programs do leave fewer dollars for other schools. This is good time to explore whether there are ways to protect our best programs without drawing funds from other schools and students.
Common findings, cont.

4. Central expenses feel high

5. School size is a factor --or-- Schools with declining enrollment have high costs

Here’s how to talk about them:

4. We’ve prepared a breakdown of central expenses, which include $xx pp in transportation and $xx in food services. We invite principals/community to weigh in on how to better deploy those dollars to do the most for students.

5. The district does deploy more dollars to its smaller (or under-enrolled) schools, leaving fewer dollars for all other schools. Given the limited district resources, it may be time to explore how we can construct a budget that better serves all our students where they are.
1. Be clear about how the district divvies up resources to schools.
2. Help principals compare their spending to dollars generated by students.

3. Put costs in per pupil terms (including centrally-managed expenses).

### Public Funds Allocated to Oak School District for Students at Maple Elementary

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base per pupil</td>
<td>$4,380,849</td>
</tr>
<tr>
<td>Grades K-3</td>
<td>$229,974</td>
</tr>
<tr>
<td>Grades 4-6</td>
<td>$23,205</td>
</tr>
<tr>
<td>Grades 7-8</td>
<td>0</td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>0</td>
</tr>
<tr>
<td>Poverty</td>
<td>$194,481</td>
</tr>
<tr>
<td>Poverty Concentration (over 55%)</td>
<td>$366,235</td>
</tr>
<tr>
<td>Other Needs (Foster, At-Risk)</td>
<td>$17,204</td>
</tr>
<tr>
<td>Bilingual Ed</td>
<td>$11,742</td>
</tr>
<tr>
<td>Special Education</td>
<td>(Considered Separately)</td>
</tr>
</tbody>
</table>

**Total** Funding: $5,289,690

**Funding Per Student:** $8,437

### What Oak School District Spends on Students at Maple Elementary

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>$252,054</td>
</tr>
<tr>
<td>Buildings</td>
<td>$494,076</td>
</tr>
<tr>
<td>District Leadership</td>
<td>$255,189</td>
</tr>
<tr>
<td>Food Services</td>
<td>$249,546</td>
</tr>
<tr>
<td>Technology</td>
<td>$139,194</td>
</tr>
<tr>
<td>Other</td>
<td>$260,832</td>
</tr>
</tbody>
</table>

**Sum of Shared Costs:** $1,850,891

**Total Spent on Behalf of Maple Students:** $4,855,692

**Spending Per Student:** $7,744

---

Analyses by Edunomics Lab

©2019 Edunomics Lab, Georgetown University
4. Link spending and outcomes by school. Ask principals how to leverage resources to do more for students.
5. Engage principals in discussing cost-equivalent tradeoffs.

The CFO calls a principal with an extra $85,000 for the coming school year. The CFO wants to know which option the principal prefers:

**OPTION A: Add one FTE**

**OPTION B: Use the $85K as stipends to add time for current staff**
6. Equip/encourage principals to talk to their communities about finance.
Certificate in Education Finance
GEORGETOWN UNIVERSITY

Thank you!
Marguerite Roza
MR1170@georgetown.edu