To Fund or to Defund: Making the Hard Decisions

Six factors that can help SBOs evaluate budget items in a fair, transparent manner.

By Bo Yan and Fiona Hollands

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Each year, district and school leaders must adjust their budgets to ensure that limited resources are used most effectively in achieving the organizational mission. Those district leaders often face the dilemma of funding a limited number of new programs or discontinuing existing ones.

Such decisions have high stakes, not only because they involve hundreds of thousands—or even millions—of dollars but also because they have a lasting effect and broader implications for programming, personnel, and students.

Effective decisions send a clear signal to the school system and the community about what those leaders consider important. In contrast, poor decisions can damage morale and the culture and cripple leaders' effectiveness and authority. Even worse, poor decisions waste resources and energy that could have been spent elsewhere to students' advantage.

Despite the significance of budgetary decisions, many districts lack the necessary organizational infrastructure for making sound, informed decisions about which programs to fund or defund. Six factors can help decision makers evaluate each budget item in a fair, transparent manner.

Factor 1. Alignment with Organizational Priorities

During budget discussions, alignment is often a basis for decisions about program funding. Does the program align with the district's mission, stated goals, strategic plan, and current priorities? Despite being conceptually straightforward, alignment can be difficult to apply because of a lack of communication in defining organizational priorities.

For example, "student learning" as an organizational priority is so general that the case can be made that almost any program can be aligned with it. In contrast, increasing the recruitment of minority teachers is a specific priority against which district personnel can easily assess a program's alignment. The more specific the organizational priorities, the easier it is to assess alignment of program funding decisions.

Factor 2. Evidence of Impact

District leaders are expected to invest limited resources in programs that are effective. However, many districts lack the capacity to critically review the research literature to identify proven adoptable programs or to evaluate their own programs rigorously.

Ideally, districts could evaluate a program's impact by reviewing student performance before and after implementation to determine whether outcomes recommend accepting or rejecting the program. The best way to gather such evidence is to assign students randomly to a "treatment" group where they participate in a program and to a "control" group where they don't participate.

Alternatively, "quasi-experimental" studies can be conducted in which statistical methods rule out factors other than program participation as the cause of any differences in performance.

Districts can find information on widely available, highly evaluated programs on such websites as the federal government's What Works Clearinghouse (https://ies.ed.gov/ncee/wwc) and Johns Hopkins University's Best Evidence Encyclopedia (www.bestevidence.org). Program impacts are presented in a standardized form called "effect sizes" that can be used as a metric for decision making across different program types. Decision makers must still consider whether the effects identified in these studies can be replicated in their own districts.

Districts can apply, with a certain level of confidence, a conservative approach to identifying programs that appear not to work for their population and consider discontinuing them. If no improvement in teacher or student performance is documented after a program has been in place for a few years and the demographics of the program participants have not changed substantially, the program likely is ineffective.

Factor 3. Cost per Pupil

In many cases, districts decide not to fund a program because of its high price tag. However, total cost is often a misleading measure that masks or even distorts the true expense of a program. Instead of relying only on the program price, education leaders should use cost per pupil to guide their decision making.

For example, Program A with a cost of $250,000 is seemingly more than twice as expensive as Program B with a cost of $100,000. However, Program A serves 5,000 students, while Program B serves only 400 students. Therefore, Program A's cost per pupil is one-fifth of that for the ostensibly cheaper Program B.

Total cost is often a misleading measure that masks or even distorts the true expense of a program.

Part of the reason for the current focus on total cost instead of cost per pupil is that decision makers often do not consider how many students will be served under a new proposed program. Even when that information is available, it may not be routinely documented and used in decision making.

Documenting the per-pupil cost and requiring that it be included in the program description are the first steps to establishing it as a criterion for budget decisions. After a few years of collecting cost-per-pupil information, districts can develop a local norm for economical, acceptable, and expensive program costs per pupil, which can be used to guide decisions.

It should be noted that although the immediate "cost" consideration of a program is the burden on the budget, a full evaluation of a program's costs should consider the amount of time required by teachers and other staff members to implement it and the amount of training and ongoing support required.

Additionally, some programs may demand new facilities, equipment, or services, such as transportation. This full cost evaluation is especially important when considering a program for replication or expansion.

Factor 4. Political Support

It is no secret that programs are more likely to succeed if they have buy-in from teachers and staff members within the school system along with the support of board members, parents, and the community. In addition to considering alignment with district priorities, evidence of effectiveness, and costs, district leaders should consider the level of support or opposition toward a new program among the relevant stakeholders.

The primary obstacle to discontinuing a program is pushback from stakeholders, especially from teachers and staff members whose jobs would be affected. Parents whose children's needs would no longer be served as the result of a program cut may raise objections, and teachers may be concerned about absorbing "troubled" students into their classrooms if those students have nowhere else to go. If new programs can address unmet needs, concerns and resistance might lessen.

Another political aspect to consider is whether the program has a viable "champion" or "owner" who will maintain its profile and ensure that it is well resourced and implemented. Such ownership is often critical to helping the district remain focused and committed, despite the many distractions and interruptions that leaders face throughout the year.

The first four factors discussed help district leaders assess programs individually, without considering how each program could potentially affect or be affected by other programs. However, educational programs are not implemented in isolation. What happens in and to one program not only affects the students in the program but also has implications for those in other programs.

In addition to the merits and weaknesses of an individual program, leaders must take a holistic view to examine the interaction a program might have with the school system from at least two angles: feasibility of implementation and coherence with other programs.

Factor 5. Feasibility of Implementation

Feasibility of implementation concerns both the central office department that is in charge of implementation and the schools where the program will be rolled out.

In many districts, it is not uncommon to see schools—especially low-achieving schools—attempt to implement multiple initiatives simultaneously. In spite of noble intentions, decision makers need to think hard about whether the principals, teachers, and students in those schools have the time and energy to devote to yet another new initiative. Stretching personnel too thinly will likely take a toll on both the new initiative and the existing ones.

At the district level, leaders need to look at how many programs each department currently operates and how successful they are. If a department is already struggling to implement some programs, it may be unwise to add more weight to its responsibilities. Even if the department is implementing those programs successfully, it is still necessary to assess the burden each additional program places on the department's staff members to ensure that they are not set up to fail.

Sometimes, feasibility of implementation depends on other departments that provide support. For example, a new program may call for hiring a large number of high-quality minority teachers to provide both instructional and social-emotional support to minority students. But if the human resources department has been unable to fill vacant teaching positions, money allocated to this new program will probably remain unused instead of being allocated to meet other needs that can be more easily satisfied.

Factor 6. Coherence with Other Programs

The second angle from which to look at programs holistically is coherence. Will the programs under consideration complement each other and existing programs, or will they create confusion and competition instead?

It is not uncommon for two programs that target the same improvement area to differ in philosophy, language, approach, and method. When the differences contradict each other directly (e.g., one reading program focuses on whole language while another emphasizes phonics), adopting both may not be a wise decision.

In many cases, however, the differences may not necessarily lead to conflicts in implementation. Leaders need to consider whether the department that will be rolling out the two programs has a plan that articulates how the two improvement efforts will be coordinated to enhance each other, and whether the department has the capacity to execute it.

Decision-Making Protocols

In developing a protocol that governs decision making, depending on the local context and culture, a district can use all or a subset of the six factors sequentially or simultaneously to make program funding decisions.

Sequential protocol. A sequential decision-making protocol involves consideration of each factor, one after another. Before practicing the sequential protocol, leaders need to reach a consensus on (a) which of the six factors will be considered for decision making, if not all six; and (b) the order in which they will be considered based on their relative importance.

Table 1. Example of a Sequential Decision-Making Protocol

Factor	Yes	No
1. Alignment with organizational priorities	**A**, B, C, **D**, E	F, G
2. Evidence of impact	B, C, **D**, E	A
5. Feasibility of implementation	B, **D**, E	C
3. Cost per pupil	**D**, E	B

The chosen factors should be rank-ordered from most important to least important. All programs are then assessed on the basis of the first factor; only those that receive unanimous or majority support can advance to the next round where they are reassessed on the basis of the second factor. This process continues until the final assessment based on the last factor is complete.

Programs that survive the entire process will be approved for funding support. Any current programs that fail during the process will be discontinued.

For example, through discussion, a leadership team agrees to use Factor 1 (alignment with organizational priorities), Factor 2 (evidence of impact), Factor 5 (feasibility of implementation), and Factor 3 (cost per pupil) in that order to help decide which new programs to fund and which existing programs to defund.

Table 1 demonstrates the process of how the leadership team makes funding decisions about seven programs (A–G) following the sequential protocol. Among the seven programs, Programs A and D are existing and in bold. After the last assessment is complete, two programs remain (D and E). As a result, existing Program D will be continued, and new Program E will be launched with funding support.

Simultaneous protocol. In contrast to the sequential protocol where factors are examined one at a time, the simultaneous protocol considers all of the factors selected for decision making at the same time. Because of its complexity, the simultaneous protocol can be best facilitated by quantifying the result of assessing each decision factor and then synthesizing the scores.

Of the six factors discussed, Factor 2 (evidence of impact) and Factor 3 (cost per pupil) are quantitative in nature. For cost per pupil, the assessment should lead to a specific dollar amount, say $200 per pupil. For evidence of impact, effect size—which often ranges between 0 and 0.5 for educational programs—is routinely used to gauge the magnitude of program impact.

For the other four factors, a score can be obtained by having each decision maker rate a program on a scale

(0 to 5, for example). Ideally, decision makers would gather evidence to support their ratings and use rubrics that clearly define what constitutes, for example, a 5 for feasibility of implementation. Ratings could be assigned during a meeting of the district's leaders or cabinet, or by representatives of each stakeholder group (e.g., district leaders, board members, program directors, principals, and teachers). After each person or group of stakeholders provides a rating, the individual scores can be averaged to obtain an overall rating for each program.

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Scores for each factor should be standardized for comparability and combined to produce an overall rating for each program. For example, a utility value can be calculated for each program. If certain factors are more important and should play a bigger role in affecting the decisions, different weights can be assigned to each factor with the more important factors being assigned heavier weights.

Disciplined Process

All districts have an implicit or explicit process for making decisions about program funding. What those processes have lacked, however, is discipline and rigor.

It is not uncommon for leaders to overlook important factors, rely on misguided information, or apply different rules and criteria to different programs when making program funding decisions. Neither is it surprising that some individual leaders have undue influence over final decisions. As a result, despite the best intentions, limited resources are not spent on programs that are the most cost-effective for improving student learning.

District leaders can apply these six factors (or other preferred factors that are important to local context) sequentially or simultaneously to help identify the best-rated programs to fund.

This disciplined process will help leaders make budget decisions that are more strategic, holistic, and data driven. Equally important, it will help build a collaborative team among leaders and increase the odds of programs' being successfully implemented.

Bo Yan is data strategist for Jefferson County Public Schools, Louisville, Kentucky. Email: bo.yan@jefferson.kyschools.us

Fiona Hollands is associate director/senior researcher for Teachers College, Columbia University, New York, New York. Email: fmh7@tc.columbia.edu