Designing Change

A Toolkit for State Education Finance Reform

By Biko McMillan, Sophie Zamarripa, Indira Dammu, and Bonnie O'Keefe

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Bellwether's K-12 State Education Finance Equity Initiative

Education finance sets the foundation for what is possible in every school in the country. Inequity in school finance thwarts countless efforts to improve educational outcomes. Education finance equity is essential to leveling the playing field for marginalized students in under-resourced schools and communities.

Bellwether's work in state education finance equity aims to change the status quo, state by state, through:

1. **Analyses** that shape the public conversation on education finance and help advocates and policymakers understand and improve finance policies in their states.

2. **Trainings** that equip state advocates with policy knowledge and data modeling skills to unlock the potential for policy reforms.

3. **Capacity-building** support, policy advising, and technical modeling assistance for state advocacy groups or public agencies in states on the precipice of enacting big change.

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Introduction

Introduction

All K-12 schools should have the resources to support their students' success. School finance equity is foundational to overall educational equity. Without equitable funding, systemically marginalized student groups, like students with disabilities, English learners (ELs), low-income students, and students of color, are more likely to experience worse outcomes compared with their peers.

Advocates see the *effects* of inadequate, inequitable state school funding systems but may lack the tools to address the *causes* of the issue within their state's school funding formula. Successful state education finance reform coalitions must grapple with the specific policy drivers of funding inequity and build policy solutions that consider the impact of change from multiple perspectives.

About This Toolkit

This toolkit gives advocates resources to improve their state education finance systems and develop sound policy solutions that promote adequacy, equity, responsibility, and transparency.

It is grounded in Bellwether's firsthand experiences supporting public agencies, state legislatures, and advocacy coalitions to design and pass school finance reforms.

Who is this toolkit for?

This toolkit is designed for state-level advocates and state policymakers whose states are primed or pushing for school finance reforms.

Pause and Reflect

Is your current funding formula adequate, equitable, responsible, and/or transparent?

If not, this toolkit can help you to address those gaps.

Do you meet some or all the funding reform readiness criteria?

Before you dive into policy design, you may want to assess the factors in your state that enable funding reform. Bellwether's Making Change and Lasting Change playbooks offer criteria with which to evaluate your state.

Bellwether assesses states' readiness for funding reform according to five criteria:

1. Aligned and influential advocates and/or **COALITIONS**.

2. Political **CHAMPIONS**.

3. Sufficient in-state technical and **RESEARCH** capacity.

4. State **FINANCES** conducive to reform.

5. Funding **LAWSUITS** that could aid reform efforts.

Policy Design Process

This toolkit is designed to be used as a guide for advancing state-level education finance reform, with a focus on the process of policy design. Each phase and step includes examples, activities, and guidance for state coalitions to use and adapt in their own contexts.

Define Principles and Problems

- **Form a Coalition**: Bring together a diverse group to enable stronger solutions and enhance the likelihood of a successful policy proposal.

- **Agree on Guiding Principles**: As a coalition, agree upon common goals for a future system and the joint basis on which you are seeking finance reform.

- **Analyze the Current State**: Analyze what data and research say about how money is allocated to districts and schools.

- **Develop a Problem Statement**: Spell out what is wrong in the current state that the coalition wants to reform.

Develop Solutions

- **Identify Best Practices**: Identify best practices that other states are implementing. Think through what it would look like to replicate them.

- **Test Solutions**: Calculate the fiscal impact of a formula design change at the state and local levels. Test other considerations and restrictions.

Transform Ideas Into Action

- **Draft a Proposal**: Draft a policy proposal, informed by data and research, that addresses gaps that were uncovered in Phase 1.

- **Build and Maintain Support**: Craft a cohesive message that builds public support and is responsive to questions and pushback from stakeholders.

- **Prepare for Implementation**: Implementation considerations should be a part of the process, even before the policy change.

Key Takeaways

PHASE 1
Define Principles and Problems

- State advocates should form strong, diverse coalitions to spearhead state funding reform efforts.

- Coalitions should create guiding principles to provide an anchor and strategic direction for their initial work together.

- Coalitions should develop an initial understanding of the school finance system in their state so they can define the problems they want to solve.

- Coalitions should collect and analyze relevant data, such as funding and revenue streams, to uncover gaps in their state's funding system.

- By the end of this phase, coalitions should have a clear problem statement and set of priorities to guide the development of policy solutions.

PHASE 2
Develop Solutions

- Once advocates have a solid understanding of their problem statement, they should use student and financial data to model and test the impact of potential policy changes or solutions.

- Coalitions should consider a broad range of factors when identifying policy solutions beyond how well they realign the system to guiding principles, including fiscal impact at the state and local levels and the feasibility of the proposed change.

- Modeling policy changes should also involve identifying potential barriers and any associated solutions. For example, if some districts might lose funding as a result of a proposal, advocates could consider strategies such as a temporary hold harmless policy to help with change management.

PHASE 3
Transform Ideas Into Action

- The coalition's work should culminate in a final policy proposal that is specific and actionable with input from relevant stakeholders.

- Advocates should align on a narrative (or a small set of narratives) to help push their proposal over the finish line and prepare to explain potential outcomes of the proposal, if enacted.

- Coalitions should be prepared to respond to potential policy changes that might be introduced during the political process. Coalitions should evaluate these potential changes through the lens of their guiding principles and the use of data modeling to test impact and enable negotiation, if needed.

- Once the policy proposal passes, the coalition should shift its focus to preparing for implementation of the policy change.

Designing Change: A Toolkit for State Education Finance Reform

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Phase 1: Define Principles and Problems

In this phase, organizations and advocates come together to form a coalition in support of funding reform.

The coalition should have clear goals, anchored in guiding principles. Once principles are in place, the coalition should use data to better understand the funding status quo and create a problem statement.

Key Takeaways

- State advocates should form strong, diverse coalitions to spearhead state funding reform efforts.

- Coalitions should create guiding principles to provide an anchor and strategic direction for their initial work together.

- Coalitions should develop an initial understanding of the school finance system in their state so they can define the problems they want to solve.

- Coalitions should collect and analyze relevant data, such as funding and revenue streams, to uncover gaps in their state's funding system.

- By the end of this phase, coalitions should have a clear problem statement and set of priorities to guide the development of policy solutions.

Form a coalition.

The first condition for advocacy wins is the presence of a strong, diverse coalition — meaning a coalition that is inclusive and representative of multiple stakeholders, including constituencies of students and communities that would be affected by school finance reform. The goal is to bring together groups of people with critical perspectives that can both enable stronger solutions and enhance the likelihood of a policy proposal's success.

- **Clarify which organizations, if any, will take ownership of policy development for potential solutions**. If there are no organizations within the coalition that have capacity to do this work, identify external organizations that can support the coalition on policy design.

- **Identify roles and decision-making structures** within the group to facilitate communication.

- **Determine strategies for communicating with stakeholders**, including community members, policy influencers, and policymakers. Create opportunities for student and family input.

Agree on guiding principles.

Creating a strong set of guiding principles is the foundation to the coalition's work throughout this first phase and beyond. The creation of guiding principles provides direction for most decisions the coalition will make. These principles:

- Become the criteria for assessing policy options.

- Are used when disagreements arise to reground the group.

- Form the basis of a communications strategy when sharing proposals more broadly.

In addition to guiding principles, coalitions can align on a set of group norms that help to facilitate inclusive conversations and equity of voice.

EXAMPLE

Guiding Principles Drafting Exercise — Working Session #1

Organization 1
- Our work should make sure that we are allocating funds aligned with the unique needs of every student.
- Our work should ensure that every school receives enough funding to support a high-quality teacher wage.
- Our work should ensure that all children receive comparable resources, regardless of their location.

Organization 2
- Consistency is important in resource allocation.
- We want to support holistic student well-being, including mental health and social-emotional learning.
- Schools and districts with higher needs should receive direct additional resources.

Organization 3
- The funding formula should be easy to understand and transparent.
- Accountability measures should monitor fund distribution and use.
- Weights should be used with clear reasoning as to why and how.

Final Guiding Principles
- **Sufficient and Tailored to Student Need**: School systems should receive enough money to meet the unique needs of each student they serve, enabling every student to achieve their educational goals.
- **Fair and Consistent**: The formula should target funding clearly toward students' learning needs through a fair allocation of state funds in order to ensure that similarly situated children in different districts and schools have access to the necessary resources to support their education.
- **Transparent**: Everyone from state lawmakers to district administrators to parents and taxpayers should be able to see and understand how the distribution of state funds is calculated. There should be as few exceptions and additional funding vehicles outside the main formula as possible.

Coalitions can use brainstorming activities early in their work together to push associated organizations to find common ground on the importance of school finance and what a new system could look like.

Example: Bellwether's K-12 Finance Principles

Bellwether assesses states' school funding formulas according to four principles:

Adequacy

Is there enough funding in the system to enable schools to meet the state's educational mandate?

Equity

Does the policy allocate greater resources toward groups of students with greater educational needs?

Responsibility

Does the policy make clear the locus of decision-making for funding and budgeting, and split local and state responsibilities appropriately?

Transparency

Is the system understandable to key stakeholders — is the allocation of funding based on student need visible?

Analyze the current state of your school finance system.

Advocates should deeply understand the school finance system in their state, so that they can define the problems they want to solve. This involves:

- Understanding the existing knowledge base about the state's school finance system.

- Identifying what research has already been done and what additional research is needed.

- Learning more about how the state's funding formula works, including the laws and regulations that guide the funding structure. *(Note: This step includes figuring out who in your state understands the formula in a highly detailed way — it might be policymakers, state agency staff, legislative staff, budget officers, and/or academics.)*

- Analyzing data on how state funding currently flows, with particular attention to how funding supports schools serving students with greater needs.

Review existing documentation and research on your state's finance policies.

Existing resources, such as past cost studies, documentation from school finance litigation, analyses from past reform efforts, and resources provided to local educational agencies (LEAs) by state departments of education are a great way to build the coalition's knowledge on the following questions:

- Based on your state's data and body of research, what are the current opportunities to strengthen your school funding system?

- What about the existing research surprised or challenged your perspective?

- What questions are unanswered about your state's school finance system?

State Spotlight: Colorado's Public School Finance Task Force Report

During the 2023 legislative session in **Colorado**, lawmakers passed a law authorizing the creation of a Public School Finance Task Force to make recommendations to improve the state's school funding formula. The 17-member task force represented a broad set of stakeholders, including school districts and advocacy organizations. In January 2024, the task force released its findings and made specific recommendations including adding a "remoteness weight" to provide more funding to rural districts and increasing weights for "at-risk" and EL students.

Many of the task force's recommendations were adopted by lawmakers during the 2024 legislative session. The success of the task force was partially due to the exhaustive analysis conducted. This allowed task force members, advocates, and lawmakers to better understand the current strengths and opportunities to improve Colorado's school finance system.

Collect and analyze data about your state.

Advocates should obtain student data to begin visualizing and analyzing how their state allocates funding. In some cases, the process to obtain usable and sufficiently detailed data may involve submitting a public records request to the state for data. The following is an example of recommended data elements coalitions should consider to learn about the current state and model changes to the school funding model:

Variable	Description	Typical Source
LEA Information	• District name • District state ID • District National Center for Education Statistics (NCES) ID • District type (traditional, charter, other) • District urbanicity (urban, suburban, rural/sparse)	NCES Common Core of Data
Enrollment	• Total enrollment or average daily membership • Enrollment by subgroup (race/ethnicity, special education status, EL, free and reduced-price meals, career and technical education [CTE], others of interest)	State Educational Agency (SEA)
Revenue and Funds	• Total state revenue • Hold harmless amounts • Total actual local funds raised • Assessed property value totals and local tax rates for education • Other relevant local tax data (e.g., local sales or income tax, if used to fund schools)	SEA

PHASE 1
Define Principles and Problems

Form a Coalition

Agree on Guiding Principles

Analyze the Current State

Develop a Problem Statement

Start with a baseline analysis of state funding allocations.

Analysis of existing funding streams and elements helps coalitions to answer the following specific questions:

- How do different funding streams and sources of revenue benefit different districts?

- Which districts receive the most and least funding relative to their student characteristics?

- What funding gaps exist for student groups and different types of districts? *(Note: Bellwether recommends examining trends in funding based on economically disadvantaged students, ELs, students with disabilities, community poverty, urbanicity, and other dimensions of interest to the coalition.)*

This analysis will then help provide an understanding for the coalition to further probe into the causes of disparities and target effective policy solutions.

Example: State and Local Revenue Analysis

Based on Bellwether's guiding principles of adequacy, equity, responsibility, and transparency, what do the data say about this funding element [state and local revenue per pupil]? How do these findings align with the coalition's principles?

- Does the amount of state revenue support a principle of adequacy?

- Does the variation in revenue support the principle of funding equity?

If the answers are "no," coalitions can dive deeper to understand different pieces of state funding policy that drive variation.

Delaware Combined Per-Pupil Funding By Percent of Students Eligible for Free and Reduced-Price Meals
State and Local, Fiscal Year (FY) 2022
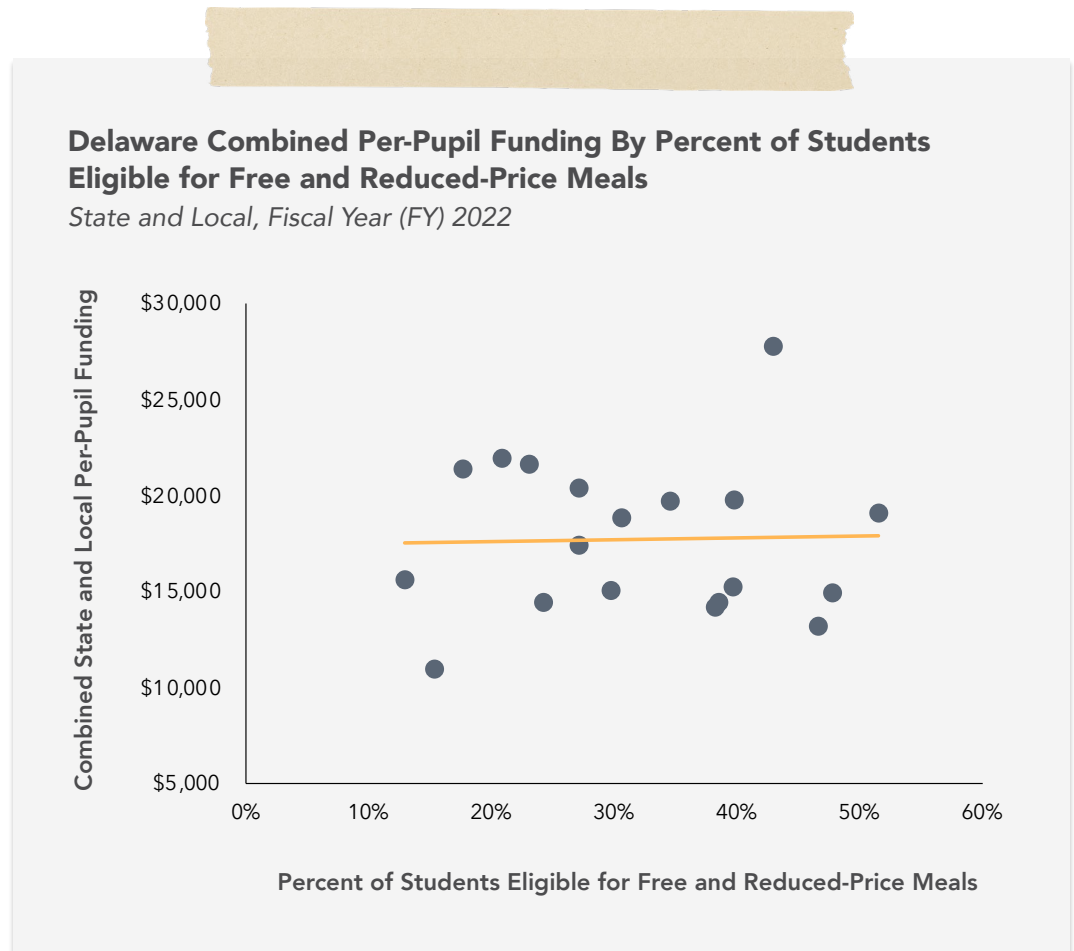
The orange trend line represents the relationship between per-pupil funding and students from low-income households.

Note: Data are for illustrative purposes and do not represent the views of any particular organization or coalition. Source: Delaware Department of Education (DE DOE), Student Enrollment and Unit Allotment Report for School Year 2022-2023, October 2023, DE DOE data request.

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Consider the results of the state and local revenue analysis against the coalition's guiding principles.

Coalitions can use their guiding principles (in this example, adequacy, equity, and transparency) to anchor their analysis of their current funding state. For example, in Delaware:

ADEQUACY — *Does the amount of resources support a principle of adequacy?*
Potentially. The state ranks fifth nationally in state per-pupil funding.* Among districts, total state and local funding per pupil varies substantially. Delaware students also lag academically behind their peers in neighboring states. These findings suggest a misalignment between resources and student needs, but more research is needed.

EQUITY — *Does the variation in revenue support the principle of funding equity?*
No. The allocation of resources is not correlated with district student poverty levels. Some districts with very similar levels of student poverty have very different resources.

TRANSPARENCY — *Does the state revenue structure encourage transparency?*
No. Delaware is the only state to use a "unit-based" system to allocate state aid, and such a system is often difficult to understand because of the number of inputs and the inability to connect these inputs directly to student need.

Example: Funding Stream Analysis

This sample analysis uses the guiding principles of sufficient and tailored to student need, fair and consistent, and transparent. What do the data say about this funding element [the base cost]?

- The variable base cost in Ohio is similar for most districts, but it heavily favors smaller districts.

How do these findings align with the coalition principles?

- Does the average amount of the base cost support the "sufficient and tailored to student need" principle?

- Does the coalition believe that small districts need additional base cost funding for funding fairness and consistency?

- Does the formula structure encourage transparency?
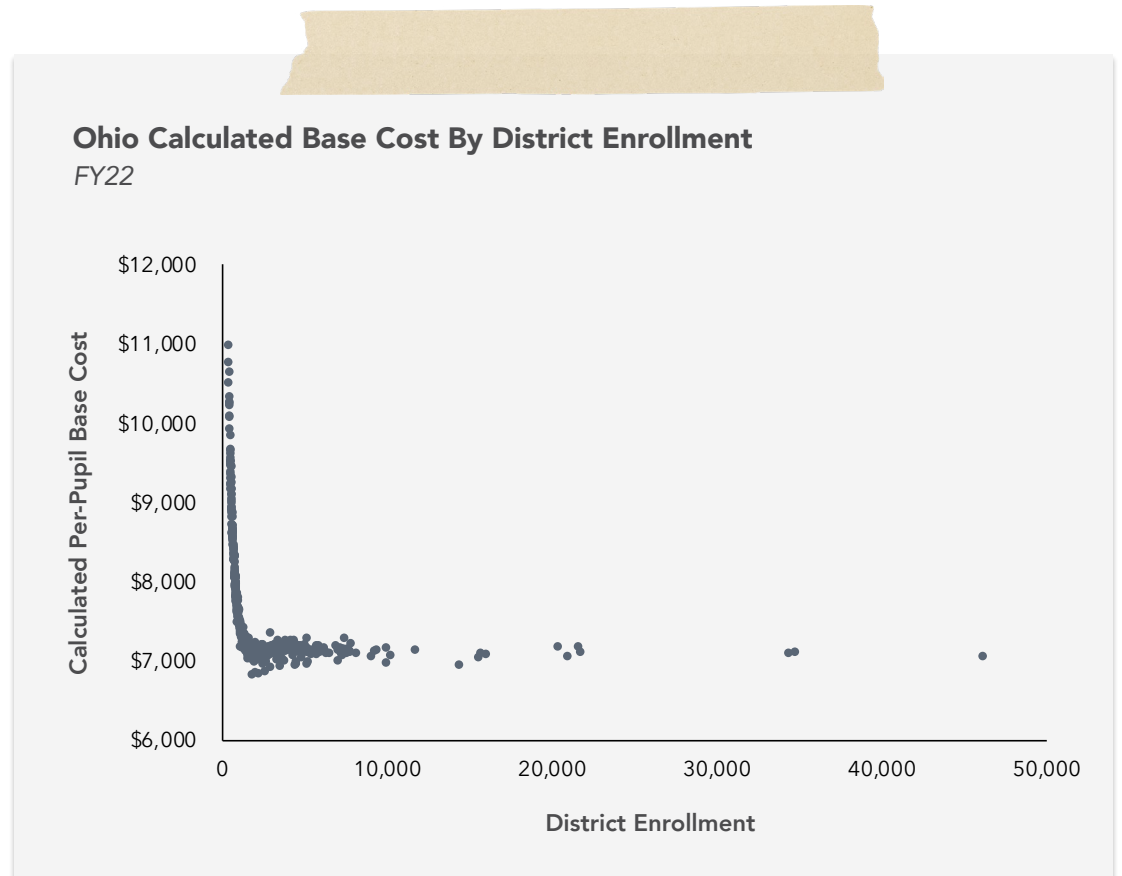
Ohio Calculated Base Cost By District Enrollment
FY22

Ohio's base cost calculation varies by district, using dozens of variables to arrive at a final base cost. In practice, most districts' base cost is around $7,200, with low-enrollment districts as stark outliers with much higher calculated base costs.

Note: *Data are for illustrative purposes and do not represent the views of any particular organization or coalition.*
Source: *Ohio Department of Education & Workforce, <u>School Payment Reports</u>, 2022–2023.*

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Consider the results of the funding streams analysis against the coalition's guiding principles.

Coalitions can use their guiding principles to anchor their analysis of their current state. For example, the questions below are a result of Ohio's funding stream analysis.

Sufficient and Tailored to Student Need — *Does the average amount of the base cost allow school systems to meet the unique needs of each student they serve?*
Potentially. The Fair School Funding plan resulted in a higher base cost per pupil compared with the previous formula. But sufficiency should be analyzed relative to student performance and should also consider other pieces of the funding formula. This part of the formula is not intended to address differentiated student needs.

Fair and Consistent — *Does the coalition believe that small districts need additional base cost funding for funding fairness and consistency?*
No. Funding consistency does not exist when low-enrollment districts are such stark outliers with much higher base allocations. While real cost differences may exist for low-enrollment districts, those differences could be addressed differently without the same trade-offs in transparency.

Transparency — *Does the formula structure encourage transparency?*
No. Ohio's base cost calculation varies by district, using dozens of variables to arrive at a final base cost. It does not promote transparency.

PHASE 1
Define Principles and Problems

**Form a
Coalition**

**Agree on
Guiding Principles**

**Analyze the
Current State**

**Develop a
Problem Statement**

Develop your problem statement.

- The end point of this phase is a clear problem statement and set of priorities that form the basis of casemaking for change and guide the development of solutions.

- You may seek input at this point from broader perspectives in developing or defining the problem statement, which depends on the composition of your state's coalition.

- You may use the problem statement as the basis for a broader campaign for change in the policy development phase.

Guiding principles will help to define or prioritize your problem statement.

How do elements of the example state's guiding principles (sufficient and tailored to student need, fair and consistent, and transparent) appear within the problem statement?

"Our state's current school funding formula **does not consistently ensure** that all students attend schools equipped with the resources they need to succeed. An **overly complex**, **outdated**, and **unfair funding formula fails to recognize and fund the individual needs of students and the contexts in which they live and learn**. It allocates more funding to school systems that have historically been able to spend more, resulting in an **inefficient use of state resources** that **fails to focus dollars on students' educational needs**."

- ■ Sufficient and Tailored to Student Need
- ■ Fair and Consistent
- ■ Transparent

This problem statement:

- Emphasizes how the current funding formula fails to address disparities among schools, particularly those serving low-income and systemically marginalized communities.
- Highlights how the existing formula does not provide adequate resources to meet the educational needs of all students.
- Stresses the lack of transparency in how funds are allocated and spent, which may hinder accountability measures.

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Phase 2: Develop Solutions

In this phase, the coalition should begin to examine research from other states and potential policy approaches.

Teams should model and analyze policy options and reflect on potential barriers. This work should culminate in a policy proposal that aligns to the coalition's guiding principles.

Key Takeaways

- Once advocates have a solid understanding of their problem statement, they should use student and financial data to model and test the impact of potential policy changes or solutions.

- Coalitions should consider a broad range of factors when identifying policy solutions beyond how well they realign the system to guiding principles, including fiscal impact at the state and local levels and the feasibility of the proposed change.

- Modeling policy changes should also involve identifying potential barriers and any associated solutions. For example, if some districts might lose funding as a result of a proposal, advocates could consider strategies such as a temporary hold harmless policy to help with change management.

Explore policy design options and best practices from other states.

Other states' approaches to school finance can provide a valuable perspective for developing policy solutions in your state.

- Look at exemplars, examples, and research from other states, regionally or nationally, to see what might be possible to solve the problems you have identified.

- Test these ideas against your principles and reflect on how to adapt policy solutions to your state's context.

Resources: State Research and Exemplars

EdBuild
Although no longer operational, EdBuild created multiple reports and tools related to state school finance. Its FundEd interactive tool aggregates and standardizes information regarding each state's education funding laws.

Education Commission of the States
Education Commission of the States is a national education policy organization that tackles multiple topic areas, including finance. Its 50-State Comparison on K-12 Funding summarizes key choices states make.

Bellwether
Bellwether's Splitting the Bill series highlights many different states' approaches to school finance. For more detailed information about one state's path to finance reform, Bellwether released two reports on the Tennessee Investment in Student Achievement Act (TISA) (Disclosure).

EdTrust
EdTrust's State of Funding Equity Data Tool and other resources in its funding equity issue area provide foundational information and analyses to highlight funding gaps.

Develop and test policy solutions using data and research.

Policy designs can **move from ideas to durable proposals through data and visualization**. Coalitions should analyze the current state of school funding versus the change the coalition is considering:

- What is the fiscal impact of a formula design change at the state and local levels, and how does it compare with the status quo?

- How does the overall result align with your principles?

- How would funding shifts affect individual districts and how does that align with your principles?

- How feasible is the proposed change politically? Financially?

Resources: Data Tools

Advocates could use a number of data analysis and visualization tools to model potential changes to their school funding formula. These tools include Microsoft Excel and R.

Bellwether has trained more than 28 state advocates to use R to analyze their states' school funding system and model policy change.

For more information about Bellwether state education finance training sessions, including details on how to participate, click here.

Example: Modeling Funding Solutions to Improve Outcomes for ELs

Problem Statement

District leaders report that they do not have access to adequate resources to support ELs through the current flat weight per EL pupil.

Testing and Modeling

Advocates explored different funding outcomes at the district and state levels using different weights and tiering or escalation options.

Recommended Solution

Replace the flat weight with an escalating weight system for ELs that differentiates funding based on the concentration and needs of that student population.

State Single EL Weight Per-Pupil Funding By District

Formula Inputs

State Single EL Weight Per-Pupil Funding By District
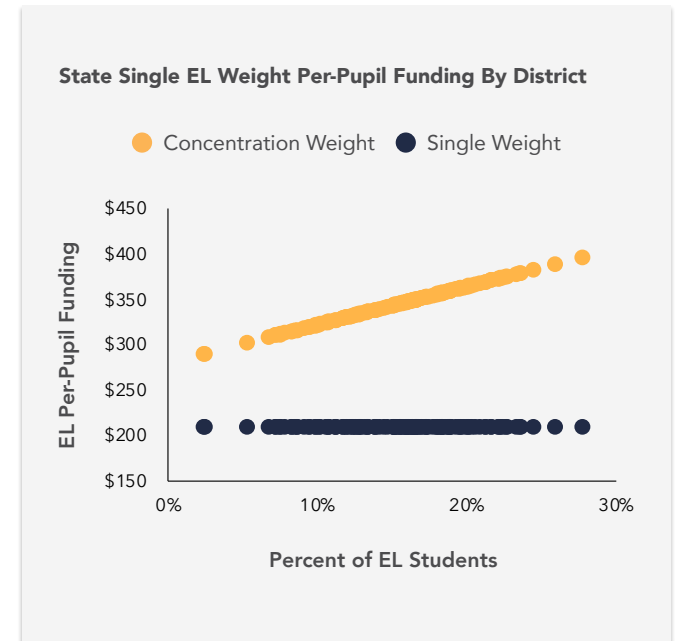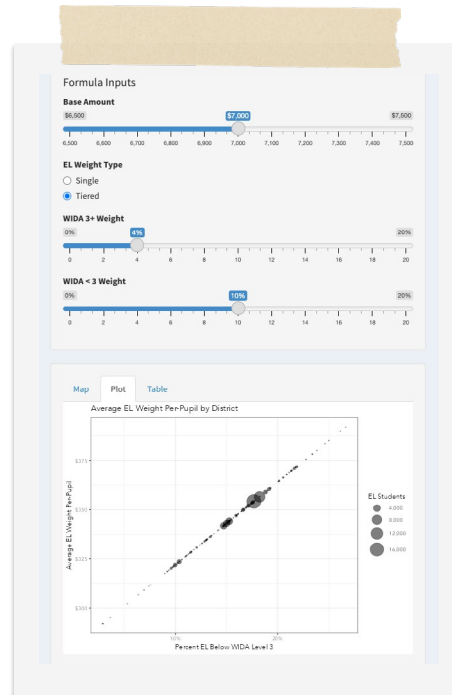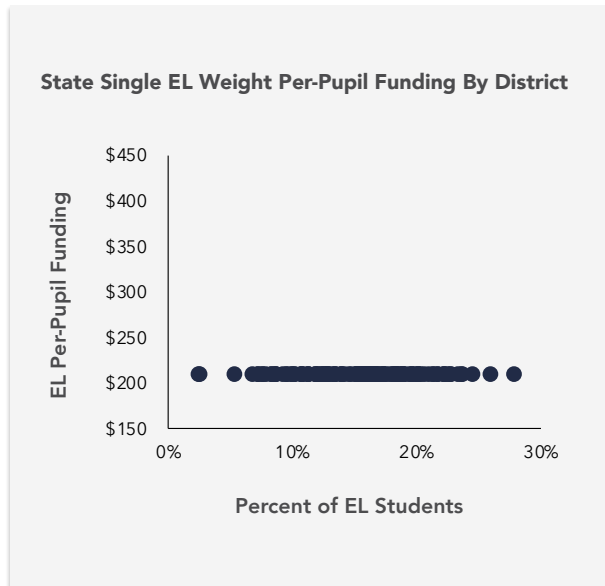
Develop and test policy solutions using data and research.

A key component of testing policy solutions is troubleshooting problems and anticipating barriers.

Common Problems

Different funding streams often make it difficult to get a complete picture of how state money flows.

A change in underlying assumptions, like enrollment projections, can impact funding outcomes.

Modeling might show that some districts would lose funding as part of a policy proposal, which could make the proposal politically unfeasible.

Potential Solutions

Look at state revenue as a whole and then by individual revenue streams to pinpoint where to make policy changes.

Align early on key assumptions and data choices, such as enrollment metrics, and, where possible, use projections to model future years' outcomes.

If additional funding is not feasible, are there any temporary hold harmless or transition assistance solutions that can be proposed to allow for an adjustment period?

Develop and test policy solutions using data and research.

Other considerations during the development and testing process include phase-in and spending restrictions.
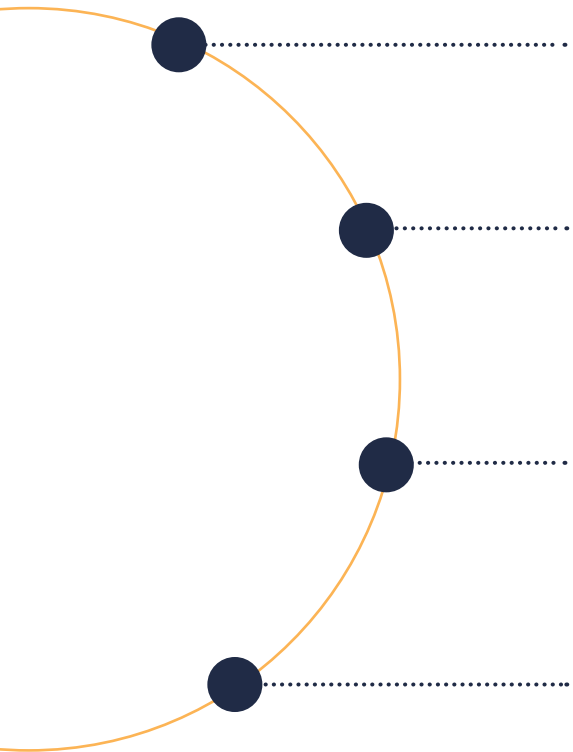
Do changes to specific funding streams affect other requirements?
For example, examine how changes in federal maintenance of effort policies impact special education funding.

Should high-priority targeted programs remain outside the formula for practical or programmatic reasons?
For example, should statewide early literacy campaigns or advanced CTE initiatives remain outside the funding formula?

Are the policy proposals sustainable given the state budget?
Examine the trends in overall state revenue, investment in K-12 education, enrollment projections, and outlook for revenue in the near future. For example, look at metrics that include state income tax revenue and sales tax data.

Is there enough buy-in and capacity from those responsible for implementation?
How might district leaders, school leaders, educators, chief financial officers, parents, and others react? How much authentic engagement can be a part of the beginning of the process to mitigate buy-in issues further down the road? What supports might those responsible for implementation require for success?

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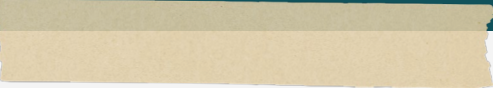
Phase 3: Transform Ideas Into Action

In this phase, a coalition should draft a final policy proposal and develop a unified message to build public support.

Multiple touch points should occur with legislators to help carry your proposal over the finish line. The focus should then shift to implementation.
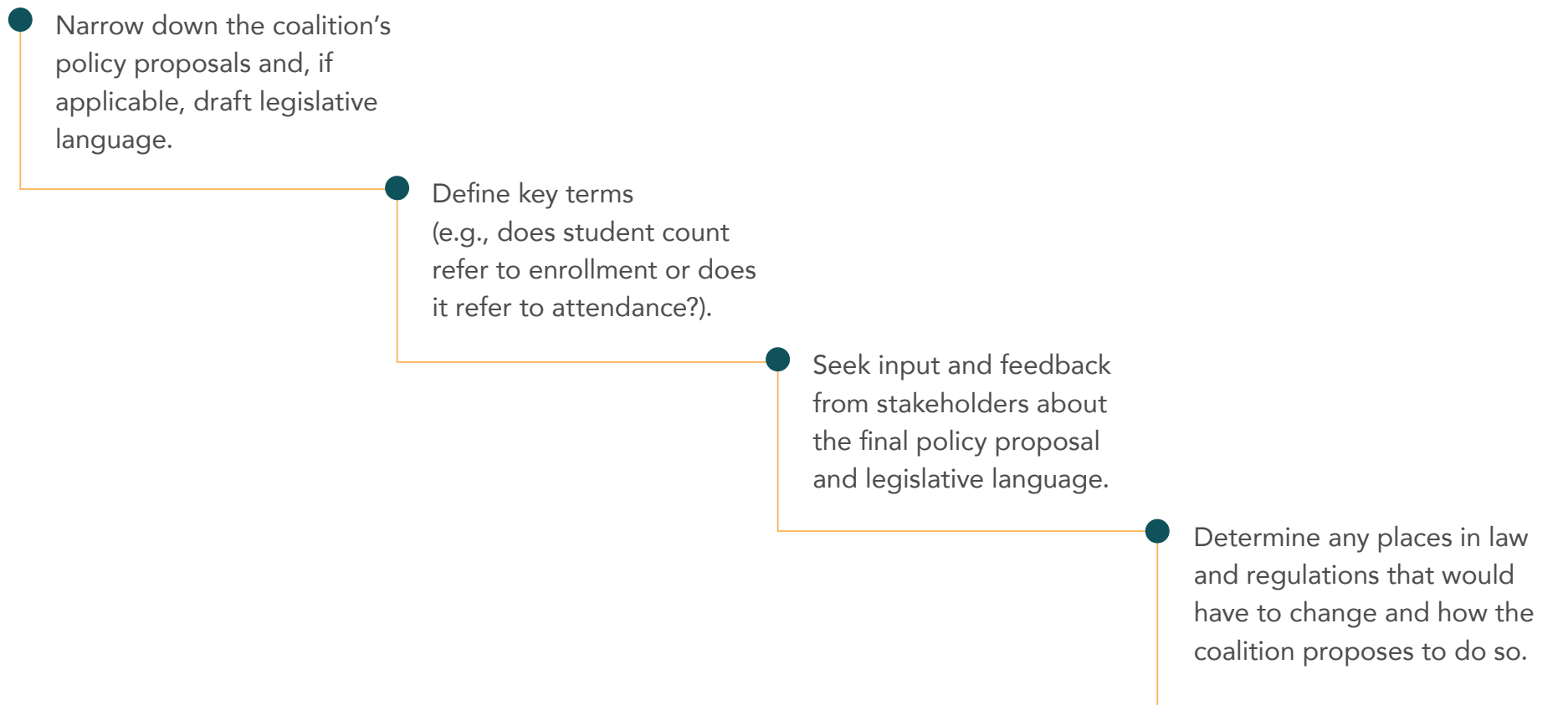
Key Takeaways

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- Advocates should align on a narrative (or a small set of narratives) to help push their proposal over the finish line and prepare to explain potential outcomes of the proposal, if enacted.

- Coalitions should be prepared to respond to potential policy changes that might be introduced during the political process. Coalitions should evaluate these potential changes through the lens of their guiding principles and the use of data modeling to test impact and enable negotiation, if needed.

- Once the policy proposal passes, the coalition should shift its focus to preparing for implementation of the policy change.

Draft a final policy proposal.

The policy proposal should be informed by data and research on the state funding formula and address gaps that were uncovered through data modeling.

Narrow down the coalition's policy proposals and, if applicable, draft legislative language.

Define key terms (e.g., does student count refer to enrollment or does it refer to attendance?).

Seek input and feedback from stakeholders about the final policy proposal and legislative language.

Determine any places in law and regulations that would have to change and how the coalition proposes to do so.

Align on the coalition's messaging and build support.

A policy proposal for school funding reform will be only as successful as its public messaging and support enable it to be.

- The coalition should develop a unified message on the policy proposal that anticipates and addresses implementation challenges.

- This message can be disseminated via news media and public relations through press releases, op-eds, social media campaigns, and/or town hall meetings.

State Spotlight: Building Political Support in Maryland

Maryland approved major education reform by way of the "Blueprint for Maryland's Future" in February 2021. The Blueprint included increased funding for schools and more resources for ELs and students in areas of concentrated poverty.

While not supported by then-Gov. Larry Hogan, the coalition behind The Blueprint had built enough support among key policymakers that the governor's veto of it was overridden by the state's General Assembly.

The coalition used both aligned messaging and strategic support-building to carry the proposed reform from a good idea to meaningful change.

Demonstrate and communicate potential outcomes.

Because policy — finance or not — can be complex, sometimes **the policy that wins is the one that is best explained**. Clear, data-backed communication is crucial in demonstrating the benefits and feasibility of proposed policy solutions.

- **Data visualization tools such as dynamic dashboards can illustrate the potential outcomes of proposed legislation.** These tools allow stakeholders to experiment with different conditions (e.g., weights or base costs) and see the projected impacts.

- The version of modeling you do internally to the coalition, to test options and develop solutions, is different from what you might communicate externally. Bellwether **does not** recommend that advocates share options that run counter to the coalition's principles and recommendations.
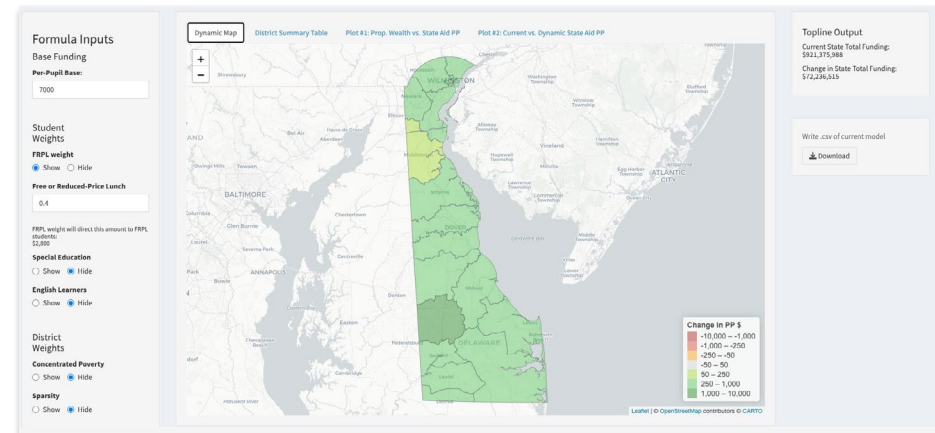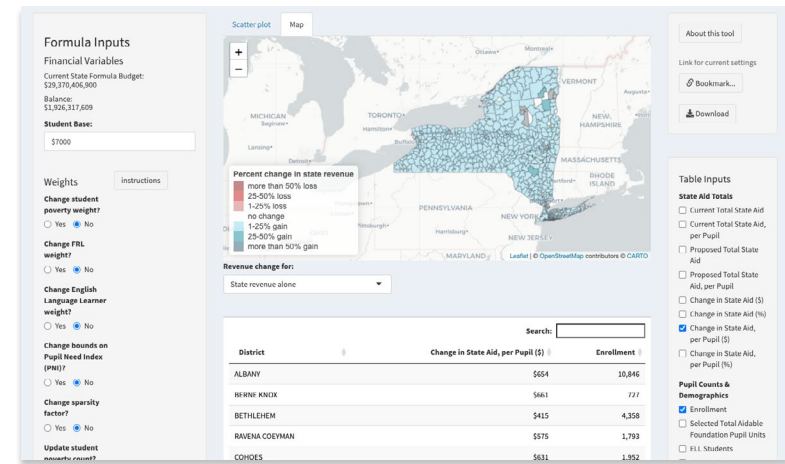
Adapt the proposal.

The coalition's original policy proposal likely will not be the final version, as input from legislators, policymakers, and the public will ultimately influence the final product.

- If the coalition is pursuing a legislative strategy, prepare for an intensive effort that may span multiple legislative sessions.

- Advocates should prepare responses to anticipated questions. The coalition must also respond promptly to policymakers' questions about its policy proposal, while still ensuring consistency with its guiding principles.

- The coalition should also be prepared to provide new modeling for any updates or counter policy proposals.

- Other forms of engagement include meeting with legislators, testifying at hearings, mobilizing supporters, and ad-hoc data modeling updates.

Prepare for implementation of the policy proposal.

As you work through details of your final policy proposal, **it is also important to consider the mechanics of how the proposal will be implemented.** Implementation elements to align on include:

- What regulations are necessary for successful implementation?

- What should the reporting requirements be? What other systems change may be required (e.g., data collection)?

- What supports will be needed for successful change management? Who will provide them?

- How will districts/state agencies be held accountable for successful implementation? What have other states learned in trying to implement their school funding reforms?

Case Study: Tennessee's TISA Act Implementation

Bellwether profiled the first year of implementation following the passage of TISA: "[I]n the first year of TISA's implementation, statewide leaders have developed extensive rules, explained the law to district leaders and stakeholders, and made the data and analysis shifts necessary to calculate the new funding amounts and distribute funds to school districts and charter schools. At the same time, some district and school leaders have voiced concerns over incomplete, insufficient, or delayed communication, which has created challenges for districts and charter schools as they have sought to adjust their budgeting and planning practices."

—AFTER THE POLICY WIN, BELLWETHER

After the Policy Win
First-Year Implementation of Tennessee's New School Funding Formula
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By Linea Harding and Carrie Hahnel
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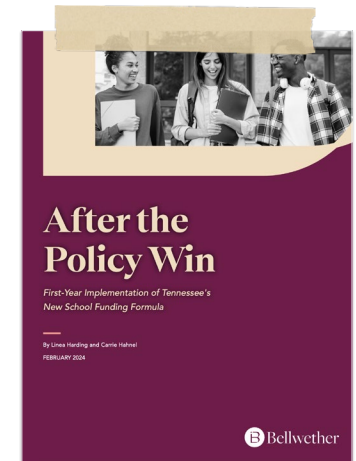
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Lessons for Policy Implementation

Each state's context is different; this framework from Bellwether's "After the Policy Win" provides insights that are more broadly applicable to education reform.

Implementation Phase	Key Lesson for States	Description
Formal Rulemaking	Consider the implications of each detail and ask for input.	Ensure expert involvement in policy development to comprehend and navigate the complexities of funding decisions and their impacts on district and charter school financing.
Changes to Data and Reporting Systems	Build data systems and guidance aligned with a new funding formula.	Update state and district data systems to reflect a new funding formula, providing clear and detailed guidance for stakeholders.
Capacity-Building for LEAs	Incentivize the adoption of student-centered budget and planning practices.	Encourage districts and LEAs to adopt student-centered financial planning to improve outcomes, using flexible funding to address the needs of the most disadvantaged students.
Accountability and Oversight	Streamline accountability processes and reporting to minimize the administrative burden while enabling transparency and data-driven decision-making.	Align new financial policies with existing reporting requirements to reduce redundancy and ensure a reporting system that is both practical and useful.
Continuous Improvement Efforts	Establish mechanisms for monitoring and evaluating whether funding policy is meeting its intended goals, and leverage stakeholder input to course correct.	Create annual monitoring processes with diverse stakeholder input to ensure funding policies meet their equity and improvement goals.

Successful state education finance reform coalitions must grapple with the specific policy drivers of funding inequity and build policy solutions that consider the impact of change from multiple perspectives.

MORE FROM BELLWETHER

Over the years, Bellwether has developed a robust portfolio of reports, playbooks, issue briefs, and commentary that address key issues within the broader field of state education finance policy. These resources offer valuable insights and serve as foundational tools for navigating complex policy landscapes. Below is a categorized list of links to some of Bellwether's K-12 finance resources.

School Finance Explainers	Splitting the Bill: A Bellwether Series on Education Finance Equity
State-Level Case Studies	From Antiquated to Equitable: How Tennessee Overhauled Its State School Funding Formula
	After the Policy Win: First-Year Implementation of Tennessee's New School Funding Formula
	What Michigan's New Concentrated Poverty Funding Can Teach Other States
Frameworks for State Education Finance Change	Making Change: A State Advocacy Playbook for Equitable Education Finance
	Lasting Change: A Policy Playbook for Improving State K-12 Finance Systems
State Education Finance Policy Solutions	Fortifying Funding: How States Can Strengthen Education Finance Systems for the Future
	Leveling the Landscape: An Analysis of K-12 Funding Inequities Within Metro Areas
	Balancing Act: How States Can Address Local Wealth Inequity in Education Finance
	Priced Out of Public Schools: District Lines, Housing Access, and Inequitable Educational Options

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About the Authors

BIKO McMILLAN

Biko McMillan is a policy analyst at Bellwether in the Policy and Evaluation practice area. He can be reached at **biko.mcmillan@bellwether.org**.

SOPHIE ZAMARRIPA

Sophie Zamarripa is a senior policy analyst at Bellwether in the Policy and Evaluation practice area. She can be reached at **sophie.zamarripa@bellwether.org**.

INDIRA DAMMU

Indira Dammu is an associate partner at Bellwether in the Policy and Evaluation practice area. She can be reached at **indira.dammu@bellwether.org**.

BONNIE O'KEEFE

Bonnie O'Keefe is a senior associate partner at Bellwether in the Policy and Evaluation practice area. She can be reached at **bonnie.okeefe@bellwether.org**.

About Bellwether

Bellwether is a national nonprofit that exists to transform education to ensure systemically marginalized young people achieve outcomes that lead to fulfilling lives and flourishing communities. Founded in 2010, we work hand in hand with education leaders and organizations to accelerate their impact, inform and influence policy and program design, and share what we learn along the way. For more, visit **bellwether.org**.

DISCLOSURE

Bellwether works with organizations and leaders who share our viewpoint-diverse commitment to improving education and advancing equity for all young people — regardless of identity, circumstance, or background. As part of our commitment to transparency, a list of Bellwether clients and funders since our founding in 2010 is publicly available on our website. An organization's name appearing on our list of clients and funders does not imply any endorsement of or by Bellwether.

Separate from the creation of this toolkit, Bellwether provided advice and assistance to the TDOE related to the performance-based public hearing process allowed under TISA. Bellwether also served as a technical adviser to the TDOE in 2022, providing data modeling support to the department during legislative deliberations that led to TISA.

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