



HAWAI'I EDUCATIONAL POLICY CENTER
Informing the Education Community

Perspectives #15

Small is Beautiful—Except in Schools

May 24, 2006

Ruth Tschumy

Small is beautiful—except in schools. Is this the message of the weighted student formula, a new method for allocating resources to schools?

Generally speaking, WSF allocates resources to schools in dollars rather than staff positions. This means schools can make their own decisions about how resources should be spent. Schools receive a base amount of funding for each student and additional funding (weights) for students who require more resources to educate, such as non-English speaking students. Students who transfer from one school to another take their base funding and weights with them. So schools losing students must get better or face loss of funds and deserted classrooms.

Act 51, the Reinventing Education Act of 2004, mandated the formation of a Committee on Weights (COW) to work out the formula details. This included creating a list of student characteristics to be weighted and determining which money should be included in the amount of funds to be allocated through WSF.

A committee of over 40 members struggled with this charge, and in January, 2005 made its recommendations to the Board of Education.

But concerns were growing and boiled over when it became apparent smaller schools would lose, in some cases, hundreds of thousands of dollars. Since the DOE maintains that all schools are under-funded, many questioned a plan that would take money from almost half of all public schools in Hawaii.

In October, 2005 the Board of Education voted to limit the dollar gain or loss schools will experience under WSF to just 10% in 2006-07¹. Identifying WSF as one of its top priorities, the BOE hired a third party to evaluate WSF, including looking at what is weighted and how other school districts such as San Francisco and Houston have formulated, implemented and employ WSF.

WSF and Small Schools

Why will small schools lose so much money when WSF is fully phased in? The explanation given is that Act 51 is all about school equity and small schools are currently “more-funded” based on per pupil expenditure than large schools.²

Let’s look carefully at these premises. Act 51 seeks to ensure that “moneys go to the schools that truly have the greatest need” based on student characteristics and “to place more moneys at the discretion of individual schools.”

The kind of equity Act 51 talks about is “a system of weights based upon student characteristics,” a system that acknowledges some students require more resources to education than others. Schools with higher percentages of these students should receive more funding than schools with lower percentages.

There is a difference between equity based on student characteristics and equity based on per pupil expenditure. One establishes equity by acknowledging differences. The other establishes equity by denying differences.³

Small school advocates point out per pupil funding is not a fair measure because small schools have greater fixed costs. Simply put, school A has an enrollment of 218 and school B has an enrollment of 401. Both have principals. If the principal’s salary is divided by the total number of enrolled students, pupils at school A receive more money (per pupil expenditure) than students at school B.

Staffing at Small Schools

Those who see WSF as an instrument for equalizing the per pupil expenditure among schools point out that all schools have about the same student/teacher ratio, but small schools have significantly higher numbers of other staff such as (according to Randy Moore, acting DOE Assistant Superintendent for Business Services) “office personnel (including the principals and vice principal, if any), custodial staff, counselors, librarians, student service coordinators, cafeteria staff, and educational assistants.”

How did this come about? Moore says, “The Department has historically used staffing ratios to allocate [non-teaching] positions to schools. Typically there is a position for each function. The main reason why small schools currently receive so much more per student than large schools is that when the staffing ratio calls for fewer than 1.0 positions, the allocation is rounded up to 1.0. For a small school, staffing ratios will typically provide for less than 1.0 positions for a number of the functions. When eight different positions are rounded up to 1, the resulting staff is large relative to enrollment.”

Essential Administrative Personnel

If there are essential administrative positions all schools must fill, this would constitute a fixed cost for schools, large or small. Previously, the DOE defined the essential administrative personnel at a school as a principal (and depending on size, a vice-principal), a school

administrative service coordinator (SASA), a registrar (at middle and high schools) and a student services coordinator (SSC). Now, Moore suggests as long as all functions at a school are attended to, the only required position is a part time SSC. Since Act 51 is all about empowering principals, the suggestion that principals are not required seems counter-productive.

From the DOE's perspective, a non-WSF allocation system equitably serves students relative to teaching staff but is unfair to students in large schools relative to non-teaching services. Moore says, "A student at Maunaloa Elementary shares a counselor with 56 other students. A student at Keonepoko Elem shares a counselor with 307 other students. Is this fair? A student at Kilohana Elem shares a librarian with 97 other students. A student at Nanaikapono Elem shares a librarian with 963 other students. Is this fair? Our current [non WSF] staffing allocations shortchange students in large schools."

Committee on Weights II

In March, 2006, a slimmed down 14-member COW II committee began work on (1) reviewing (and changing, if needed) the current formulation and weights, and, (2) along with the DOE, looking at the unintended consequences of WSF and its impact on schools losing funding, and (3) deciding which programs are in or not in the WSF pot of money over which principals will have discretionary control.

The committee is considering weights for students in PSAP (Primary Student Adjustment Program) and CSAP (Comprehensive Student Alienation Program for secondary school students). Both focus on helping at risk students become successful in school. These would be in addition to weights for economically disadvantaged, ELL (English as second language learners) and transient students. A weight for SPED students was not included by the first committee because SPED funding is already being distributed via a weighted formula in response to Felix.

In addition, the committee is considering foundation funding for all schools to cover the average costs of essential positions/operations. The downside is there will be fewer dollars (about 20-25% less) in the WSF pot over which schools will have discretionary control if foundation funding is provided to schools.

Can the Dilemma be Resolved?

Wherein lies equity? Do we want 97 students at one school to do without a librarian so 963 at another school have better access? What's fair to one seems unfair to the other. Perhaps equity means all schools should have funds for the essential positions needed for the basic operations of the school.

Is the DOE using WSF to restore equity by forcing the shift of non-teaching personnel from small schools to larger schools? Aren't these differences the result of the DOE's use over the years of formula funding to allocate resources? That is to say, when programs or categorical positions were doled out by the state DOE, usually each public school received a position. Should students attending small neighborhood schools be denied programs because of the size of their school?

Moore maintains “it is very challenging for people used to thinking about essential positions to frame the discussion as essential functions and how to cost effectively perform these functions.” To him, it’s not about doing away with librarians or counselors. “Smaller schools need to continue providing non-instructional services to students, but they need to do it differently.” Yet, a number of schools losing funds have decided to eliminate a librarian position or a counselor position, or both. Will these functions still be provided by schools eliminating the positions? Should the DOE require these schools to detail how this will happen?

Is the elimination of small schools a subtext of Act 51? Act 51 acknowledges the importance of small schools by saying, “research shows that student performance is significantly higher at smaller schools.” An Act 51 FAQ issued by the DOE in August, 2005 says:

“Q. What is the DOE’s long-term plan for the existence of small schools?

A. The long-term plan for providing educational opportunities for students currently attending small schools is a policy decision ultimately addressed by the Hawaii Board of Education. The annual review of WSF required by Act 51 will place the increased costs associated with very small schools before the Board.”

For more information including dates, times, and locations of COW II meetings, a roster of committee members, agenda and minutes go to <http://doe.k12.hi.us>; then click on Committee on Weights under “Quick Links” (bottom right).

¹ SB3195 SD 2 HD2 CD1 provides \$20 million in 2006-07 to assist schools transitioning to WSF. It provides a uniform amount of foundation funds to all school depending on school level: \$63,000 for elementary schools; \$84,350 for middle; \$126,580 for high schools; \$147,680 for combination K-12 schools; and \$105,476 for each combination elementary and middle school.

² The DOE says, “generally it is schools with large non-teaching staffs relative to the number of students that will lose funds.” How did this come about? The DOE cites 3 reasons: historical precedents in resource levels for particular schools, bidding and bargaining by more entrepreneurial school heads on behalf of their own schools, and personal opinions.

³ An adjustment (calculated at about \$330 per pupil) for small schools (enrollment under 401) will barely or may not even cover the cost of one staff position (calculated at \$68,000 for salary and fringes).

⁴ Moore suggests that principal sharing by small schools is just one of several options. Other possibilities for small schools include “having a lead teacher rather than a principal or have a teaching principal.”