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## Funding Formula Implementation Profile: Denver Public Schools

### Interviewee Information:

Charles Carpenter, Executive Director in Finance Office

**Background:** District-run schools are allocated funds for each student based on a weighted student formula called the “Student-Based Budget” (SBB). SBB provides a base per-pupil funding amount for all students and then additional weights based on student demographics, such as English language learners, students in poverty, and students designated as gifted and talented. School leadership teams determine how to spend their funds to best meet their students’ educational needs by developing unique academic programs and staffing plans. Funds are sourced from the Denver Public Schools (DPS) general fund, federal and state grants, Colorado Preschool Program grants, and mill levy funds.

The SBB was first implemented in the 2008–2009 school year. Each year, DPS works to improve the formula with the help of informal advice from principal focus groups, although it has largely remained the same. Prior to 2008–09, DPS used a Resource FTE staffing model, which increased funding in steps in accordance with how many full classrooms of students there were in each school.

**Intent:** The primary goal of the SBB was to increase autonomy for school principals, eliminate the rigid financial cliffs with the Resource FTE model, and align the resources provided to the school with the way in which the funding is distributed from the state. This new model increased the fiscal responsibilities of school leaders, increased the financial significance of each student who joins a school community, and increased flexibility in staffing for schools.

Overtime, the SBB allowed for more equitable distributions of funds as well. During the first three years of implementation, there was a hold harmless provision for small schools, which was eventually phased out. Initially, the change in funding structure was difficult for schools, as only a small fraction of the total budget was new money infused into the system. However, as new money became available, the SBB allowed DPS to direct new funds to specific categories of students most in need by increasing specific weights.

**Support and Training for School Leaders:** To aid in the transition and support principals with their new budget autonomy, the DPS budget office increased the number of financial analysts and ensured that each analyst had a caseload of about 20 principals to whom they would give direct support. Additionally, DPS held many trainings and in-person events to support school staff to make the transition. These included opportunities to highlight ways in which principal colleagues were spending innovatively. Budget analysts continue to support principals through the budgeting process and in analyzing expenditures, with specific support given to those who spend the most and the least of their allocated funds within the district each year.

**Reporting:** Each principal works with their senior financial analyst from the district to complete budget forms in Excel worksheets each January based on projected enrollments. The principal can then update those numbers throughout the spring as they see fit. They then resubmit the budgets in accordance with the actual student count in September.

Schools continually update their expenditure data through a financial ledger and human resources system, known as Infor Lawson®, and the district collects a monthly report on these data. Procurement flows through



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the Lawson system and connects with Infor for staffing data. Expenditures are coded according to the state's very specific chart of accounts. The district requires a line item for every staff member and general categories of supplies and other expenses. The Infor Lawson system has internal controls that validate the data as it is submitted. Final expenditure reports are due to DPS in June.

**Monitoring:** While DPS collects budget and expenditure data, there is no consequence if the expenditures in one category exceed the budgeted amount, as long as the total budget is not exceeded. Further, DPS does not prescribe how funds are used once they are allocated to the school. In other words, there are no "categoricals," and no funding — whether it is from a weight or the base — retains its identity once it reaches the schoolhouse. However, schools are required to adhere to minimum staffing requirements for specific services such as mental health, special education, art, physical education, and concurrent enrollment. Additionally, Denver has a 10% cap on the amount of funds that schools can retain in the subsequent year if all funding is not used.

DPS publishes per-pupil expenditure data for each school annually, with detail about expenditures per category of student and central administrative costs per student. Allocation breakdowns are also published annually.

**Measuring Success:** While DPS does not study how student outcomes may or may not be directly correlated with funding allocations, there are some indications that the SBB strategy has had the desired effect. Differentiated staffing models demonstrate that principals are utilizing the autonomy inherent in SBB. There is anecdotal evidence that principals are honoring each student more equally and creating a more welcoming environment — mostly seen through recruitment and retention efforts in a district with city-wide school choice. Lastly, schools with the highest concentration of poverty (80–100%) are receiving 50% more funding per pupil than schools with the lowest concentration of poverty (1–20%).

**Lessons Learned/Advice:** Autonomy is not an end in and of itself in Denver. School-level autonomy is a strategy combined with other strategies to produce desired outcomes. While the majority of principals like the increase in control, they also have had to gain more skill and take more time to manage their finances and to communicate their financial and programmatic choices to the public. DPS has learned that they need to support schools with both the logistics of financial control and communication strategies.

Further, some in the district argue that the SBB system is too complicated and that principals are not trained or have capacity to take on this type of financial oversight. For this reason, DPS believes it is imperative to have enough district-level capacity to provide the necessary training and supports for school leaders to be successful under a new funding mechanism.

Finally, DPS recommends considering desired changes to student outcomes in determining how to deploy newly available education resources or making any changes to existing funding formulas.



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Appendix: School Budgets Report Sample (<https://drive.google.com/file/d/14rpLA0WwUFpqaHA0okKxhjJpGNURZoVXT/view>)

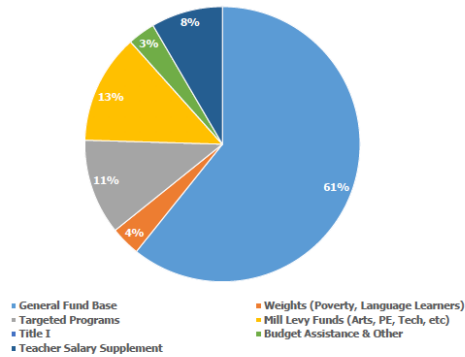
ASBURY ELEMENTARY				ADOPTED BUDGET FOR 2019-20 SCHOOL YEAR			
Projected 2019-20 ECE-12 Enrollment	335	2019-20 Proj FRL %	26%	Principal	Alicia FaJohn	Regional Instr Supt	Sean Precious
School Year 2018-19 ECE-12 Enrollment	336	2019-20 Proj ELL %	< 5%	School Type	K - Grade 5	Board Region	1 - Southeast
RESOURCES INCLUDE GENERAL FUND, MILL LEVY, & TITLE I. EXCLUDES OTHER FEDERAL FUNDING, GRANTS, PHILANTHROPIC FUNDS & DONATIONS.							

TABLE #1: Budget Managed By The School	2019-20 School Resources	2019-20 Per Pupil	% Per Student
General Fund (Includes Per Pupil Base and all other allocations not broken out below)	\$ 1,539,814	\$ 4,596	39%
Poverty (FRL & Direct Certification Funding)	\$ 48,656	\$ 145	1%
Language Learner (Includes Newcomer Centers)	\$ 39,567	\$ 118	1%
Targeted Programs (ECE, Center Programs, CTE, Military, 2ndary Programs, Pathways)	\$ 284,827	\$ 850	7%
Mill Levy Funds (Whole Child, TLC, Early Lit, Tutoring, Arts, PE, Tech, Textbks, Dual Enroll)	\$ 326,914	\$ 976	8%
Title I	\$ -	\$ -	0%
Tiered Support (includes PITA and Dean of Instruction funding, if any)	\$ -	\$ -	0%
Budget Assistance	\$ 30,000	\$ 90	1%
Other (Start Up, Reserve, Carry Forward, etc)	\$ 51,443	\$ 154	1%
Supplemental Funding to Support Negotiated Teacher Salaries	\$ 213,345	\$ 637	5%
<b>Total</b>	<b>\$ 2,534,565</b>	<b>\$ 7,566</b>	<b>65%</b>

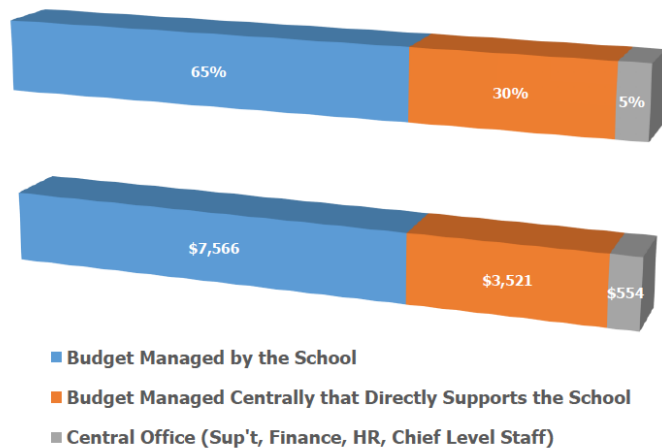
TABLE #2: Budget Managed Centrally	2019-20 School Resources Held Centrally	2019-20 Per Pupil	% Per Student
Operations (Facilities, Custodial, Transportation, Tech Netwk, Safety & Security, Risk Mgt)	\$ 135,191,619	\$ 1,898	16%
School Support (ELA, ECE, Stud Serv, Textbooks & Curric, College Readiness, Teacher Leaves)	\$ 115,677,403	\$ 1,624	14%
Headquarters/Central (Superintendent, Finance, Legal, HR Admin, Planning & Analysis)	\$ 39,500,794	\$ 554	5%
<b>Total</b>	<b>\$ 290,369,816</b>	<b>\$ 4,076</b>	<b>35%</b>

TOTAL PER PUPIL RESOURCES (INCLUDING CENTRAL OFFICE)	\$ 11,642	100%
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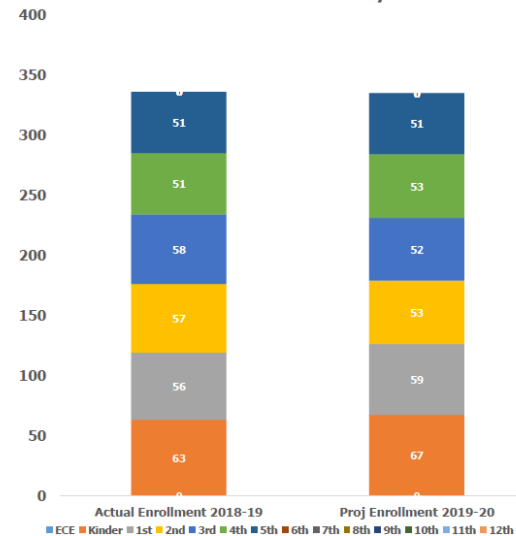
Principal Managed Resources by Funding Source



Per Student Resources



Year Over Year Enrollment by Grade



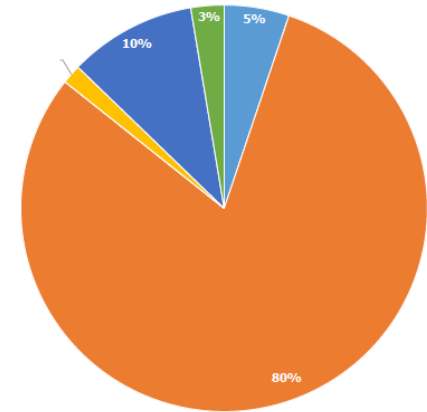


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	2018-19	2019-20	Year Over Year Change	2019-20 Per Pupil	% of Total	FTE
School Leadership	\$ 126,906	\$ 128,404	\$ 1,498	\$ 383	5%	1.0
Licensed Teachers & Staff	\$ 1,687,788	\$ 1,999,361	\$ 311,573	\$ 5,968	79%	23.4
Pro-Tech Positions (includes custodial)	\$ -	\$ -	\$ -	\$ -	0%	-
Clerical Positions	\$ 83,115	\$ 38,039	\$ (45,076)	\$ 114	2%	1.0
Paraprofessionals	\$ 240,411	\$ 251,996	\$ 11,585	\$ 752	10%	7.9
Supplies, Materials, Non-Personnel	\$ 98,153	\$ 65,324	\$ (32,829)	\$ 195	3%	-
Misc (Dean of Instruction, PITA, & Carry Forward)	\$ 77,681	\$ 51,443	\$ (26,238)	\$ 154	2%	-
<b>Total</b>	<b>\$ 2,314,054</b>	<b>\$ 2,534,567</b>	<b>\$ 220,513</b>	<b>\$ 7,566</b>	<b>100%</b>	<b>33.3</b>

2019-20 School Expenses by Category



- School Leadership
- Licensed Teachers & Staff
- Pro-Tech Positions (includes custodial)
- Clerical Positions
- Paraprofessionals
- Supplies, Materials, Non-Personnel

	2018-19	2019-20	Year Over Year Change	2019-20 Total FTE	2019-20 FTE Total Cost
Art	\$ 109,515	\$ 126,286	\$ 16,771	1.5	\$ -
PE	\$ 73,119	\$ 84,302	\$ 11,183	1.0	\$ 82,627
Technology	\$ 81,479	\$ 82,627	\$ 1,148	1.0	\$ 82,627
Tutoring	\$ 107,219	\$ 123,941	\$ 16,722	1.5	\$ 123,941
Whole Child	\$ 106,085	\$ 131,212	\$ 25,127	1.4	\$ 131,212
Concurrent Enrollment & SEI (High Schools only)	\$ -	\$ -	\$ -	-	\$ -
Early Literacy	\$ 9,129	\$ 10,042	\$ 913	-	\$ -
Textbooks	\$ 3,280	\$ 3,350	\$ 70	-	\$ -
<b>Total</b>	<b>\$ 489,826</b>	<b>\$ 561,760</b>	<b>\$ 71,934</b>	<b>6.4</b>	<b>\$ 420,407</b>

\*Expenses in Table 5 are part of the total in Table 4, but called out separately to demonstrate school resources in Mill Levy programs

	ECE-12 Enrollment	Principal Managed Budget	FRL %	Per Student
<b>DPS Average (Excludes Pathways)</b>	<b>68,113</b>	<b>\$ 565,976,996</b>	<b>61%</b>	<b>\$ 8,309</b>
Asbury Elementary	335	\$ 2,534,565	26%	\$ 7,566
DC-21 (Wyman) (Pathways)	213	\$ 3,278,995	81%	\$ 15,394
DCIS Ford	470	\$ 4,515,783	95%	\$ 9,608
Holm	475	\$ 3,962,980	82%	\$ 8,343
Lena Archuleta Elementary	500	\$ 3,965,232	82%	\$ 7,930
Samuels	485	\$ 3,840,816	76%	\$ 7,919

Principal Managed Funding Per Student

