

Weighted Student Funding

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Weighted student funding (WSF) systems have been implemented in various countries to give schools more autonomy over how to allocate their funding. School principals use funding to maintain school operations and foster innovation for achieving educational goals.

Keywords: weighted student funding ; school financial management ; school innovations ; School budgeting

1. Introduction

The function of schools is to enhance teaching efficiency to improve student learning outcomes while meeting the evolving needs of society ^{[1][2][3]}. By introducing innovation in teaching and learning, schools can improve student outcomes, leading to better-prepared graduates while positively impacting society ^[4]. Nonetheless, spurring innovation requires adequate funding, which is often lacking in weighted student funding (WSF). In most countries, schools primarily rely on their WSF to maintain school operations and promote innovation, while generally being required to use all allocated funds within the school year ^[5]. Despite significant financial investments by governments, WSF is often insufficient. High staffing costs burden schools as they must maintain a certain teacher-to-student ratio, leaving little money from WSF for small-scale initiatives ^[6]. This has restricted the ongoing enhancement of schools. Therefore, in the case of WSF, effective school financial resource management is critical to allocate limited resources from public budgets efficiently to support the sustainability of school innovations ^[7]. Over the past two decades, there has been a growing recognition of the important role played by school principals in ensuring the effective use of WSF ^{[8][9]}. Despite this recognition, few studies, if any, have explored the efficacy of the specific strategies employed by principals to leverage WSF to benefit school operations and increase innovation ^{[10][11][12]}.

2. Weighted Student Funding

2.1. Weighted Student Funding (WSF)

WSF is a school funding model that allocates funds based on the individual needs of each student. A fixed amount of money from the government is allocated for each student, with additional funds for those requiring extra support, including students with special needs, second-language learners, or those from low-income families ^[5]. All unspent school funds are returned to the government treasury (call-back), although most schools tend to use the funds carefully at the beginning of the year and spend any remaining money at the end of the year ^[13]. The WSF system is prevalent in countries with decentralized education systems, such as the United States and the Netherlands, which grant schools more autonomy ^{[14][15]}. Although the WSF mechanism can vary, depending on the country, a shared objective of allocating financing based on student needs is typically employed ^{[14][16]}.

WSF plays a pivotal role in ensuring the sustainability of school operations and fostering continuous improvement. Its implementation is primarily directed toward two significant areas: sustaining daily school operations and fostering innovation. Schools utilize their WSF to distribute resources across various day-to-day operations, including but not limited to staff salaries, materials, technology, professional development, and other programs and services ^{[6][17]}. Schools also use their WSF to encourage innovation and enhance their teaching and learning approaches in response to the evolving educational environment ^{[14][18]}. However, for schools to successfully facilitate innovative teaching and learning practices, additional funding beyond WSF must be sought for teacher training, staff relief, and upgrading facilities, among others ^[14]. Thus, to secure funding for innovative practices, schools often submit proposals to donors or government agencies that are aligned with the nature of the innovation in question ^{[18][19]}. This type of funding, however, lacks flexibility, particularly when it comes to the granularity of each expenditure, which often forces schools to craft initiatives that match the criteria and preferences set by the funding source, rather than meet the needs of their students ^[19]. Given the constraints of securing extra funding, schools must monitor their budgets effectively to support and sustain teaching and learning initiatives ^[20].

2.2. The WSF Mechanism within Schools

McKinney and Yizengaw & Agegnehu ^{[21][22]} suggest that managing financial resource mechanisms in schools involves five iterative steps that school principals should use to sustain innovations that align with their goals.

First, budget preparation requires the establishment of well-defined goals and desired outcomes, particularly concerning advocating initiatives ^[21]. To achieve this requirement, the goals must be identified and the necessary funding provided to attain them, leading to the development of a long-term investment plan for deploying resources. School leaders should allocate funding according to their needs, aligning with their overall desired outcomes ^{[23][24]}.

Second, setting objectives for operational units is an essential component of budget preparation ^[21]. Within this process, each department and working committee should identify specific goals that align with the school's overall objectives ^[22]. The responsibility of establishing these objectives is typically given to unit leaders, who play a critical role in ensuring that each department contributes toward achieving the school's desired outcomes ^[19].

Third, proposing operational budgets involves the translation of goals and objectives into implementation plans for operational units. These plans are then used to justify financial resource allocation ^{[22][23]}. Within a proposed budget, each plan should have detailed cost estimates, allowing school leaders to make informed decisions about how to allocate their funds ^{[23][25]}.

Fourth, preparing a budget in educational institutions involves determining priorities ^[21], wherein school leaders are required to rank budgeted items based on their potential impact on the development of the school and their cost-effectiveness ^[25]. This necessitates ranking each item, based on its ability to achieve the school's goals and objectives ^[22]. The organization can then allocate more funding toward high-priority items while reducing funding for lower-priority ones.

Finally, establishing a monitoring and evaluating system is crucial for making informed decisions based on data ^[21]. A possible monitoring and evaluating system could include collecting data on attendance rates, analyzing trends and patterns, and using this information to make informed decisions regarding program adjustments or resource allocation ^[15]. By regularly monitoring and evaluating the effectiveness of programs or initiatives, schools can ensure that their limited financial resources are being used effectively to achieve their desired outcomes.

2.3. Challenges for WSF

Theoretically, by using these five iterative steps of financial resource management, which are commonly employed globally ^{[14][15]}, schools can support initiatives for sustaining improvement within schools. Nevertheless, in practice, there are many impediments to the effective application of WSF that hamper school innovation ^{[14][16]}.

2.3.1. Policy Discontinuity

Within the WSF system, potential changes in national policy ^{[26][27]} and high staffing costs ^[6] may inhibit long-term planning and investment in innovation. At the national level, educational reform is often subject to fads and short-term trends ^[26], forcing school leaders to allocate resources to initiatives that are either temporarily popular or have public support ^[28]. The lack of a national education policy can also interfere with sustainable school innovation ^[27]. At the individual school level, the disproportionately high expenditure of WSF funds on staffing costs has hindered the decision-makers' ability to consistently allocate sufficient resources to new initiatives ^[6]. Therefore, insufficient funds can reduce a school's capacity to continue supporting formerly successful initiatives or policies over time, especially as new initiatives emerge ^[29].

2.3.2. The Culture of Using All Available Funds

School budgets are often estimated and planned based on projections that may not align with a school's actual expenses or needs ^[30]. This misalignment can lead to underspending or unused resources at the end of an academic year. Since the WSF claw-back system often motivates schools to spend all available funds before the end of the fiscal year to avoid losing their funding, schools may spend imprudently without proper planning, hindering long-term development ^{[13][31]}.

2.3.3. Prioritizing Short-Term Objectives

Innovation often requires that several staff members establish a foundation, e.g., acquiring teaching materials or fostering school-community partnerships ^{[32][33]}. As funding is limited, schools tend to reward emergent teaching and learning needs that align with departmental and school goals ^{[13][31]}. Thus, they may be left with only small budgets for the subject heads

to pilot initiatives [17]. Insufficient funds for launching initiatives also make it challenging for subject heads to execute long-term projects. This can impede the ability of schools to sustain long-term improvements in student outcomes and can also limit schools from undertaking innovative initiatives that contribute to continuous improvement over time.

2.4. The Principals—The Key Decision-Makers of WSF

In the school context, it is important to recognize the importance of balancing pedagogical needs with fiscal realities, while ensuring efficient resource utilization, and acknowledge that the establishment of pedagogical standards inherently necessitates consideration of the associated resource requirements and leadership implications [34]. School principals are the key decision-makers regarding funding allocation; i.e., they decide how to allocate funds and oversee their implementation, while ensuring that the funded projects align with school goals [12]. They are also accountable and responsible for their decisions [8][9]. For example, they provide a supportive environment by funding training, facilities, and teaching resources, thereby sustaining daily operations and fostering innovation [10][11][12].

Studies have noted that various leadership styles can result in different priorities in financial decision-making. For example, research has shown that instructional school leaders can efficiently deploy financial resources to improve a teacher's performance [11]. Similarly, a study on transformational leadership found that transformational school leaders utilize financial resources to support teachers' professional development, enabling them to understand new initiatives that will cultivate positive feelings among teachers about supporting school improvement efforts [10]. Transactional school leaders may use financial resources to provide rewards or incentives to comply with their directives [12].

Recent studies have highlighted that school principals who embody entrepreneurial leadership are particularly adept at utilizing financial resources [34][35]. These leaders leverage their creativity and competencies to generate new value from existing resources, including financial ones [34]. They can bring together disparate resources within their institution and catalyze them in beneficial and innovative ways [35]. The impact of this entrepreneurial approach is profound, leading to the more efficient use of school funds, fostering a conducive learning environment, and driving positive changes within their schools' internal and external environments [34]. This effective resource management enhances the financial sustainability of schools and contributes to their overall educational value and success.

As part of the important role played by school principals, financial decision-making not only pertains to devising optimal budgeting strategies but also to managing the stakeholders involved in the process [8][9]. For instance, to prioritize innovation, principals need to allocate more funding and establish resource allocation committees; however, any reallocation of funds may cause teacher dissatisfaction and undermine the program's success [36][37]. Teachers may raise concerns about prioritizing initiatives if they feel that their own interests are diminished [38]. Thus, schools must sometimes bear the risk of staff morale challenges when sustaining innovative programs [36][37][38][39].

Drawing insights from the existing literature on principal leadership, it is evident that principals play a critical role in leveraging support for school operations and innovation (see **Figure 1**). With the allocation of WSF to schools, an iterative process of financial resource management begins. This process is important for deciding how to maintain school operations and sustain innovation. During this process, the principal and teachers-in-charge are key decision-makers. Principals, in particular, wield considerable influence over teachers' perceptions regarding resource allocation. However, studies have tended to overlook how principals make financial resource decisions and tackle the challenges associated with WSF, particularly its impact on the sustainability of school operations and innovation. Therefore, further investigation is warranted to unravel the intricate interplay between principals' perceptions of WSF and the strategies that they employ to promote sustainability in school operations and innovation.

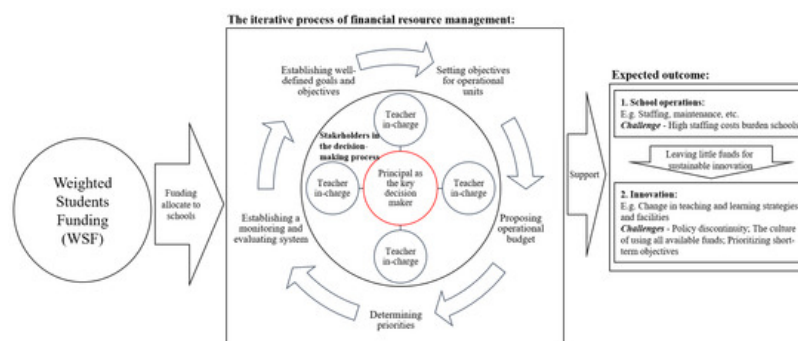


Figure 1. A synthesis of the literature as a conceptual framework, leading to the research methodology.

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