BROOKINGS

RESEARCH

School boards should focus budget deliberations on student outcomes, financial sustainability

Marguerite Roza, Margaret Green, and Laura Anderson

March 10, 2025

- Without any pandemic stimulus funds, school boards will be engaged in one of the most challenging budget planning cycles this spring, with major consequences for students.
- New research findings show that most school board trustees do not actively engage in public deliberations about budgets, and most budget items are approved with little public discussion or consideration of alternatives.
- Whether school boards recognize it or not, the budget is a set of choices about how to deploy the district's resources and thus should be central to any strategy for learning.

As school districts enter one of their most challenging budget cycles in recent memory, all eyes should be on school boards. That's because the nation's roughly 13,000 local school boards are the ones who generally own the fiduciary responsibility for spending $700 billion in K-12 public education funds. They're the ones who sign their names to decisions about what to prioritize when funds are tight, and ultimately where to cut and what to spare.

Yet, findings from our research suggest most school board trustees are simply going through the motions when it comes to budget deliberations. They're effectively approving enormously consequential decisions about how to deploy their district's mega-budgets with limited public discussion of the alternatives. Rarely do trustees discuss long-term impacts to their districts' financial sustainability or to their primary mission of ensuring students learn to read and do math. We conclude that modest policy changes at the state and local level could go a long way toward ensuring that school boards are ready and able to perform these roles with fidelity.

Observations of recorded budget workshops provide a window into financial deliberations

Decisions on how to spend each school district's funds take place each year as part of the budget process ↗. During the winter and spring, district officials meet with some or all board members in budget work sessions to prioritize goals, examine expenses, and weigh tradeoffs. After some deliberation over several meetings (the average district has two budget work sessions), the process culminates in late spring when the full school board votes on a budget that officially becomes next year's spending plan.

Here, we share findings from a one-year federally funded ↗ study of school board financial deliberations. Our team examined hundreds of hours of pre-recorded 2023 budget workshops across a diverse set of 174 school districts nationwide. We tracked each meeting, capturing how board members engaged in financial discussions. This analysis served as a baseline ↗ for a subsequent exploration ↗ of the effects of board member training. While not designed to be a nationally representative sample, the study districts (listed here ↗) span 27 states and range in enrollment size, urbanicity, poverty level, and performance.

The findings uncover opportunities to prompt better financial governance, which is especially important as many districts enter a period of high-stakes financial decision-making ↗. Federal pandemic relief funds ↗ have run dry ↗ and enrollments are declining ↗, while attendance (https://www.brookings.edu/articles/student-level-attendance-patterns-show-depth-breadth-and-persistence-of-post-pandemic-absenteeism/) and academic outcomes ↗ have yet to fully recover. Decisions about layoffs, school closures, employee compensation, and which services to keep or scrap are sure to incite community reactions. It's a time when school board engagement in finances will matter more than ever.

Many trustees are not actively participating in scheduled budget deliberations

Nearly every guidance document for school boards affirms that budget deliberation and approval is a primary responsibility of these roles. Annual budgets determine how to spend an average of $17,000 on behalf of each of their students, often totaling some tens of millions of dollars or more. For districts over 50,000 students in our sample, budgets averaged over a billion dollars.

Our examinations focused on budget workshops, where budget deliberation takes place in public view. In some districts, the budget workshop is a segment of a larger full board meeting with other agenda items; in other districts, budget workshops are separate meetings and sometimes with only a subset of trustees attending. Certainly, these public meetings don’t capture all budget activity the board engages in (for instance, an individual trustee may engage on budget topics directly with district staff). That said, workshops do capture all deliberations among groups of board members, since those must take place in *public* meetings.

How long did it take to review and deliberate on these massive sums? In the average observed meeting, the finance deliberations lasted only 40 minutes (with larger districts trending a bit longer). In a third of the districts, the meeting time spent on finance was *less than 15 minutes*.

FIGURE 1

Average duration of finance portion of each observed work session

Smaller districts spent even less time reviewing and deliberating on how to deploy public funds

District enrollment	
> 50k	80 minutes
20k-50k	39 minutes
10k-20k	25 minutes
5k-10k	30 minutes
< 5k	23 minutes

Source: Edunomics Lab analysis of pre-recorded 2023 budget sessions of 174 school districts.

BROWN CENTER on Education Policy at BROOKINGS

District staff tended to do most of the talking even though trustees do receive all financial materials ahead of time. About a quarter (24%) of the meetings spent a majority of the finance segment time on revenues (which boards don't control), leaving less time for the primary responsibility of determining how to deploy the dollars the district does have.

Another sobering insight from our observations: Many board members didn't meaningfully engage in public budget deliberations. More than half of all school board members (53%) were categorized in our analysis as "silent observers," meaning they offered no productive comments or feedback during public budget discussions (except to thank and congratulate the district on its efforts to draft and present a budget).

Budget approvals are on autopilot

In our observations, most financial decisions of all types were called for vote with no board deliberation. For instance, in the meetings where employee salaries came to a vote, 82% of raises were approved without discussion.

Over 90% of meetings made *no mention of any spending alternatives* to the singular proposal on the docket. This finding is especially noteworthy given that at the time of this study, all budget deliberations included highly flexible federal relief funds. Engaged deliberations could have included a discussion of whether spending those funds should be used to hire more staff, raise salaries, contract with vendors, etc. At the time, federal ↗ guidance ↗ and numerous state resources were available to support districts in these choices and engage the public in this decision-making.

In 71% of meetings, *various financial decisions were approved via consent agenda* (which involves approval of numerous items bundled under a single vote with no discussion, typically done for expediency). Oftentimes state or federal rules require spending decisions be approved via board vote, including for vendor contracts over a certain dollar threshold. And indeed, many vendor contracts were approved in consent agendas. But half of consent agenda items went far beyond simple vendor contract approvals, including, for instance, approvals of consequential pay raises, land purchases, and changes in employee benefit contributions.

Budget deliberations lack mention of key considerations

In viewing budget workshops, our research team listened carefully for a range of rationales and considerations used in deliberations. In our observations, we listened for any individual mention of each of six topics of interest by any board member or district employee during the budget portion of the meeting.

FIGURE 2

Percent of budget work sessions where key topics were raised

was raised was NOT raised

0% 20% 40% 60% 80% 100%

	was raised	was NOT raised
Multi-year financial impacts (sustainability)	36%	64%
Student outcomes	23%	77%
Impacts on key student groups	22%	78%
School-by-school impacts	15%	85%
Effectiveness of prior budgets	13%	87%
Cost relative to value (or ROI)		93%

Source: Edunomics Lab analysis of pre-recorded 2023 budget sessions of 174 school districts.

BROWN CENTER on Education Policy at BROOKINGS

The most common of our tracked topics raised was *multi-year financial impacts* (with 36% of meetings making some mention of financial sustainability). Still, it's worrisome that nearly two-thirds of meetings included no mention of multi-year budget impacts at a time when budgets included one-time federal relief funds set to sunset by September 2024.

Budget building was most often treated as a discrete activity, separate from the district's strategy for learning. Fewer than a quarter (23%) of all budget deliberations made any reference to student progress or outcomes in the context of district financials. We considered any mention of student outcomes, from discussion of reading, math, or any test outcomes, attendance, mental health measures, and more. Mention of student outcomes was even less frequent (13%) in the highest-poverty districts in our sample, though this difference from the sample average was not statistically significant.

Only 13% of meetings mentioned or asked whether there is evidence that prior investments are delivering their intended effect, and even fewer (7%) considered cost relative to value (ROI).

This is not to say that trustees were wholly unconcerned about student outcomes. Rather, any discussion of student outcomes typically took place outside of budget discussions. And yet, whether leaders recognize it or not, the budget is a set of choices about how to deploy the district's resources and thus should be central to any strategy for learning. Money spent on one thing (e.g., more teacher aides, professional development, or pay raises) can't be spent on another (e.g., tutoring or counselors). The tendency to separate these functions may be part of the reason why districts tend not to change their budgets much from year to year ↗.

Rarely did deliberations weigh budget impact on individual schools or student groups. Our team listened for questions like: Will some schools benefit more than others? Will our low-income students get short shrift? Is there anything in this new budget that will benefit our lowest achievers? Yet, fewer than a quarter of all budget workshops included any mention of how the proposed budget would affect individual schools in the district (15%) or groups of students (22%).

Given decades of evidence of within-district financial disparities (see here ↗, here ↗, and here ↗), these are key allocation considerations that deserve attention, regardless of the district's setting or student demographics. And indeed, new evidence is emerging that district leaders directed federal relief funds in ways that disproportionately benefited more affluent schools in larger districts ↗.

A lack of financial acumen is apparently a challenge

Board members are typically elected positions that rarely come with any compensation ↗. So it's not surprising that many are unprepared for the financial aspects of their roles. In fact, 10% of meetings included a trustee expressing that they lacked knowledge of finance.

Further, many boards misunderstood the flexibility their district has in budget choices. In about half (48%) of meetings, one or more trustees bemoaned some barrier that seemed to limit their authority. The most commonly referenced perceived barriers were state or federal rules that were interpreted as limiting their choices. Others mentioned a lack of data, lack of time, collective bargaining, or other factors. In a few cases, mention of the barriers led to accepting the status quo when it comes to budgets.

It's noteworthy that these barriers need not inhibit public *deliberation*. Also, in most cases, districts have far more flexibility in their spending than was publicly acknowledged. Regardless of whether board members' responses were simply uninformed or misleading, though, the result was the same: They curtailed further public discussion and thoughtful decision-making.

With tight budgets coming, boards need to lean in

Even where trustees may feel clumsy pressing district employees about spending choices, our system depends on boards playing this governance role. When budgets get little to no public discussion, or change very little from year to year, investments are effectively rubber-stamped. When trustees don't press for a set of options, and ask questions about the rationale for choices, district employees miss out on the chance to test their ideas with a larger group. Where boards don't question the impact of budgets on learning or the distribution of resources, they forfeit the opportunity to send a public message that these priorities matter.

And yet, even a single board member can alter the approach to budget decisions simply by framing the deliberation around maximizing value for students. For any willing board members, a place to start is simply by raising questions about how any proposed budgets would fare against the key considerations listed above. During budget deliberations, trustees might tailor any of the following suggested questions for the district's particular context:

TABLE 1

Potential questions to raise at budget deliberations

On the topic of:	Trustees can ask:
Student outcomes	*What changes in this budget will help/hurt students' math and reading outcomes? Attendance?*
Effectiveness of prior budgets	*Did our recent investments (e.g., more staff, better salaries, new programs) deliver measurable improvements for students?*
Cost relative to value (or ROI)	*What other options might give us similar benefits, and at what cost?*
School-by-school impacts	*Which of our schools will see larger/smaller financial impacts?*
Impacts on key student groups	*How will this budget affect our highest-needs students? Will they see more/less of an impact than other students?*
Multi-year financial impacts (sustainability)	*What's the financial outlook for the next few years? Do we have sufficient reserves for difficult times? Do any new spending decisions today come with future obligations we might not be able to afford?*

Note: These are illustrative examples from Edunomics Lab's Certificate in Education Finance.

BROWN CENTER on Education Policy at BROOKINGS

States can play a role in helping ensure better budget deliberations

Some small nudges from states could help reorient budgeting on a larger scale. State boards (or legislatures) could establish minimum financial training requirements ↗ for district leaders and board members. Such training should focus on orienting them to using data, weighing alternatives, and ensuring education investments bring value to schools and students.

More relevant data would help, too. While we found that boards rarely used student outcome data in budget discussions, that doesn't mean deliberations were data-free. We heard presentations involving data on market salary competitiveness relative to neighboring districts, covering local tax rates, and highlighting carbon emissions data. In each case, trustees engaged on the data they had before them.

In that vein, states could require that student outcomes be reviewed as part of the budget process and that the budget get revisited when new test scores emerge. Similarly, some states require multi-year budget forecasts in deliberations, which can help fuel deliberations on sustainability.

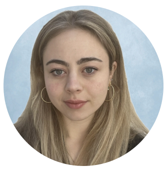
The stakes are only getting higher

At the end of nearly every study on education finance is a reminder that money matters more ↗ for students when it is spent well ↗.

As funding tightens, and student academic needs persist, our school systems will need to wring every bit of value for students from the limited dollars they have. Meanwhile, leaner budgets will invite intense community and employee pressure on where and how to trim the budget. Our school systems will need more than a governance structure that amounts to going through the motions. More than ever, we need school boards resolute in their commitment to keep budget discussions focused on what's best for students.

AUTHORS

Margurite Roza Research Professor; Director, Edunomics Lab - Georgetown University @MargueriteRoza



Margaret Green Research Assistant - Edunomics Lab

Laura Anderson Associate Director - Edunomics Lab

Acknowledgements and disclosures

The research reported here was supported by the Institute of Education Sciences, U.S. Department of Education, through R305U230001 to Georgetown University. The opinions expressed are those of the authors and do not represent views of the Institute or the U.S. Department of Education.

The coding tool and data referenced in this article are available at Edunomicslab.org.
