Today's school finance system was not created with enough flexibility to support today's educational possibilities. A growing number of students are migrating to online and blended options that expand their learning opportunities. Until a new funding system based on students replaces that which is currently based on a one-size-fits-all delivery model, the most potentially revolutionary educational models will remain inaccessible to the student body at large.

Decades of layering on attempted upgrades to the current broken system have only created a funding structure that is fraught with a growing list of problems. It ignores the relationship between spending and student outcomes.

To design a student-centered school finance system, policymakers will need to prioritize the following principles to reorient the system around students and not institutions. Using these core design principles as a guide, we can create a new system that addresses the range of diverse student needs, allows dollars to follow students to high-quality online and blended learning options, creates mechanisms for ensuring quality, and fosters educational innovation.

### Design Principles of a Student-Centered Finance System

- **Flexible:** Flexible funding ensures that funds can be used in different ways to best serve the needs of students, without locking in or prioritizing one delivery model over another.

- **Portable:** Portable funding follows students to the school or course provider that best suits their individual needs; this funding may be fractional, following students to full and part-time options, allowing for customized learning pathways.

- **Performance-Based:** Performance-based funding ensures quality education by connecting eligibility to student outcomes.

- **Weighted:** Funding should reflect individual student needs. A number of factors affect the cost of educating certain students, such as poverty, special needs, BLUET or gifted student status.

- **Time is Now!** It’s not enough just to create a promising new solution that has the potential to deliver better outcomes if added to the current educational model. It’s about creating innovations that fit within existing budget constraints when applied at scale. The system can support innovation – but only if these innovations replace or eliminate the need for existing expenditures that have failed to produce results.

### Financing Innovation

We have an unprecedented chance to finally make systemic and sustainable school financing reforms. The convergence of college and career-ready standards and the push to expand digital learning creates an historic opportunity to reorient school finance. With increased flexibility, accessibility and affordability of Internet access devices and technological innovations in teaching and learning, the time is right to explore how shifts in teaching and learning have unlocked dollars and attach funding to students!