



MEMORANDUM

DATE: September 16, 2014

TO: Superintendent Antwan Wilson

FROM: Vernon Hal, Senior Business Officer
Ruth Alahydoian, Chief Financial Officer

RE: DRAFT Budget Development Plan

Objective: To present a plan for 2015-16 budget development that is in compliance with the Board Policy on Results-Based Budgeting and State regulations for the Local Control Accountability Plan (LCAP).

Background: The Board adopted a results-based budgeting policy in January of 2014 to guide the budget development process. The policy calls for the District's allocation of resources to:

- align with improved school quality and student outcomes;
- maximize allocations to schools;
- distribute resources according to varying student needs and neighborhood conditions;
- empower school governance teams to budget and expend site resources;
- provide accurate, comprehensive and easily understood financial information at the school, department and district-wide levels.

In addition, the Board policy sets guidelines for the allocation of unrestricted resources to schools. (A copy of the Board policy is attached.)

Plan: The Plan is presented here in four sections - Public Input/Community Engagement, Budget Allocations, School-based Governance, and Holding Central Office Accountable. Following the narrative is a month-by-month breakdown of the steps of the Plan.

Public Input / Community Engagement: Community engagement around the budget process centers on four main goals:

1. Develop a greater public understanding of OUSD's fiscal condition, financial history, and budgeting process that can be used to inform budget development at District level
2. Support Local Control Accountability Plan (LCAP) work in using community input to identify student achievement, school climate, and parent engagement goals and aligning District expenditures with these priorities



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3. Encourage increased parent and community participation in school governance bodies and activities that impact site-level resource allocation, school climate, and academic achievement
4. Collect community feedback that influences the development of strategic plan version 2.0 and the 2015-16 budget priorities.

The process will include Budget Roadshows that will engage community groups throughout the city to explain the budget process and gather community input on priorities that should influence how resources are allocated during this process. More detail is provided in the “*Strategic Budget Engagement Sessions Executive Summary*”.

To meet the requirements for LCAP community engagement, the LCAP Parent Advisory and English Language Learner (ELL) Parent Advisory groups will be nominated by their school site councils (SSCs), and elected to these district advisory bodies at the October 25 School Site Summit.

The LCAP Parent Advisory Committee and the ELL Parent Advisory Committee will meet regularly during the year to review budget development and changes to the LCAP.

Budget Allocations – Based on the District priorities, anticipated revenues, and enrollment projections, the budget development tool will be “loaded” and base funding distributed to school sites. The goal is to maximize funding to schools. The challenge is to balance this flexibility with sufficient resources to support schools centrally, to benefit from certain economies of scale, and to stay fiscally responsible.

Initial allocations for funding will allow for a base program at each site that meets Local Control Funding Formula (LCFF) class-size targets at elementary schools; provides electives at middle schools; and meets A-G program requirements at high schools. These allocations will be based on projected enrollment at each site. LCFF supplemental funds will be distributed in relationship to the location of the student generating the additional funds (free and reduced price lunch eligible students, English language learners, and foster youth). LCFF concentration funds will be distributed according to environmental factors surrounding the school site (high stress neighborhoods).

The Budget Development Handbook will be updated and distributed to sites in December, along with the Budget Development Tool. Training will be available for site leaders in December and January.

School-based Governance / CSSSP – School sites will establish their SSCs in September and October, with a School Site Summit scheduled for October 25. The SSCs will be trained and encouraged to engage in the budget development process at each school site. In January and February, school site leaders will walk through the budget process with their SSCs. SSCs review and approve site budgets for restricted resources and help shape the school site budgets overall. The final Community Schools Strategic Site Plan (CSSSP) for each site will be brought to the Board for review and approval in May.

Holding Central Office Accountable - The Superintendent will work with District leadership to identify priorities and spending alternatives within the Central departments. Allocation of resources will be reviewed in light of the Superintendent’s goals and the District’s Strategic Plan.



Progress Reports and Final Budget Approval: The Superintendent will provide periodic Progress Reports to the Board on the budget development process. In June, the process will culminate with the Board's review of the revised LCAP and final 2015-16 Budget for a first reading, followed by a final vote at the subsequent meeting.



Calendar of Planning Milestones and Reports to the Board

SEPTEMBER:

- Planning for the community engagement process begins in the District.
- **SEPTEMBER 23 BOARD MEETING:** The Superintendent's Progress Report will provide an update on the plans for the community engagement process.

OCTOBER:

- The Superintendent will work with District leadership to identify priorities and spending alternatives within the Central departments. Allocation of resources will be reviewed in light of our district goals and the District's Strategic Plan.
- SSCs are established at every school.
- **OCTOBER 25 SCHOOL SITE SUMMIT:** the LCAP Parent Advisory and ELL Parent Advisory groups will be nominated by their site SSCs, and elected to these district advisory bodies at the October 25 School Site Summit.

NOVEMBER:

- The Superintendent will share the strategic priorities in the update of the Strategic Plan informed by engagement with stakeholders with the Board.
- **NOVEMBER 4 BOARD MEETING:** A draft of the Districts budget priorities will be presented for first reading and discussion.
- **NOVEMBER 19 BOARD MEETING:** Based on the discussion from the prior meeting, the Districts Priorities for the 2015-16 Budget will be presented for adoption.

DECEMBER:

- ***Distribution of anticipated funds:*** Based on the Board priorities, anticipated revenues, and enrollment projections, the budget development tool is "loaded" and base funding is distributed to school sites. LCFF supplemental funds are distributed in relationship to the location of the student generating the additional funds. Concentration grants are distributed according to the guidelines in the Board policy.
- The Budget Development Handbook is provided to school sites.
- **DECEMBER 10 BOARD MEETING:** The Superintendent's Progress Report will provide an update on LCAP changes and on the budget development process to date.

JANUARY:

- School Principals will review enrollment projections and base allocations in budget tool.



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- SSCs meet to review site budgets and begin discussions on budget priorities.
- **JANUARY 28 BOARD MEETING:** The Governor's Proposed Budget will be shared with the Board. The Superintendent's Progress Report will provide an update on budget development and any changes to LCAP.

FEBRUARY:

- SSCs and principals continue to confer on budget decisions at sites.
- Principals meet with Network leaders to review budgets.
- Final decisions for school allocations are made and budgets are locked in for purposes of the March 15 notices.
- SSCs continue work on finalizing CSSSPs.

MARCH:

- **MARCH 11 BOARD MEETING:** If employee additions, reductions, eliminations or reclassifications are necessary for 2015-16, the Superintendent will submit a resolution for Board action.
- SSCs continue work on finalizing CSSSPs.

APRIL:

- **APRIL 8 BOARD MEETING:** The Superintendent's Progress Report will provide an update on LCAP changes and on the budget development process to date.
- SSCs continue work on finalizing CSSSPs.

MAY:

- **MAY 13 BOARD MEETING:** The Superintendent's Progress Report will provide an update on LCAP changes and on the budget development process to date.
- **MAY 27 BOARD MEETING:** CSSSPs submitted for Board approval. The Governor's Revised Budget will be shared with the Board. The Superintendent's Progress Report will provide an update on budget development and any changes to LCAP.

JUNE:

- **JUNE 10 BOARD MEETING:** First Reading of the 2015-16 LCAP (revisions) and the Budget.
- **JUNE 24 BOARD MEETING:** Approve the 2015-16 LCAP and Budget.