



OAKLAND UNIFIED  
SCHOOL DISTRICT

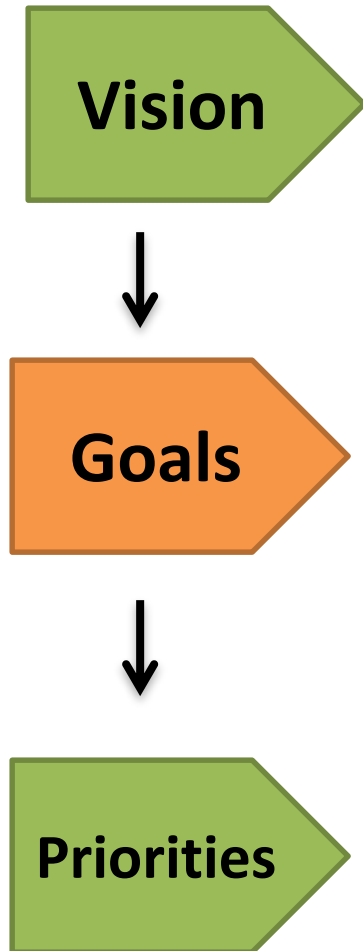
*Community Schools, Thriving Students*

# **Board of Education Study Session:** **Aligning Our Budgeting System to Student Needs**

**December 2, 2013**

**v.12.0**

# Background: OUSD Strategic Plan



All students, in EVERY school have access to a well-resourced quality school program with additional resources designated to support students with the highest needs aligned with District-wide and school site strategies.

1. Must align our budgeting system to LCFF;
2. Address the unique needs of students and programs
3. Include environmental factors as key variables of achieving greater equity in budgeting
4. Account for budgeting decisions by measuring results for student achievement
5. Reduce audit findings; maintain fiscal solvency

- High Schools- Increased Graduation Rates
- Shift to Common Core- Instructional Quality
- Voluntary Resolution Plan- Interrupt Disproportionality

- ❖ Support the recruitment, training, retention of great teachers & principals
- ❖ Provide enough staffing to support the programmatic vision of school sites in alignment with District policies
- ❖ Allow for site flexibility to meet the unique needs and vision of each community
- ❖ Allocate additional resources based on student needs
- ❖ Include regional, network and central supports for programmatic & business operations service improvement
- ❖ Site governance process to guide school planning and restricted resource allocation

# The Current RBB Budgeting System

## Results-Based Budgeting (RBB) System was:

- Intended to be a more student and outcome focused budgeting system
- Had some positive elements, yet yielded some unintended consequences

Allocates funds to schools using three variables:

- 1) Number of students enrolled at a school
- 2) Per Pupil Allocation Amount
- 3) ADA= Average Daily Attendance Percentage

The budget development process includes:

- Actual salaries of all staff;
- Cost of substitutes & custodial services
- Utilities- based on school use is factored into overall budget
- Balancing pool applications for schools that cannot meet core program requirements

# 2014-15 Budgeting Goals Compared to RBB

<b>2014-15 Budgeting Goals</b>	<b>RBB</b>
<ol style="list-style-type: none"><li>1. Aligning our budgeting system to LCFF;</li><li>2. Address the unique needs of students and programs</li><li>3. Include environmental factors as key variables of achieving greater equity in budgeting</li><li>4. Account for budgeting decisions by measuring results for student achievement</li><li>5. To reduce audit findings and maintain fiscal solvency</li></ol>	<ol style="list-style-type: none"><li>1. Does not address quality of instruction through cost of teachers</li><li>2. Currently not aligned to LCFF and is not based on student need</li><li>3. Does not include environmental factors as a lever towards greater equity in budgeting</li><li>4. Is not strategic or accounts for improved results for students</li><li>5. High central administrative cost to maintain the system; increases audit findings and fiscal instability</li></ol>

# Unintended Consequences of RBB

- **Initially “taxed” schools-** Principals initially recommended taxing schools with high discretionary balances to subsidize schools that could not meet Core
- **Balancing Pool-** To cover the cost of core program
- **Inequity-** Produced inequity by including school ADA%, teacher actual salary cost and competition for students

# Unintended Consequences

- **Operational chaos-** Calculating funding based on actual salary is extremely unpredictable, time intensive, and creates confusion in the budgeting environment
- **School Context & Staffing Shift-** a significant number of flatland schools with expensive staff, in high needs areas, with lower enrollment, resulting in a shortage of dollars
- **Tool & System mis-alignment-**RBB was built outside of the IFAS system- increases the probability of human error

# What is the Balancing Pool?



In our current Results-Based Budgeting Process, schools that cannot meet their core staffing or core program needs (e.g. a-g graduation requirements) submit an application request for balancing pool dollars to their Executive Officer.

The Balancing Pool Committee reviews the request for balancing pool dollars and either approves or denies the request.



# 2013-14 Balancing Pool Fast Facts

- ❑ Over 1/3 of our schools requested balancing pool funds 2013-14- 35 schools
- ❑ Each year, the balancing pool requestors grow
- ❑ Balancing pool totaled \$5.7 million dollars
- ❑ Schools from all three regions & high schools requested balancing pool funds
- ❑ Balancing Pool requests range from needs for core teacher to needs for supplies.

# Two Important Questions



**What will it take to shift to a budgeting system that creates greater equity in budgeting?**

and

**What processes, tools, & timeline are required to support an effective roll-out?**

# Student Needs-Based Budgeting System

## SNBBS Allocation Variables

Data-Driven Allocation of dollars to address Poverty, English Language Learners (ELLs), and Foster Youth, Environmental factors, teacher quality development of new & developing teacher development (e.g. professional development)

Restricted Funds to  
address student needs  
beyond the base

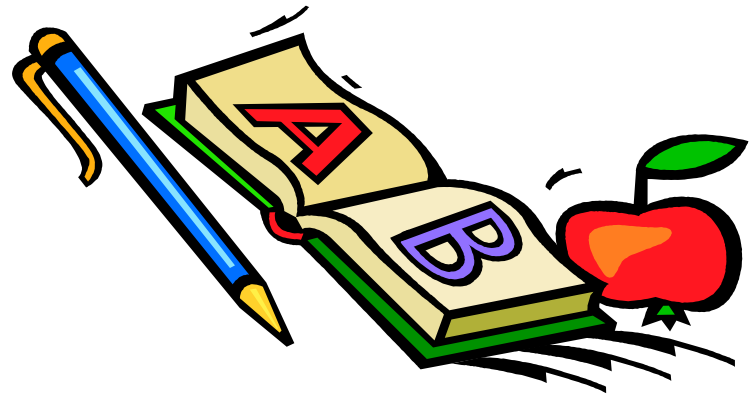
Discretionary funds to address  
Environmental Factors (Concentration &  
Supplemental)

Base FTE Allocation for core program  
requirements

# What are environmental factors?

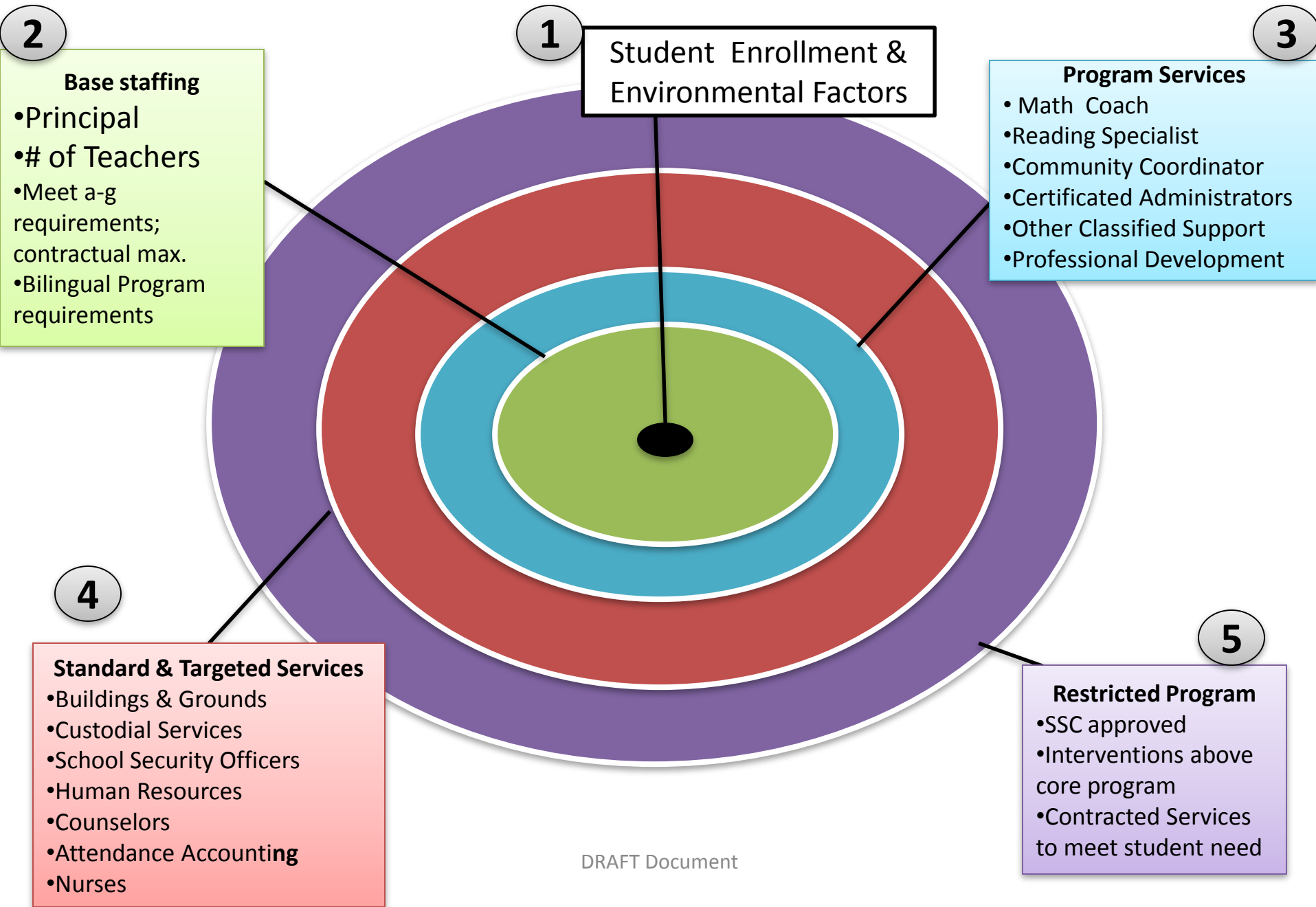
Each school is located in an environment which potentially impacts students. The following environmental factors must be considered in allocating funds to address the needs of students:

- **Distance to a high crime or violent area**
- **Proximity & access to supermarkets**
- **Median household income**
- **School proximity and # of liquor stores**
- **% of asthmatic students**
- **# of vacant lots/units in the area**
- **Unemployment rates**



**What will it take to shift to a budgeting system that creates greater equity in budgeting?**

# SNBBS School Site Decision-Making

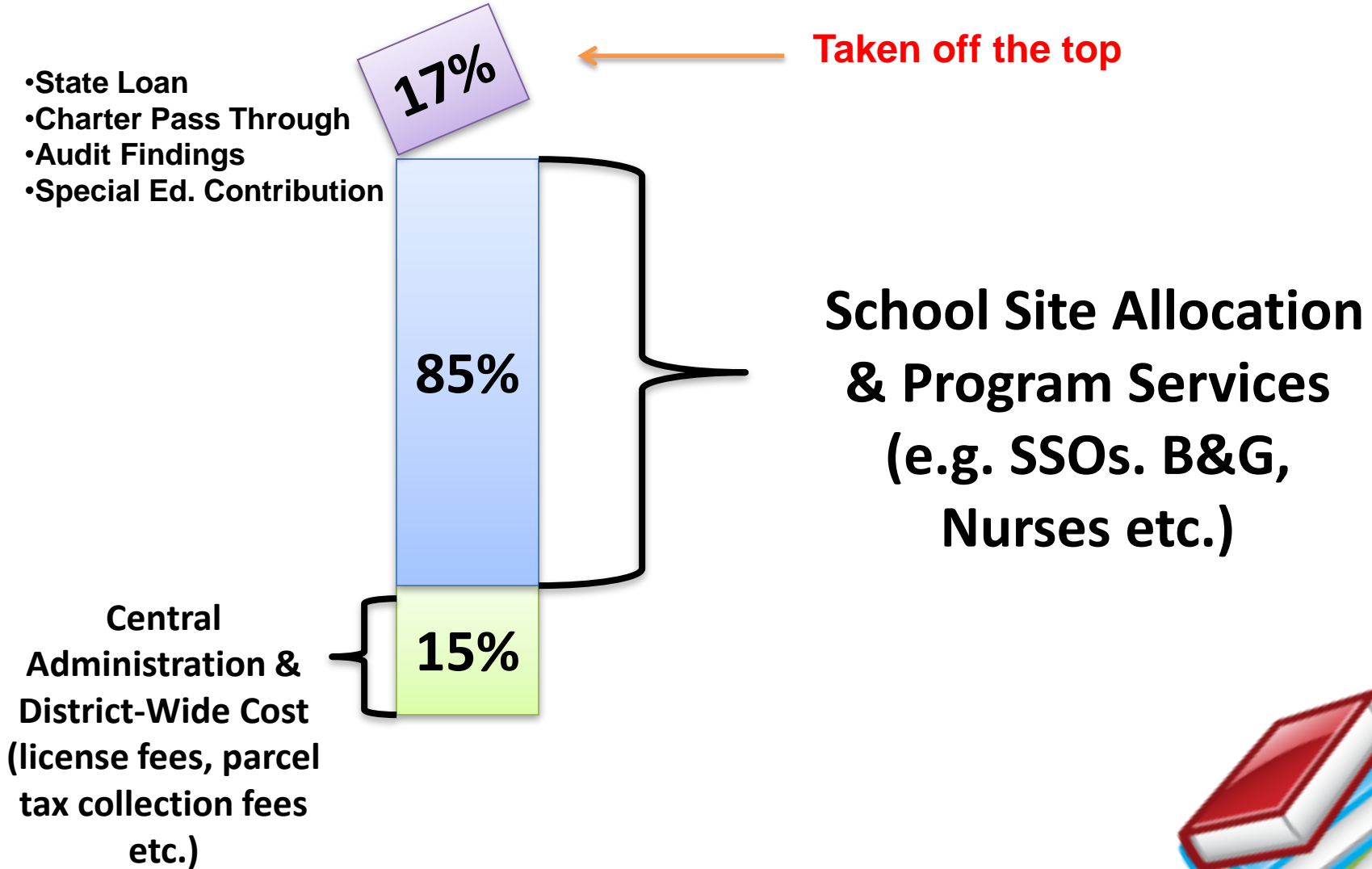


# Who makes the decision about how a school meets their program needs?

## Decision-Making Chart

<b>Number</b>	<b>Categories</b>	<b>Decision-Maker</b>
<b>1</b>	Student Population	School Choice Process
<b>2</b>	Administration-Teachers- based on contract maximums, a-g requirements, bilingual program requirements	School & Central Office
<b>3</b>	Program Services aligned to CSSSP	School & Community
<b>4</b>	Standard & Targeted Services	Central Office
<b>5</b>	Restricted-Categorical Spending Priorities	School + SSC

# Maximized Allocation to School Sites



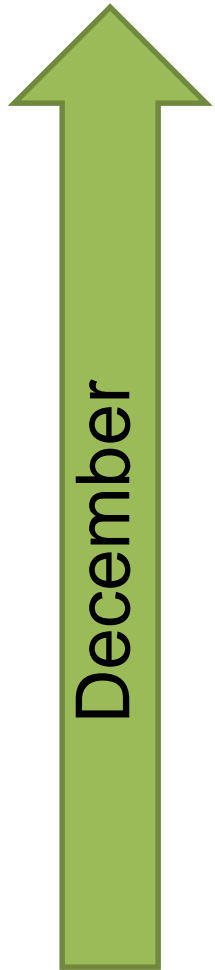


# 2014-15 Phased Approach to Aligning Budgeting System to LCFF

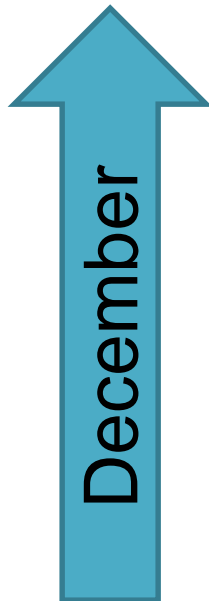
## Phase I- 2014-15 Budget year:

- Shift to a base FTE allocation to address program needs
- Discretionary funds allocated based on enrollment; dependable and reliable
- Remove actual salaries from the process
- Remove school ADA from budgeting
- Eliminate the Balancing Pool
- Include environmental factors in the approach to budgeting
- Create program services criteria based on school need factors
- Provide support tools and consultations to school sites
- Streamline tools, timeline, and process for transparency and clarity
- Continuous engagement with school site administrators, staff, and community
- Alignment of budgeting allocation to LCAP- Local Control Accountability Plan

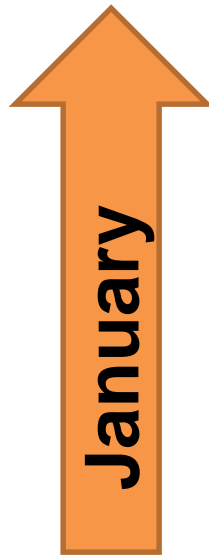
# **STEP 1-** Calculate each schools allocation based on the new SNBBS allocation formula



**STEP 2-** Identify environmental factors to be considered to meet the unique needs of student populations; Indentify poverty, ELLS, and foster Youth % at each school site; Create support tools



**Step 3-** All schools receive their allocation & begin the budget development process- identifying FTE, strategies, and, supports needed to address the unique needs of students and improve instructional quality.



# 2015-16 Phased Approach to Aligning Budgeting System to LCFF

## Phase II-2015-16 school year:

- Use LCFF guidelines to continue to inform budgeting accountability
- Use 2014-15 findings to create more tools to support budgeting process
- Build greater accountability and transparency in the budgeting process for LCAP
- Strengthen alignment and timelines to the development of CSSSP
- Create an informed and vetted roll out and communication plan for budgeting; all information on budgeting available on website, process, tools, and timelines

**Thank You!**

Questions????