

## 1.26.18 DRAFT

### Administrative Regulations for Allocation of Measure G1 Funds

#### I. BACKGROUND

##### The Purpose of Measure G1

Oakland Unified School District's District-wide Teacher Retention and Middle School Improvement Act is established to pay for compensation for teachers and educational staff, as well as enriching middle school curriculum that better prepares students for high school and beyond.

##### The Goals of Measure G1

- Attract and retain school-site educators.
- Increase access to courses in arts, music, and world languages in grades 6-8.
- Improve student retention during the transition from elementary to middle school.
- Create a more positive and safe middle-school learning environment.

##### Role of Oversight Commission

The Commission shall advise and report to the Board of Education and shall be responsible for oversight, which includes (a) oversight of proper allocation and use of all parcel tax monies, (b) reviewing annual independent audit reports, and (c) submitting recommendations to the Board of Education for any new or modified policies and administrative regulations to ensure the Oakland Unified School District's compliance with the requirements and intent of this Measure.

##### Use of Measure G1 Funds by OUSD Middle Schools

##### Measure G1 – Allowable and Unallowable Expenses:

Important note: G1 funds should be used to supplement, not supplant additional services, staff, programs or materials the site would not otherwise have within the following goal areas:

Goals	Examples of Allowable Expenses
Increase access to courses in arts, music, and world languages in grades 6-8	Staff (art, music, world language) Instruments Art supplies Language software and teaching aids Professional development
Improve student retention during the transition from elementary to middle school.	Staffing and other resources that will not supplant pre-existing services
Create a more positive and safe middle-school learning environment.	Staffing and other resources that will not supplant pre-existing services

##### Examples of Unallowable Expenses:

- Core Classroom teachers (except art, music, or world language class)
- Clerical Positions
- Copier Contract
- Medical Supplies
- Meals

NOTE: Pre-existing services, programs, staff or materials that meet the Measure G1 goals above, but have been previously funded using discretionary funds are NOT allowable G1 expenses.

No Measure G1 funds can be used until a site's proposal has been recommended by the Measure G1 Commission for approval, and has been approved by the School Board. Likewise, no staff can be hired using Measure G1 funds until a site's proposal has been recommended by the Measure G1 Commission for approval, and has been approved by the

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School Board.

Sites must complete a diagnostic self-assessment of the school's curricular and safety needs, including an assessment of community demand for arts, music, and language education. Both school staff, and school community, must be engaged in the self-assessment process. These engagements must be documented and submitted with site proposals to the Commission as part of the approval process. Use of G1 funds should prioritize gaps in the categories identified as a result of the self-assessment process.

The following types of data must be provided as evidence along with the proposal for services and programs:

- Art - Self assessment
- Music - Self assessment
- World Language - Self assessment
- Elementary to Middle School retention - Enrollment data and analysis
- Safe and Positive School Culture - School Performance Framework data: URF, Suspensions, California Healthy Kids Survey (CHKS) data

Decisions to eliminate funding for existing services, staff, programs or materials in order to use Measure G1 funds is considered supplanting and are not allowable.

If there is an unexpected variance in the estimated cost of a Measure G1 expenditure articulated in the proposed and approved plan, the site has the discretion to increase or reduce allocations of funds to expenditures by up to 15% above or below the allocation, provided those expenditures already exist in their approved plan, and that such a change does not exceed the total site allocation of funds. If such action is taken, sites must report these changes to the Measure G1 Commission by the following Measure G1 Commission convening. Sites may not adjust expenditures by more than 15%, nor change the purpose of an expenditure, without submitting a revised plan to the Measure G1 Commission for approval.

### **II. MEASURE G1 FUNDING INFORMATION**

Measure G1 has two primary components: (1) pay raises for "school site educators" and (2) Middle School Grants designed to achieve the goals outlined above with clear accountability measures.

For the 2017-18 school year, OUSD middle schools and district charter schools will not receive funds for #1 above: pay raises for school site educators. For the 2017-18 school year, OUSD middle schools and district charter schools will receive 50% of the total estimated yearly allocation for #2 above: middle school grants. This will be calculated in the following way:

1. Estimated number of parcels (based on previous Measure N calculations)
2. Dollar amount per parcel
3. Total estimated parcel revenue based on number of parcels multiplied by dollar amount per parcel
4. Subtraction of County collection fee
5. Subtraction of 1% administrative cost for District oversight to determine net estimated parcel tax revenue
6. Determine percent of students enrolled in OUSD middle schools and percent enrolled in charter (adjusted by LCFF and residency percentage)
7. Allocate net revenue from step 5 to charter and district middle schools according to enrollment percentages in step 6.
8. Set aside 65% of totals in step 7 for school site educator pay raises.
9. Of 35% remaining for Middle School Grants, 50% will be allocated to OUSD middle schools and district charter schools based on projected 6-8 enrollment (adjusted by LCFF and Oakland residency). The remaining available funds (based on actual funds received) will be allocated the following school year. All charter schools that opt to use Measure G1 funds during 2017-18 are responsible for financing their Middle School Grants until the parcel tax funds are distributed. OUSD will not be responsible in any way for funding Middle School Grants for district school charter schools.

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Once a reportable enrollment count occurs in the fall of 2017, and total tax revenues are collected in spring of 2018, a final calculation will be made to reconcile any discrepancies in the allocation to OUSD middle schools. The remaining balance of funds (approximately 50% of the total allocation, plus or minus any reconciliation) will be allocated for the 2018-19 school year. 2018-19 allocations will require each site to submit a proposal to the Measure G1 Commission for recommended approval by the Board of Education.

Thereafter, Measure G1 sites will receive 100% of their allocation (contingent on Commission recommendation and approval from the Board of Education). This will be based on the calculation at the end of the prior fiscal year when both payments of annual parcel tax revenues will have been received by the District (see payment distribution below). The G1 revenues will be allocated as follows:

Step One: District Receives PARCEL TAX REVENUES

Step Two: (Subtract 1% Administrative Fee for District Administration)

Step Three: Divide remaining Parcel Tax Revenues Proportionally:

a. TOTAL District Revenues: Proportionate # of Oakland Middle School Students adjusted by Local Control Funding Formula & residency	b. TOTAL Charter Revenues: Proportionate # of Oakland Middle School Students adjusted by Local Control Funding Formula & residency
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Step Four: Divide Total District Revenues and Total Charter Revenues as Follows:

a. Divide Total District Revenues: <ul style="list-style-type: none"><li>• 65% - School Site Educator raises <i>(all get same percentage)</i></li><li>• 35% - Middle School Grants <i>(based on LCFF enrollment of Oakland students)</i></li></ul>	b. Divide Total Charter Revenues: <ul style="list-style-type: none"><li>* 65% - School Site Educator raises <i>(all get same percentage)</i></li><li>* 35% - Middle School Grants <i>(based on LCFF enrollment of Oakland students)</i></li></ul>
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**\* Key Definitions:**

- **Eligible students= students who are residents of the city of Oakland**
- **Projected LCFF Enrollment = CALPADS enrollment data from the prior year weighted by Unduplicated Pupil Percentage from the Local Control Funding Formula (LCFF)**
- **Confirmed LCFF Enrollment by School Type**
  - OUSD Middle Schools - **20 Day Count**
  - OUSD Alternative Education Middle School - **Highest Reported Attendance from previous year**
  - Charter schools - **First Attendance Report** that is submitted to the Office of Charter Schools during September

**For Budget Planning purposes, sites should use the CALPADS counts of the prior year to do budget planning.**

- Prior to **CALPADS** data release, school planning for budgeting should be based on the prior year "Confirmed Enrollment" or previous year's CALPADS data. District or charters can use their local context and projections in order to identify the enrollment that will be used for instructional program development to do long term planning.

**Calculation and Distribution of Measure G1 Funds to Site**

All district and charter schools will be required to present a proposal to the Measure G1 Commission articulating their plan for use of the Measure G1 allocation for the following fiscal year. Disbursement of Measure G1 funds will require prior

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approval of said plan by the Measure G1 Commission and the Oakland School Board of Education. A draft template proposal is attached. Each proposal must contain accountability measures aligned to the Measure G1 goals. For each subsequent funding year, schools must report to the Measure G1 Commission the school's measurement of success in achieving its Measure G1 goals based on its accountability standards.

If a site proposal is not approved by the Measure G1 Commission, the site will have an opportunity to revise and resubmit their proposal to the Commission based on a timeline determined by the Commission. Until a site's proposal has been approved, no funds can be utilized by the site and no onboarding of staff using Measure G1 funds can occur.

**Payment Distribution for 2019-20 and all years thereafter for the duration of the parcel tax will be based on CALPADS enrollment data for the previous fiscal year. Funds will be disbursed on July 1 of each year (contingent on approval by the Commission and Board of Education).**

- OUSD Middle Schools will have their funding loaded into their Budget Development Tool for planning purposes and then loaded into the school budget in the 1st week of July.
- Charter schools will be issued a check to the school.

**If a school does not have CALPADS enrollment data** due to adding a grade level, then the school must undergo an appeal process and present the logic by which they are requesting any additional funding.

### **Measure G1 Carry Over**

Middle schools can rollover all unexpended Measure G1 budget allocations from one fiscal year to the next fiscal year, for a period not to exceed three consecutive fiscal years.

If funds are to be carried over from one year to the next, sites must complete a ["Carryover Justification"](#) form that identifies why the funds were not expended (barriers to progress) and identifies a clear use of the funds in the next fiscal year that are linked to the Measure G1 outcomes and addresses the root causes or builds on the strategies that the school is hoping to leverage for change.

Any unexpended funds at the end of the 3-Year Education Improvement Plan cycle will be added into the Measure G1 "Contingency Fund."

### **Carry Over Disbursement:**

All unexpended Measure G1 budget allocations that are carried over from the previous year will be dispersed as follows:

- 15% of the total carry over amount of each school site will be set aside for planning and reflective tactics that support deeper learning at the school site which could include but is not limited to site visits, conference attendance, staff retreats, etc..
- The remaining carryover amount will be dispersed to the school based on previous year's allocations and must be aligned to the school's Measure G1 strategies or specifically target the root causes.

### **Measure G1 "Contingency Fund"**

All Measure G1 revenue not allocated to schools and administration shall be held in reserve and maintained as a "Contingency Fund" that the Measure G1 Commission can recommend to the Board to support:

- Stepdown funding due to the expiration of the Measure G1's 12 year term.
- Negative financial impact to middle schools based on rising or decreasing overall enrollment
- Measure G1 revenue short falls.
- Increases in funding based on changing middle school enrollment.

In addition, if recommended by the Measure G1 Commission and approved by the OUSD School Board these funds can be used to support:

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- Multi-site innovative programs and pilots that will continue to better student outcomes and can be applied across the system or deepen the learning of Oakland's network of schools.
- Site visits

### Administrative Funds:

The Measure G1 Administrative Funds will be used to support the development, implementation, and progress monitoring of Measure G1 strategies to ensure that the students in Oakland meet the goals of the initiative outlined above. The Middle School Network, will present a yearly report to the commission after the completion of the yearly audit explaining how the Administrative 1% were expended.

### III. AUDITS REQUIREMENTS AND PROCESS

~~The Any District Middle Schools and Charters School that who receives Measure G1 funds shall have commission an annual, independent financial audit of the Measure G1 funds received and expended. The audit shall be completed and submitted to the Measure G1 Commission no later than November 1 of the calendar year in which the audit is due. The audit should describe the programs funded by the Measure's revenues, schools' success in achieving Measure G1 goals based on their accountability measures, and render an opinion as to whether the funds expended were for allowable uses under the Measure and whether the revenues were used to supplement and not supplant general fund revenues. Failure to submit a timely audit may result in the withholding of future funds as determined by the Measure G1 Commission and/or the District's Governing Board.~~

~~The Measure G1 Commission, in coordination with the Superintendent and Senior Business Officer shall file the audit findings should be completed and filed with the Board of Education prior to December 31. The audit should describe the programs funded by the Measures revenues, schools' success in achieving Measure G1 goals based on their accountability measures, and render an opinion as to whether the funds expended were for allowable uses under the Measure and whether the revenues were used to supplement and not supplant general fund revenues. At the District's discretion, the cost of the Independent Audit may be paid from the proceeds of the parcel tax.~~

Procedures for the Oakland Unified Measure G1 parcel tax audit.

#### Objectives

- Ensure proceeds and expenditures of the parcel tax are fully accounted in the books and records of the district.
- Ensure expenditures are in support of allowable uses as per the ballot language, separately with respect to middle school grants, salary for school site educators, and administrative overhead.
- Ensure that middle school grants and charter school grants were allocated as per the ballot language.
- Ensure that the administrative overhead allocation does not exceed 1% cumulatively from inception, exclusive of county collection costs.
- Ensure that each middle school has an education improvement plan with the minimal requirements specified in the ballot.
- Ensure that senior citizen exceptions and low-income exemptions are complete, accurate, and supported by source documents.
- Make a positive statement about the issue of supplanting versus supplementing.

#### Scope

- District/Charter School expenditures funded by measure G1 during fiscal year 2017-18.

#### Methodology

1. Obtain parcel tax expenditure detail reports prepared by the District and agree amounts to the general ledger.
2. Review the nature of the expenditures, and review source documents as appropriate, to ensure they were within the specific purposes of the ballot language.
3. Select a sample of payroll related expenditures and obtain and review the necessary supporting documentation to satisfy ourselves that they were only to provide raises to "school site educators," as the term is used in the ballot text. Test payroll benefits for reasonableness.
4. Ensure the same percentage increase in salary was applied to all school site educators.

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5. Ascertain if funds were used to provide services which they were legally required to make available by virtue of being a school. Also, perform procedures to determine whether the parcel tax funded services that were previously provided with another funding source.
6. Recalculate the ratio of administrative overhead charges to total proceeds to ensure that no more than 1% of proceeds are being spent on administrative overhead, cumulative and exclusive of county collection costs.
7. Recalculate the 65/35 percent allocation between raises for school site educators and middle school grants.
8. Test the allocation of grant proceeds to the schools. The District's auditor may select a sample of District schools.
10. Obtain the approved education improvement plans and ensure they contain the minimal elements required by the ballot. The District's auditor may select a sample of the middle schools.
11. Obtain an understanding of how the district processes the senior citizen exceptions and low-income exemptions. Select a sample of exemptions and apply procedures to ensure they are complete, accurate, and supported by source documents.
12. Determine, from the expenditure testing performed, if there were any a) control deficiencies, b) significant deficiencies or c) material weaknesses in internal control noted. To the extent there are deficiencies noted, prepare a separate report to the District listing the weakness noted and the recommended corrective action.
13. Examine sufficient supporting documentation to validate the amount of Measure G1 Parcel Tax revenues received.

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### IV. BALLOT DEFINITIONS

#### Defining Key Goals:

- Improve student retention during the transition from elementary to middle school

This goal shall refer to any effort to attract and sustain the enrollment of elementary school students from feeder schools into an Oakland public middle school program so that their families do not opt out and enroll their student into a private school in Oakland or any school outside of Oakland. The goal is to increase enrollment overall in Oakland public middle schools and not to intentionally recruit students away from other Oakland public middle schools.

Examples include, but are not limited to:

- a. Parent and student outreach
- b. Site-visit field trips
- c. Transitional programs (Summer Bridge)
- d. Data-based research
- e. Cross-school collaboration
- f. Partnerships with feeder schools

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### V. CHARTER SCHOOL SALARY DEFINITIONS AND PROCESS

#### I.a. Definitions

##### 4.i. "School Site Educators"

With regards to charter schools, 'school site educators' refers to any union-represented employees and/or to any school employees who, in a given school year, spends at least 75% of their assignment at the site of the Oakland charter school employer. Part-time or hourly employees who work at an Oakland charter school during the regular work year (e.g., substitute staff, after school staff) qualify as school site educators.

Example 1:

Jen's duties are split between teaching at ABC charter school in Oakland and serving an administrative role in ABC's business office off-site, with roughly 80% of her time spent teaching. Jen qualifies as a School Site Educator.

Example 2:

Bill is a part-time teacher (0.5 FTE) at a charter school in Oakland. Bill qualifies as a School Site Educator because his assignment is fully located at the school site.

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Example 3:

Jane is an independent contractor who is hired by an Oakland charter school to provide counseling. Jane does not qualify as a School Site Educator because she is not an employee of the school.

### **2.ii. “Same Percentage Increase”**

The salary increase among each charter school employer shall be the same percentage for all its employees.

Example 4:

Charter School Employer employs 30 school-site educators at Charter School A. All 30 shall receive bonuses at the same percentage increase.

Example 5:

Charter School Employer employs 20 school site educators at Charter School A and 50 school site educators at Charter School B. All 70 school site educators shall receive bonuses at the same percentage increase.

### **II. b. Process**

- i. **Distribution.** G1 salary increases to charter school site educators will commence with the 2018-19 school year. Charter school employers must distribute the salary increase to employees at the end of each school year between June 1 and June 30.
- ii. **Eligibility.** All employees of an Oakland charter school employer who are employed on the last day of the school year are eligible for the salary increase.

Example 6:

Alice qualifies as a site-based educator in an Oakland charter school. She joined the school in January. She would be eligible to receive a G1 salary increase provided she worked for the school on the last workday of school year.

Example 7:

Eric qualifies as a site-based educator in an Oakland charter school; however, he quit in February. He would not be eligible to receive the salary increase.

- iii. **Calculations.** The salary increase shall be distributed at the same percentage for all employees of an Oakland based charter school employer based on their Total Actual Salary earned for the school year. “Total Actual Salary” as used herein refers to an employee’s combined scheduled income and any stipends. If the salary increase would qualify as pensionable earnings for an employee, employers may include employer retirement contributions as part of the salary increase calculation and use G1 salary revenue for that purpose.

Example 8:

Tara qualifies as a site-based educator in an Oakland charter school. She receives a base salary, as well as a bilingual stipend and a laptop. Her Total Actual Salary consists of her base salary and the bilingual stipend. The value of her laptop is not included.

Example 9:

Mary was out sick for May and June but was still employed as of the last workday of the school year. Her earnings while on sick leave count towards her Total Actual Salary.

- iv. **Audit.** Charter school employers must provide supporting documentation to any auditors working on behalf of the G1 Commission.

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