



**OAKLAND UNIFIED  
SCHOOL DISTRICT**

*Community Schools, Thriving Students*

# Cost of Quality Community Schools



Presented by:

Charles Wilson, Executive Director of Enrollment Services

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Finance and Budget Committee Meeting

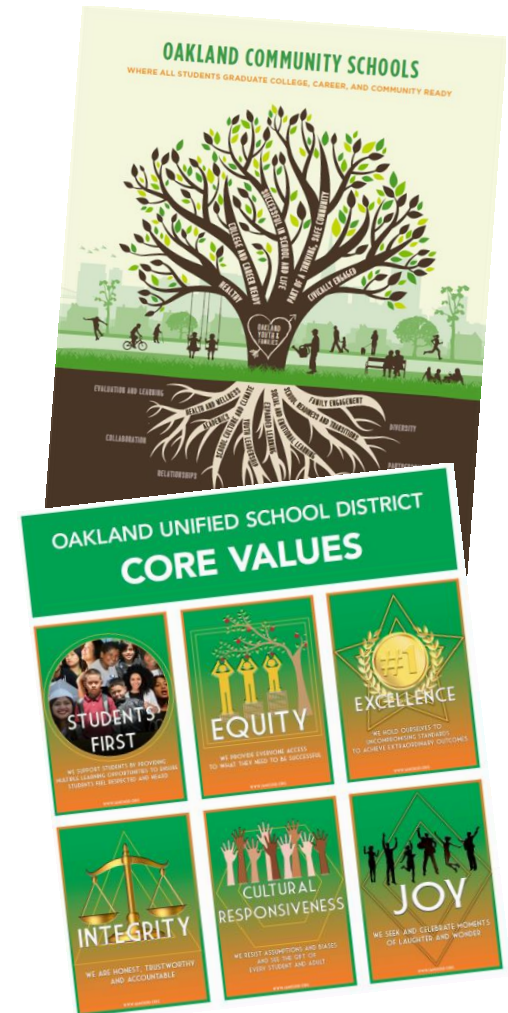
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# Executive Summary

- We investigated the size and number of schools that would be more sustainable for OUSD to maintain.
- In order to achieve our values of excellence and equity, we focused on quality and the need for more sustainable set of schools.
- We are addressing the cost of a quality community school and the number of students needed to support this school.



# What is the relationship between school size and quality?

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- Historically, some students in our district have been **underserved**.
- Schools that serve students well **provide more services** (family engagement, counseling, restorative justice, sports programs, mental health supports, etc.).
- OUSD **resources are spread thin** across 87 schools, making it difficult to afford additional services.
- In order to **serve all students with quality**, we need schools that are large enough to generate more resources to meet the needs of our students.

Modifying school size is one way to increase quality across OUSD

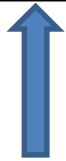


# Approach: Cost out quality community school

People, services, and things that we want for a quality community school

All the **revenue** streams we get per student

How many **students** we need to cover our costs



**TOTAL COSTS PER SCHOOL / REVENUE PER STUDENT = BREAK EVEN ENROLLMENT**



# Drivers of costs for quality community schools

(full assumptions included in appendix)

Fixed Costs	Contractual Agreements	Local Overhead	Community Schools Staff (benefits included)
<ul style="list-style-type: none"><li>❑ State loan (\$6M/yr)</li><li>❑ Audit findings (1M/yr)</li><li>❑ Infrastructure (\$43M/yr)</li><li>❑ SPED (\$60M/yr)</li><li>❑ Buildings &amp; grounds routine maintenance (\$13M/yr)</li><li>❑ Food services (\$1.5 M/yr)</li><li>❑ Deferred maintenance (\$7.6M/yr)</li></ul>	<ul style="list-style-type: none"><li>❑ Teachers, principals, assistant principals, attendance clerks, noon supervisor, general clerk, teachers prep, school nurse, other clerical</li></ul>	<ul style="list-style-type: none"><li>❑ SSOs</li><li>❑ Utilities</li><li>❑ Custodial staff</li></ul>	<ul style="list-style-type: none"><li>❑ Quality community schools staff (\$698K/yr/school):</li><li>❑ Restorative justice (\$109K/yr)</li><li>❑ Community schools manager (\$132K/yr)</li><li>❑ Counselor (\$103K/yr)</li><li>❑ Family engagement (99K/yr)</li><li>❑ Social worker (\$101K/yr)</li><li>❑ Athletic manager (\$153K/yr)</li></ul>

**Note:** Please refer to list of all assumptions in the appendix; only unrestricted costs included above; restricted costs are not included as part of the breakeven calculation because they can not reliably be used for other means. This model represents what we afford with unrestricted base funding. Other restricted costs such as librarian, SDC teachers, art teachers, music teachers, and after-school managers, are restricted revenue and accounted for separately. All fixed costs assumptions are based on current costs, except for SPED (which assumes 5% YOY growth given historical growth).

# To create quality community schools, larger schools are needed to cover our costs

School type	Cost of quality community school*	Unrestricted Revenue/student for schools	Minimum size to pay for quality community school
Elementary	\$3.46 M	\$5,864.48	590
Middle	\$5.56 M	\$5,918.01	939
High	\$4.60M	\$7,234.88	636

If we maintain the status quo, we will **not be able to afford** all of the staff we want to support a quality community school. Only 4 elementary schools, 0 middle schools, and 5 high schools meet the above thresholds.

\*As defined by Blueprint Committee meetings

Notes:

- A range to the minimize size should be applied given fluctuations in timing of data sources, fluctuations in salary data, fluctuations in the staffing matrix, etc.
- Revenue/student above includes LCFF base, supplemental, concentration, Measure G, Lottery; these revenue numbers have accounted for a variety of fixed costs, including our State loan, Audit findings, Infrastructure, SPED, Buildings and grounds, Food services, and Deferred maintenance

# Further investigation needed

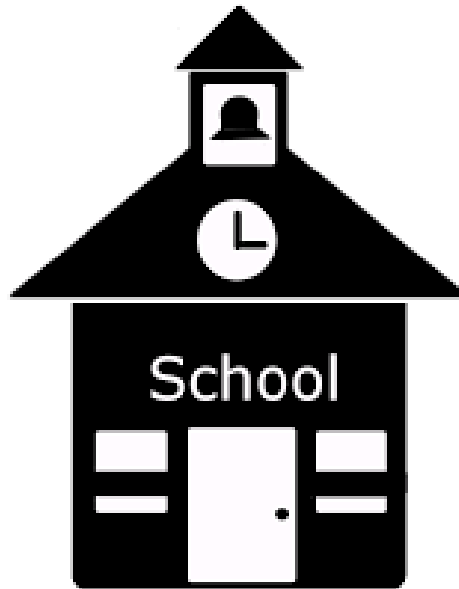
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## Questions to explore cost savings:



- Are there ways to **decrease** SPED costs? (\$60M/year)
- Can central office be **reorganized** to provide more efficient operations? (\$43M in infrastructure costs/year)
- Can we **economize** on facilities costs? (Routing maintenance - \$13M & deferred maintenance - \$7.6M)
- Can we **redefine** what it means to have a quality community school? (\$698K/year/school)
- Can we **re-examine** staffing ratios for contractual staff?

# How can we build more sustainable schools, and what could these schools look like?





# Appendix

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## Current assumptions to cost of quality model (pg. 1 of 4)

This size of schools breakeven calculation should not be used as the only source to make decisions about school portfolio. It is only a snapshot of the costs that need to be considered when making decisions about the size of the school needed to support costs.

Assumption	Description
1	<p>The model assumes revenue from LCFF base, LCFF supplemental, LCFF concentration, LCFF Measure G, LCFF Lotto for elementary, middle, and high school. Grade span revenues are calculated by using the per student revenue and CBEDS enrollment. Per student revenue totals are:</p> <p>Elementary - \$9,469 Middle - \$9,522 High -\$10,839</p> <p>The district unrestricted revenue (less incidentals) totals <b>\$ 361,251,639.</b></p>

## Current assumptions to cost of quality model (pg. 2 of 4)

This size of schools breakeven calculation should not be used as the only source to make decisions about school portfolio. It is only a snapshot of the costs that need to be considered when making decisions about the size of the school needed to support costs.

Assumption	Description
2	Fixed costs include the state loan (\$5,985,477), audit findings (\$1,000,000), a set aside of 12% of revenue for infrastructure (\$43,350,197), special education (\$59,922,494), buildings and grounds routine maintenance (\$13,048,405), food service (\$1,504,588), and deferred maintenance (\$7,600,000). These district-wide fixed costs are distributed across the elementary, middle, and high school grade spans based on their share of CBEDS enrollment. All fixed costs assumptions are based on current costs, except for SPED (which assumes 5% YOY growth given historical growth). Fixed costs total <b>\$132,411,161. This means there is only \$228,840,479 left for schools.</b>
3	Revenue remaining for schools is the difference between the district revenue and district fixed costs, and to be used for school expenses. After taking out each grade span's share of fixed costs, the revenue per student for elementary, middle, and high school in a unified district is: <b>Elementary: \$5,864.48</b> <b>Middle: \$5,918.01</b> <b>High: \$7,234.88</b>

## Current assumptions to cost of quality model (pg. 3 of 4)

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Assumption	Description
4	<p>Minimum base funding for a unified school district collaborative model include the following staffing model for teachers: Elementary: 12 Middle: 14 High: 24</p> <p>This is based on a collaborative model of instruction.</p>
5	<p>Staffing matrix data from 2/26/18 is used for Elementary, Middle, and High; contractual agreements are for teachers, principals, assistant principals, attendance clerks, noon supervisor, general clerk, teachers prep, school nurse, other clerical, and subs (admin).</p>
6	<p>Enrollment data is from P1 CBEDS.</p>

## Current assumptions to cost of quality model (pg. 4 of 4)

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Assumption	Description
7	The following assumptions are made about per classroom costs: Classroom Supplies: \$1,600 Subs (teachers): \$1,400 Subs (admin): \$1,400
8	Local overhead costs are the average of elementary, middle, and high school overhead for SSOs, utilities, and custodial services.
9	Multiple iterations of breakeven are considered to account for breakeven numbers that meet contractual obligations.

# Current limitations to cost of quality model

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Assumption	Description
1	One time costs and revenue are not included as part of this analysis; this analysis only looks at sources of costs and revenue that can be reliably counted upon.
2	We are considering unrestricted revenue and costs for this model; restricted costs are not included as part of the breakeven calculation because they can not reliably be used for other means. Dollars such as Title I funds are excluded: this model looks at building a sustainable school community with only base funding.
3	The model calculates the breakeven for a quality community school in Elementary, Middle, and High School; K-8 and 6-12, along with alternative schools are excluded from this initial version of the model
4	A range on either end is recommended given fluctuations in timing of data sources, fluctuations in salary data, fluctuations in the staffing matrix, etc.
5	Model assumptions for staffing are based on the salary data from the 7015 and R61 reports. Averages were calculated for each position. Other restricted costs such as librarian, SDC teachers, art teachers, music teachers, and after-school managers, are restricted revenue and accounted for separately.
6	Breakeven enrollment numbers are subject to change should any of the assumptions change

# Board Policy 3150: Results Based Budgeting

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**A key part of board policy 3150 is the following stipulation on maximizing unrestricted dollars:**

4. Maximize the allocation of all Unrestricted General Fund revenue (i.e. Local Control Funding Formula - Base, Supplemental, Concentration, and local tax revenue) to schools by:
  - a. First, paying all legally required district-wide obligations (e.g. State Emergency Loan, charter school pass-through payments, audit findings).
  - b. Second, allocating up to 12% of all Unrestricted General Fund revenue to support district-wide central administrative services (e.g. finance, human resources, performance management, instructional services, legal services, district leadership).
  - c. Third, paying the following services to schools:
    1. Special Education
    2. Custodial and Buildings & Grounds
    3. School Police & School Security Officers
    4. School Nurses
    5. School Counselors
    6. Specified Enrichment Resources (i.e. summer school, music, art)