Understanding Board Policy 3150

Lisa Grant-Dawson, Chief Business Officer
Budget & Finance Meeting
April 11, 2024

OAKLAND UNIFIED SCHOOL DISTRICT
Community Schools, Thriving Students

Our Vision

All OUSD students will find joy in their academic experience while graduating with the skills to ensure they are caring, competent, fully-informed, critical thinkers who are prepared for college, career, and community success.

Our Mission

Oakland Unified School District (OUSD) will build a Full Service Community District focused on high academic achievement while serving the whole child, eliminating inequity, and providing each child with excellent teachers, every day.

Ask of the SLT

- Actively listen and participate while acknowledging that many of us are multi-tasking (I don't mind)
- Learn why we are seeking to modify this policy
- Ask questions and provide insight on what you heard, thought, or additional challenges and triumphs that will be helpful to the Board and constituents
- Be empathetic to the basis of this policy was to develop a strategy to fund a Community School model without an aligned understanding of how school finance and District operations work.

Outline

- What is BP 3150?
- Part I - The Introduction & Purpose
    - The Featured Board Policies on the Project
- Part II - The Guiding Principles
- Part III - The Intent/Wonderings
- Part IV - In the News - The B Side Article
- Part V - Deep and Brief Reflections & Questions
- Close Out

4

What is Board Policy 3150?

Board Policy 3150

- Falls under the "3" Range category for Policies which is designated for all school districts for Business and Non Instructional Operations
  - Adopted in January 2014
  - Labeled as **Results Based Budgeting (RBB)**
    - A budget methodology designed to allocate resources to achieve objectives based on a set of goals and coinciding planned/expected results
    - Also called **Performance Based Budgeting (PBB)**
      - Assumes pairing performance goals aligned to budgets will improve budget strategy, decisions through measurable results to planned outcomes

Part I - Introduction & Purpose

BP 3150 - The Introduction & Purpose

The Policy Intro: The Board Policy on Results-Based Budgeting provides policy direction to the Superintendent regarding the Oakland Unified School District's continuous budget development process. The Board Policy on Results-Based Budgeting is directly aligned to and builds upon Board of Education policies on School Governance and Quality School Development.

- BP 3625 - School Governance
    - AR 3625 - School Governance & SSC Procedures Guide
- BP 6005 - Quality School Improvement
- BP 6006 - Quality School Development: Community of Schools

The Coinciding Featured Board Policies to 3150

- BP 3625 - School Governance

The Policy Intro: The Board of Education is responsible for fostering conditions that enable every school in the Oakland Unified School District to create learning environments that make more effective teaching and learning possible.

The Board of Education believes that those closest to students at a school - employees, parents, students, community partners - are generally in the best position to know the specific academic, social, and emotional needs of their students, and how best to address those needs.

The Board of Education, within the context of established OUSD strategic priorities, performance accountability standards, and collective bargaining agreements, **believes that empowering school governance teams to align and manage resources to effectively address the specific needs of their students is a necessary and fundamental condition to enable every school to make more effective teaching and learning possible.**

10

- BP 6005 - Quality School Improvement

The Policy Intro: **The Board of Education is responsible for ensuring** that the Oakland Unified School District (OUSD) is a **high-quality full-service community school district that serves the whole child, eliminates inequity, and provides each child with excellent teachers every day.**

The Board of Education is committed to providing all students a continuum of high-quality schools, including schools that are directly operated by the OUSD; public charter schools authorized by the Oakland Unified School District; and schools funded by, but are not exclusively operated by the Oakland Unified School District.

Toward realizing this promise, the Board of Education shall:

1. **Establish performance quality standards and student outcome goals, toward which all schools are expected to make steady progress.**

2. **Establish a school quality review process in which all schools, through their school governance team and in collaboration with District leaders**, are accountable for:

    a. Assessing the state of their school in relation to established performance quality standards and student outcome goals.

    b. Identifying key priorities for school improvement.

    c. Establishing a school improvement plan.

- BP 6006 - Quality School Development: Community of Schools

The Policy Intro: The Board of Education (Board) is deeply committed to the vision of Oakland being home to high quality public education options for all students and families, no matter their race, ethnicity, zip code or income. **To realize this vision, the Board directs the Superintendent to develop a citywide plan that promotes the long-term sustainability of publicly-funded schools across Oakland that represent quality and equitable educational options.**

The Board recognizes that it has oversight over all Oakland public schools, both those run by the Oakland Unified School District (OUSD) and those run by various charter school operators and also acknowledges that it has a fiduciary responsibility to maintain the fiscal health and well-being of OUSD and its schools in order to provide a high-quality education to its students. **The Board also recognizes that this is a competitive landscape with limited resources,** and the OUSD Board and each charter school board is working to ensure that each student has what they need to succeed. **Still, it is the Board's categorical expectation that all education providers operating or desiring to operate school programs in Oakland - district or charter** – *as well as families, staff, community members and labor unions*, **will accept shared responsibility for the sustainability of our school system** and embrace the idea that we: (i) do not operate in silos, (ii) are interdependent in our efforts to serve all students and families; and (iii) need to act with consideration of the larger community of schools. We also recognize the challenging work ahead of building and rebuilding trust among the diverse members of our community in realizing this vision.

12

Part II - The Guiding Principles

BP 3150 - Part II - The Guiding Principles

The Board of Education hereby establishes the following principles to guide the Oakland Unified School District's annual budgeting process:

1. The allocation and expenditure of OUSD financial resources **shall be aligned to the achievement of continuous improvement in school quality and student outcomes**.
2. The *allocation of OUSD financial resources to schools shall be maximized*.
3. The distribution of OUSD financial resources to schools shall account for varying student needs and neighborhood conditions.
4. *School governance teams shall be empowered to budget and expend OUSD financial resources*.
5. The general public shall have timely access to accurate, comprehensive, and easily comprehensible OUSD financial management information at the school, department, and district-wide levels.

14

Wonderings About - The Guiding Principles

1. Do we have a universally understood document or set of metrics that if we have adopted RBB, is consistently used to assess alignment of achievement and continuous improvement in school quality and outcomes?
2. What does “maximizing” allocation of financial resources to schools mean?
    a. See Item 4

4. What is the responsibility of school governance teams to budget, expend, and reporting of the RBB outcomes per BP 6005?

15

Part III - The Intent

BP 3150 - Part III - The Intent

Within the context of established OUSD strategic priorities, state and federal regulations, and collective bargaining agreements, the Board of Education hereby establishes its intent to:

1. Adopt three-year district-wide School Quality Improvement goals, benchmarks, and priorities (i.e. Balanced Scorecard, Local Control Accountability Plan) toward which every school and every central administration department is responsible for achieving steady measurable progress.

2. Hold every school responsible and accountable, through the OUSD Community School Strategic Site Plan process, for budgeting and expanding its financial resources in a manner that enables each school to realize steady measurable progress toward achieving Board-adopted School Quality Improvement goals and growth targets.

3. Hold every central administration department responsible and accountable, through the OUSD Community School Strategic Site Plan process, for budgeting and expanding its financial resources in a manner that demonstrates how each department is achieving steady measurable progress toward providing the supports each school needs to achieve their School Quality Improvement goals and growth targets.

17

Wonderings About - The Intent

1. What parts of the *three-year District wide School quality Improvement goals* have been established and how are *every school and every central administration department* measuring and reporting steady progress?
2. What is the OUSD Community School Strategic Site Plan Process?
    a. If this is in layman's terms the “Budget Development” process, what needs to be accomplished to couple this effort with Board-adopted School Quality Improvement goals and growth targets for schools and central departments?
    b. When and how are those targets established annually to coincide with the Budget Development process?

18

BP 3150 - Part III - The Intent cont;

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)

19

Wonderings About - The Intent

4. This allocation methodology reads as if we pay specific costs first, then allocate to schools and other areas.

- Our methodology has been that we allocate to schools first and then we see how much is left to allocate elsewhere.
- The language also defines Unrestricted General Fund revenue as: (i.e. Local Control Funding Formula – **Base, Supplemental, Concentration, and local tax revenue**)
  - It also seeks to cap the allocation at up to for specific departments/leaderships at 12% for all LCFF revenue.
    - Our methodology of allocation has not aligned to this intent, nor does it make operational and mathematical sense as aligned to the asks, but we'll get tackle that later.
- The intent also states "paying" the following services to schools, which could be interpreted as allocating, staffing, or providing, but is unclear in intent in the use of the verb "paying."

BP 3150 - Part III - The Intent cont;

5. Allocate to schools all remaining Unrestricted General Fund revenue based on the projected student enrollment of each school, including allocating a differential amount of revenue to schools based on the number of students enrolled at each school who:

    a. Are in elementary schools, middle schools, and high schools
    b. Qualify for the Federal Free & Reduced Price Meals Program
    c. Are English Learners
    d. Are in Foster Care
    e. Reside in high-stress neighborhoods

6. The Superintendent shall provide the first draft of the District's annual budget and the Local Control Accountability Plan to the Board and community of Oakland each year at a Board meeting no later than the second regular Board meeting in May.

Wonderings About - The Intent

5. Though the order of operations states the intent is to allocate to the schools funding based on enrollment and supplemental resources, did we really intend to allocate “all” remaining Unrestricted Revenue?

- What about other District expenses not cited above OR in years where our first obligation to pay required expenses, does that mean that “all” remaining Unrestricted revenue would shift annually and therefore adjust allocations?

6. This request is not by standard reasonable; however, we have provided the drafts of the Budget and LCAP. The basis was the District’s history of not providing a budget draft before seeking adoption. (Amended Dec 2019 - J. Harris)

- A preferred language change would be allowing the draft by no later than the first board meeting in June, which recently we have requested drafts/public hearings at a board meeting on the First Wednesday of the month. Additionally, we have added Budget Development engagement options to ensure the Board/constituents are closer to the process. We have also provided the LCAP to the Board along with PSAC late May.

22

Part III - The B Side Article

TRENDING NEWS

THE OAKLAND B-SIDE

Vol 04-15 @TheRealBudgetBuilders

BOARD POLICY 3150 IS NOT GUIDING RESULTS BASED BUDGETING!

Sources say that BP 3150, though well intended, is unable to be operationalized in the manner in which it is written. There are several areas that require clarification and establishing agreed metrics and goals to guide a true RBB process.

The Policy has been successful at measurable results such as optimizing the intent of maximizing allocations to school sites in staffing and funding. Experts state that though notable, the policy on its face is not sustainable, is not being executed based on more appropriate budget practices and prioritization of resources.

The District continues to be at risk of not only violating the Board's policy, but being unable to level set due to the manner in which budget prioritization and decision are made, which are not aligned to RBB and quality school metrics as intended.

District staff plan to work with the Budget and Finance Committee to develop a recommendation of how to proceed with revising the policy and will continue improving its Budget Development and engagement practices.

24

Understanding Board Policy 3150, Part II

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OAKLAND UNIFIED SCHOOL DISTRICT
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Updates to BP 3150
Math With Friends

BP 3150 - Part II - The Guiding Principles

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27

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28

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Updates to BP 3150
The Mathin'

3150 as of First Interim

	LCFF Part	LCFF (Base+Grade Span) S & C	$482,148,050	First Interim w/o Resource 0006/1100/0040-41 (Minus Priority Expenses - Shaded)	Over 12% Allocation/(Under Allocation)	First Interim Budget w/Resource 0006	Additional Central Service Expense > 12%	Title I	
		LCFF Cost	Percent of Total					Title I	Percei
Shared Expenses									
BP 3150 Legally Mandated									
State Loan Repayment	Base	$0	0.00%						
Audit Payments & Penalties	Base	$0	0.00%						
Utilities, Insurance	Base	$7,213,334	1.50%						
Ongoing Major Maintenance (8150)	Base	$22,194,028	4.60%						
BP 3150 - Central Services									
12% of Unrestriced Resources	Base/Supplemental/Concentration	$57,857,766	12.00%	$63,145,269	$5,287,503				
					13.10%				
BP 3150 - Priority Expenses									
Special Education Contribution	Base	$106,002,520	21.99%						
Transportation Contribution for SPED	Base	$10,225,059							
Custodial & Buildings and Grounds	Base	$18,461,526	3.83%						
School Safety and Security	Base + Supplemental	$6,570,028	1.36%						
School Nurses	Base + Supplemental	$6,730,850	1.40%						

Part V - Your Turn: Audience Participation

Deep and Brief Whip
Thoughts and Questions?

Thank you for your time. Stay tuned or updates and invitations to partner in the forthcoming policy recommendations!