Strategic School Funding for Results (SSFR)
Laying the Foundation for Effective Teaching
A Presentation prepared for the Bill and Melinda Gates Foundation
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An opportunity for the Gates Foundation

Leverage SSFR by:

• Investing in the next generation of budgeting tools for use in deep dive and other districts

• Investing SSFR’s initiative to realign incentives for equitable distribution of effective teachers

• Creating a high profile demonstration of WSF to inform and shape state policy in California
SSFR connects school budgeting to effective teaching in ways supported by the BMGF

“When we need higher student achievement on lower budgets, we’re obliged to review all the money we’re spending and ask: does this buy better student achievement?”

“True innovation pivots off a fresh insight into what’s relevant – and a new ability to measure and deliver it.”

“Our goal is to develop multiple measures of effective teaching that teachers design and endorse, that unions agree are fair, that don’t cost very much, and that help all teachers improve.”

“There is a lot of money in schools that can be used to improve student achievement – but it’s locked up in current pay structures. We have to unlock it.”

Bill Gates speaking to the Council of Chief State School Officers, November 19, 2010
Centralized resource allocation constrains innovation, equity and accountability

By allocating resources to schools centrally, we have systematically disempowered school leadership and parents, and undermined local accountability for learning outcomes.

- Board responds to state & federal accountability for the financial bottom line
  - Resource allocation policy is not aligned to district goals
- Central office designs systems for reporting and tracking, not for transparency, efficiency or ease of use
  - Resources are allocated centrally; schools make do with what they get
- Tools, rules, and timelines prevent effective school community participation in the budget process
  - School leadership teams have limited control over key success levers

Disappointing learning outcomes
SSFR creates new conditions to support innovation and accountability for results

SSFR allocates resources and decision rights to schools and supports them to make tailored, data-driven spending decisions as a key lever for improving student outcomes.

Improved learning outcomes

School leadership teams align resources to meet learner needs and achieve their goals for students

Connect resources to learning goals

Central office creates “user-friendly” systems & provides training, leader development & tools

Enable school control over the means of success

Board establishes strategic goals for transparency, equity, flexibility and student learning

Align district policy, standards and practices

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SSFR - AIR and Pivot Learning Partners
SSFR realigning incentives to better support improved teaching & learning

Aligning resources to need and negotiating the base, not the ceiling, creates conditions for an internal market for talent and for matching effective teachers to with high need students.

- Aligning resources to need and negotiating the base, not the ceiling, creates conditions for an internal market for talent and for matching effective teachers to with high need students.
- Set district priorities for reward teacher excellence
- Pass choice & need-based funding policies that create incentives for teaching excellence and fair distribution
- Enable school control over hiring and termination
- Create site level demand and allocate resources to meet it.
- Schools transform working conditions to support collaboration, professional development, and innovation
- Great teaching for every child every day

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Origins of the SSFR Project

1. School Finance Adequacy & Equity

2. The School Finance Redesign Project – connecting finance to productivity

3. Recent Activity to Promote Best Practices on Fair Student Funding

4. AIR Descriptive Study of SFUSD and Oakland
Key Findings of the AIR Study of SF and Oakland: Weighted Student Formula (WSF) and Results-Based Budgeting (RBB)

- More than allocation formulas:
  - autonomy for accountability

- WSF and RBB widely accepted by principals

- Limited adjustments for student need

- Less autonomy than implied by the policy

- Spending to Poverty:
  - MS & HS stronger,
  - no change for ES
  - Little change for Elementary schools

- Categorical programs inhibit innovation, reinforce compliance
SSFR vision of the key elements

**Innovation and Efficiency**
- Increase school autonomy linked to accountability
- Increase incentives for teacher/principal performance
- Ensure access to educational choices
- Create a market for central office services

**Increased transparency**
- Simplify processes for allocating dollars to schools
- Increase stakeholder participation in formula and budget development

**Improved Equity**
- Allocating dollars based on student needs
- Facilitating equitable distribution of effective teachers and principals
Early Findings: Current resource practices create inequities in schools

**Total Per Pupil Spending in LA elementary schools is positively related to poverty (LAUSD, 2008-09)**

Per pupil spending in LA elementary schools out of unrestricted revenues is **negatively related to poverty (LAUSD, 2008-2009)**

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**Graphs:**

- **Total Per Pupil Spending in LA**
  - Y-axis: Percent Free/Reduced-Price Lunch
  - X-axis: Percent Free/Reduced-Price Lunch
  - Trend: Positive correlation, slope: 1.27

- **Per pupil spending in LA elementary schools out of unrestricted revenues**
  - Y-axis: Percent Free/Reduced-Price Lunch
  - X-axis: Percent Free/Reduced-Price Lunch
  - Trend: Negative correlation, slope: 0.93

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**Note:**

- Data from LAUSD, 2008-2009
- Significant correlations indicated by ***
Early Findings of SSFR continued:
School leaders seek control over means to success

Interviews showed that school leaders...

• Feel they need greater control over their budgets
• Believe that the schools and students would benefit from greater control
• Worry about their capacity to manage their budgets
• Do not feel that they are supported by the central office
• Vary in their understanding of the current budgeting system and/or the benefits of transparency
Overview of Resource Allocation Tools

Targeted Revenue Model (TRM)
- Equitably distributes revenues to schools based on a per pupil basis and student needs

Planning, Budgeting and Allocation of Resources (PBAR)
- Helps school leaders set goals, specify strategies, and allocate budgets to reach those goals.

District Budget Management & Modeling Tool (DBMM) – Not yet developed
- Monitors spending, ROI, and trends across schools.
Targeted Revenue Model (TRM)

**INPUTS**

*Enrollments:* total & pupil need counts by school &
*Revenues by source:* Federal, state, local categorical & general purpose.

**DECISIONS**

**DECISION 1:** Specify Access and Management of Resources – central office v school site
**DECISION 2:** Determine School Access to General Purpose Resources
**DECISION 3:** Specify Access to Categorical Resources
**DECISION 4:** Specify School Differentials by Level and Type
**DECISION 5:** Specify Allocations to Student Need Categories
**DECISION 6:** Determine How to Allocate School Grant Funds

**OUTPUTS**

1. Per-Pupil Dollars by Student Need
2. Implicit Pupil Weights
3. School-Level Projected Budgets by Revenue Sources
4. Comparison of Projected to Actual Budgets and Minimum Operational Budgets (MOB)
5. Make adjustments to final budget to reflect MOB
Program Planning and Budgeting Model (PPBM)

1. TOTAL BUDGET FROM TARETED REVENUE MODEL

2. SET AND ALIGN SCHOOL GOALS WITH DISTRICT:

3. SPECIFY STRATEGIES/SERVICES TO ACCOMPLISH GOALS

3A. Output:
Narrative School Site Plans

4. SPECIFY STAFFING & STUFF TO DELIVERY STRATEGIES

4A. Input:
Current staffing/budget

5. LINK STAFFING & STUFF TO REVENUE SOURCES

2A. HISTORICAL ROI REPORTS

Generate Student Outcomes

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Strategic School Funding for Results

Two Partners

Three Districts

American Institutes for Research®

TWIN RIVERS
UNIFIED SCHOOL DISTRICT

Pivot Learning Partners™

Pasadena Unified School District

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LAUSD uses four interdependent strategies to drive change and ensure all students are college-prepared and career-ready.

**Strategies**

- **We will make the District budget more transparent, align resources for greater impact and equity, and give schools the ability to target resources to meet their school specific needs, bringing funding and decision-making closer to schools and classrooms.**

- **We are accountable for our students’ success. We will use data to personalize the supports that all of our employees need to be efficient and successful, from professional development and training, to creating measurable performance goals.**

- **Use data to drive standards – based, effective instruction for all students, coupled with support and intervention, when students need extra assistance or accelerated learning.**

- **We will analyze multiple data points to differentiate the service and support we deliver to schools. In addition, we will capture and share best practices across all of our schools regardless of school models.**
## Seven challenges to effective teaching

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<thead>
<tr>
<th>What we know</th>
<th>What’s needed</th>
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<td>1. Years of service do not predict effectiveness</td>
<td>1. An evaluation of teachers that’s connected to real value added</td>
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<td>2. No career pipeline that builds on effectiveness</td>
<td>2. A job pipeline that builds on teaching expertise</td>
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<td>3. Little recognition makes teaching rewarding</td>
<td>3. Money matters if the metric is valid, reliable and meaningful</td>
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<td>4. Districts have to negotiate reforms with their unions</td>
<td>4. Shift from an industrial to a professional paradigm</td>
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<td>5. We don’t measure what matters</td>
<td>5. Better assessments of quality teaching and learning</td>
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<td>6. Teaching is not a career profession any more</td>
<td>6. A compelling reason to teach more than 5 years</td>
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<td>7. Low status</td>
<td>7. Recognition, power &amp; influence</td>
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LAUSD’s Supporting All Employee Initiative

Thank You!

www.schoolfundingforresults.org

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QUESTIONS?