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

Gates Urges School Budget Overhauls

Kevin Lamarque/Reuters

Bill Gates plans to tell school superintendents, "Rebuild the budget based on excellence."

By SAM DILLON
Published: November 19, 2010

Bill Gates, the founder and former chairman of Microsoft, has made education-related philanthropy a major focus since stepping down from his day-to-day role in the company in 2008.

His new area of interest: helping solve schools' money problems. In a speech on Friday, Mr. Gates — who is gaining considerable clout in education circles — plans to urge the 50 state superintendents of education to take difficult steps to restructure the nation's public education budgets, which have come under severe pressure in the economic downturn.

He suggests they end teacher pay increases based on seniority and on master's degrees, which he says are unrelated to teachers' ability to raise student achievement. He also urges an end to efforts to reduce class sizes. Instead, he suggests

RECOMMEND
TWITTER
E-MAIL
PRINT
REPRINTS
SHARE

127 HOURS

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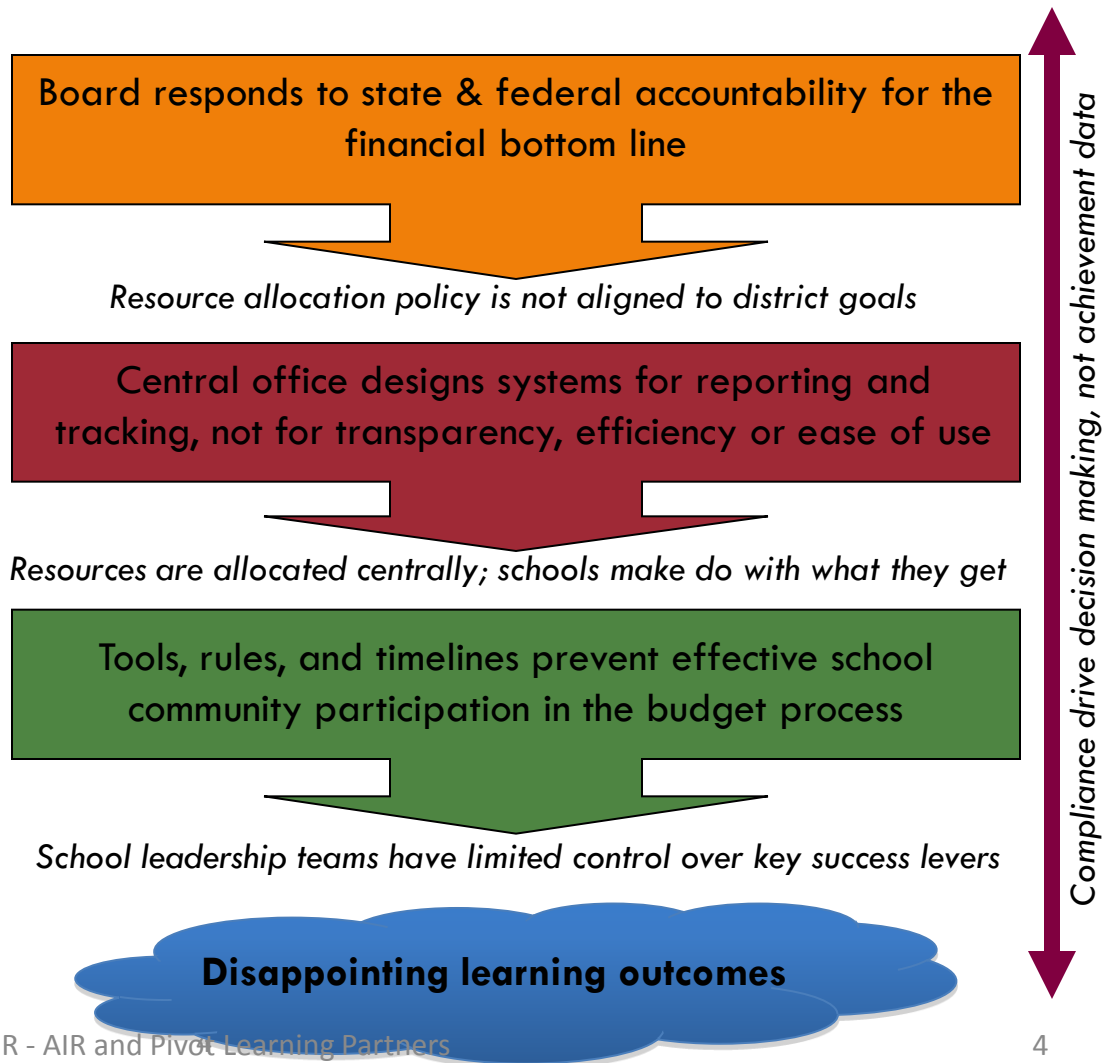
"Our goal is to develop multiple measures of effective teaching that teachers design and endorse, that unions agree are fair, that don't cost very much, and that help all teachers improve."

"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
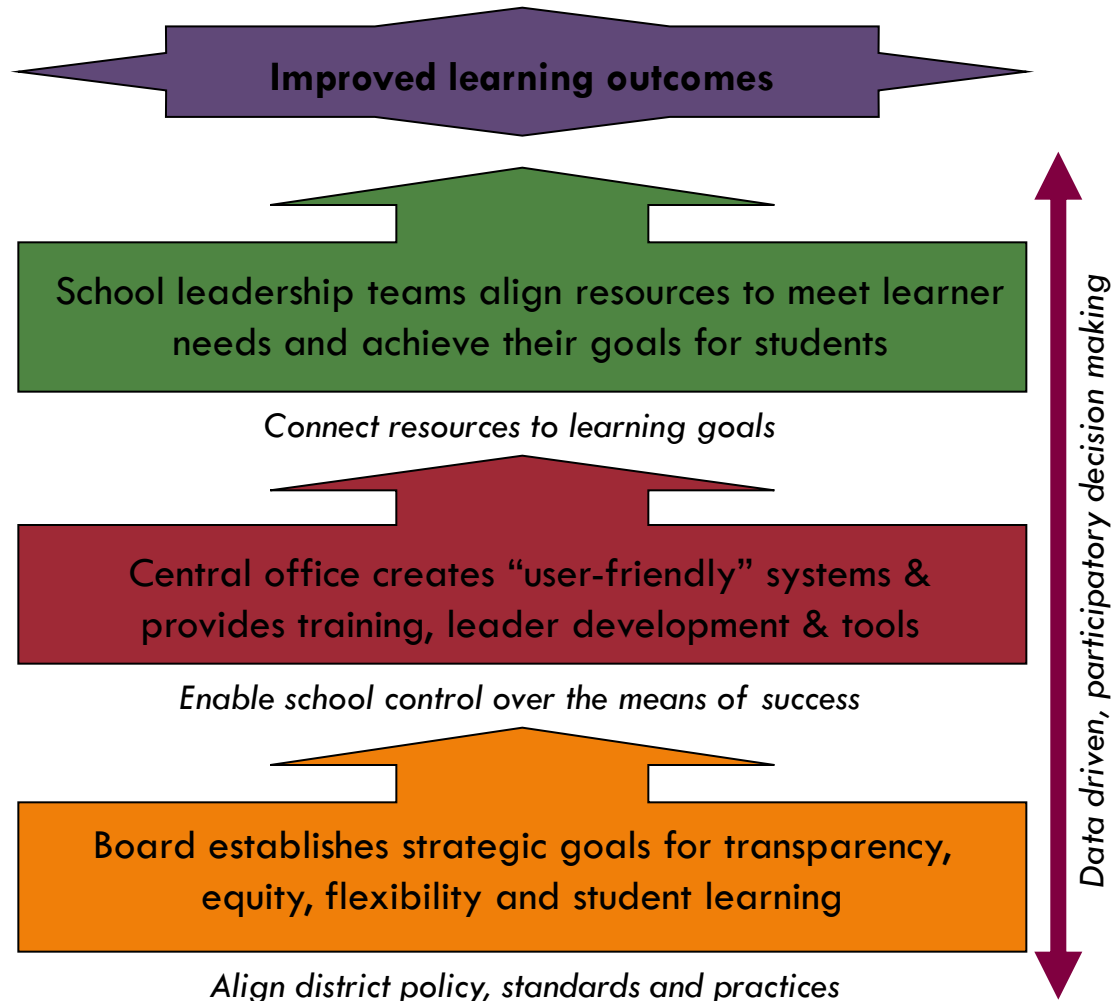
Centralized resource allocation constrains innovation, equity and accountability

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

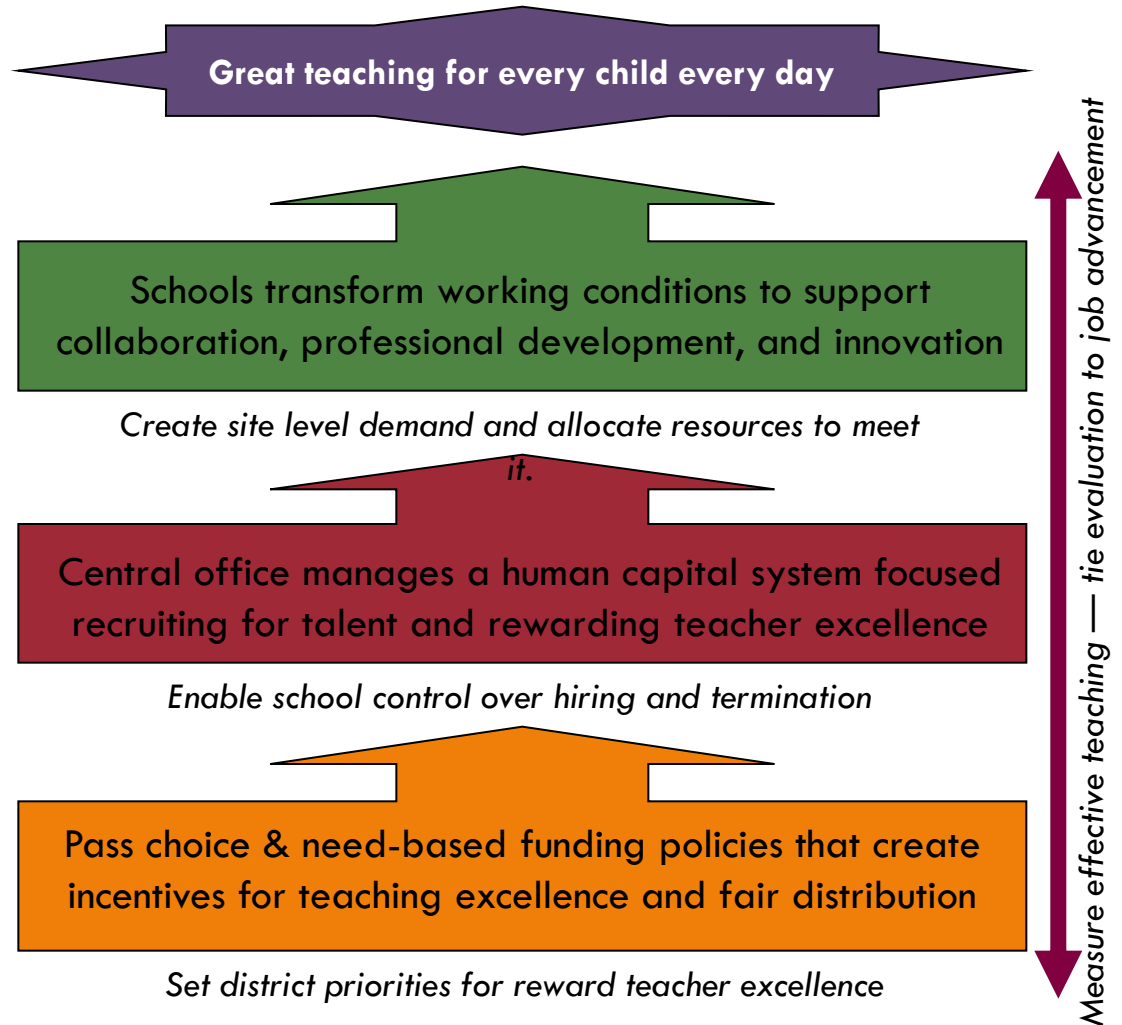*Compliance drive decision making, not achievement data*

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

Data driven, participatory decision making

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.

Great teaching for every child every day

Schools transform working conditions to support collaboration, professional development, and innovation

Create site level demand and allocate resources to meet it.

Central office manages a human capital system focused recruiting for talent and rewarding teacher excellence

Enable school control over hiring and termination

Pass choice & need-based funding policies that create incentives for teaching excellence and fair distribution

Set district priorities for reward teacher excellence

Measure effective teaching — tie evaluation to job advancement

Origins of the SSFR Project

1. **School Finance Adequacy & Equity**

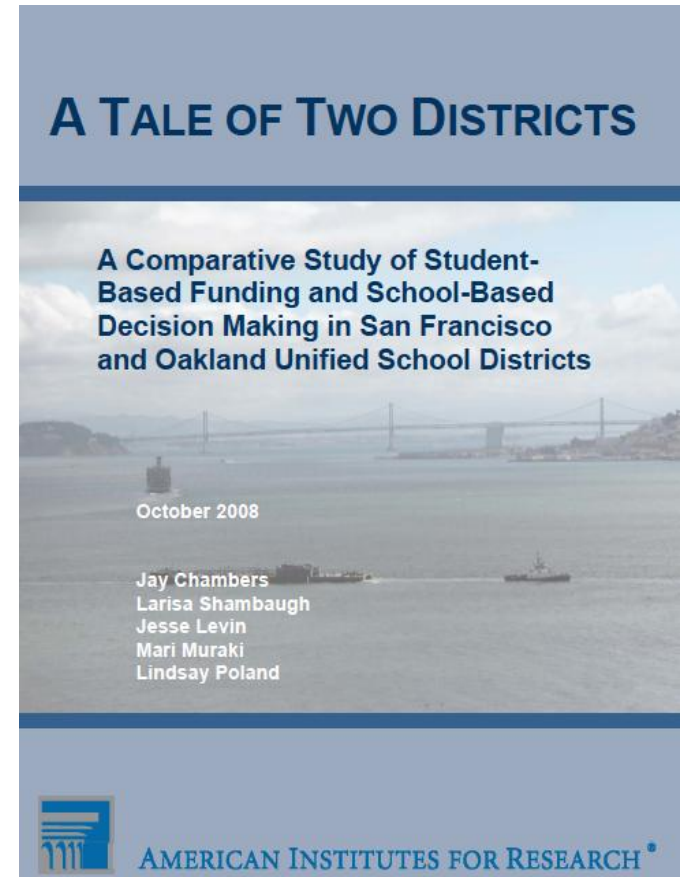2. **The School Finance Redesign Project** – connecting finance to productivity

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**

A TALE OF TWO DISTRICTS

A Comparative Study of Student-Based Funding and School-Based Decision Making in San Francisco and Oakland Unified School Districts

October 2008

Jay Chambers
Larisa Shambaugh
Jesse Levin
Mari Muraki
Lindsay Poland

AMERICAN INSTITUTES FOR RESEARCH

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*
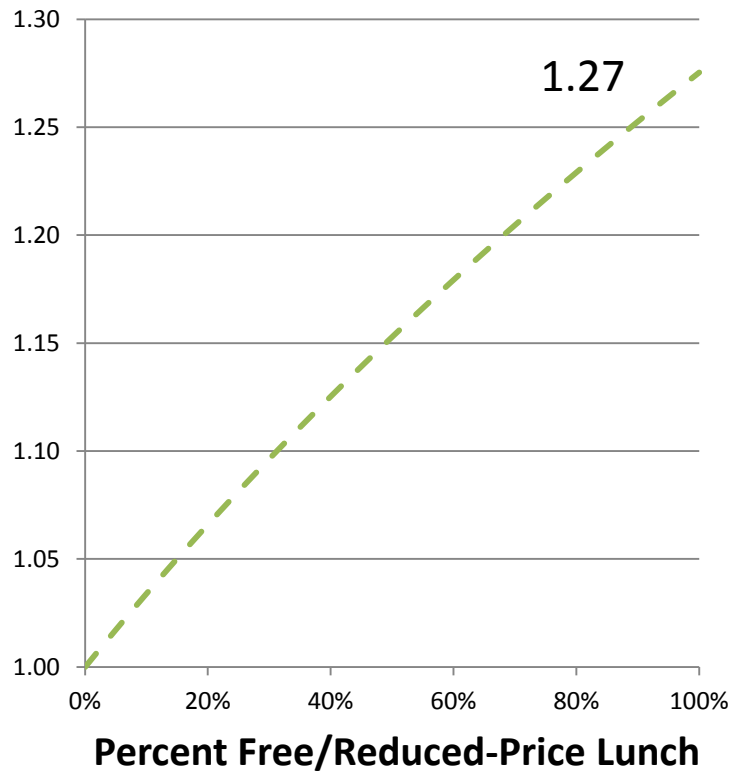- *Create a market for central office services*

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)

1.27

- 1.30
- 1.25
- 1.20
- 1.15
- 1.10
- 1.05
- 1.00

0%   20%   40%   60%   80%   100%

Percent Free/Reduced-Price Lunch

– – 2009***

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

0.93

- 1.00
- 0.99
- 0.98
- 0.97
- 0.96
- 0.95
- 0.94
- 0.93
- 0.92
- 0.91
- 0.90

0%   20%   40%   60%   80%   100%

Percent Free/Reduced-Price Lunch
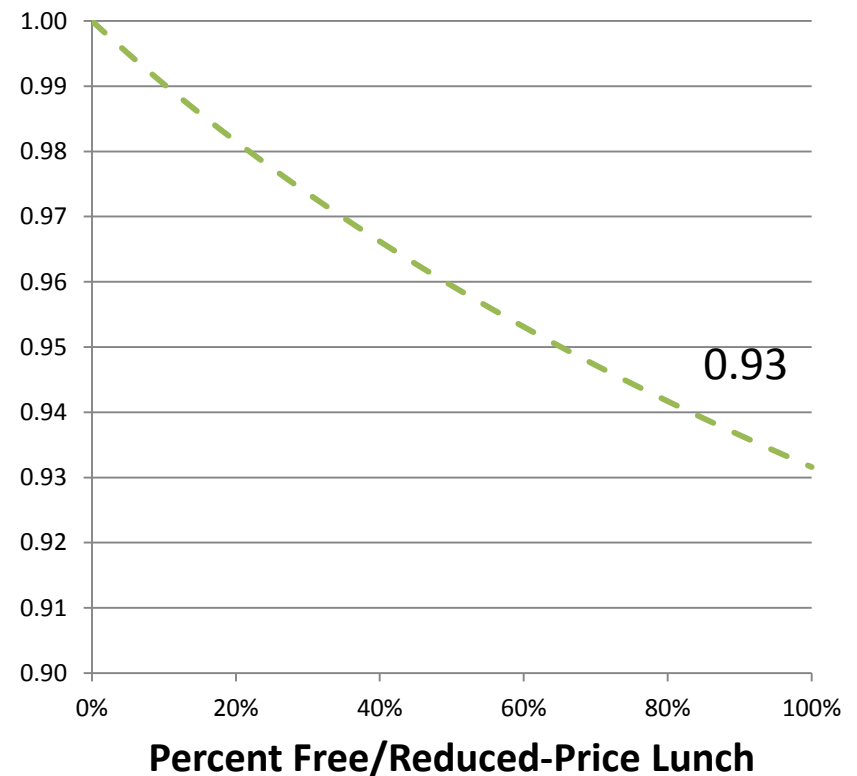
– – 2009***

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

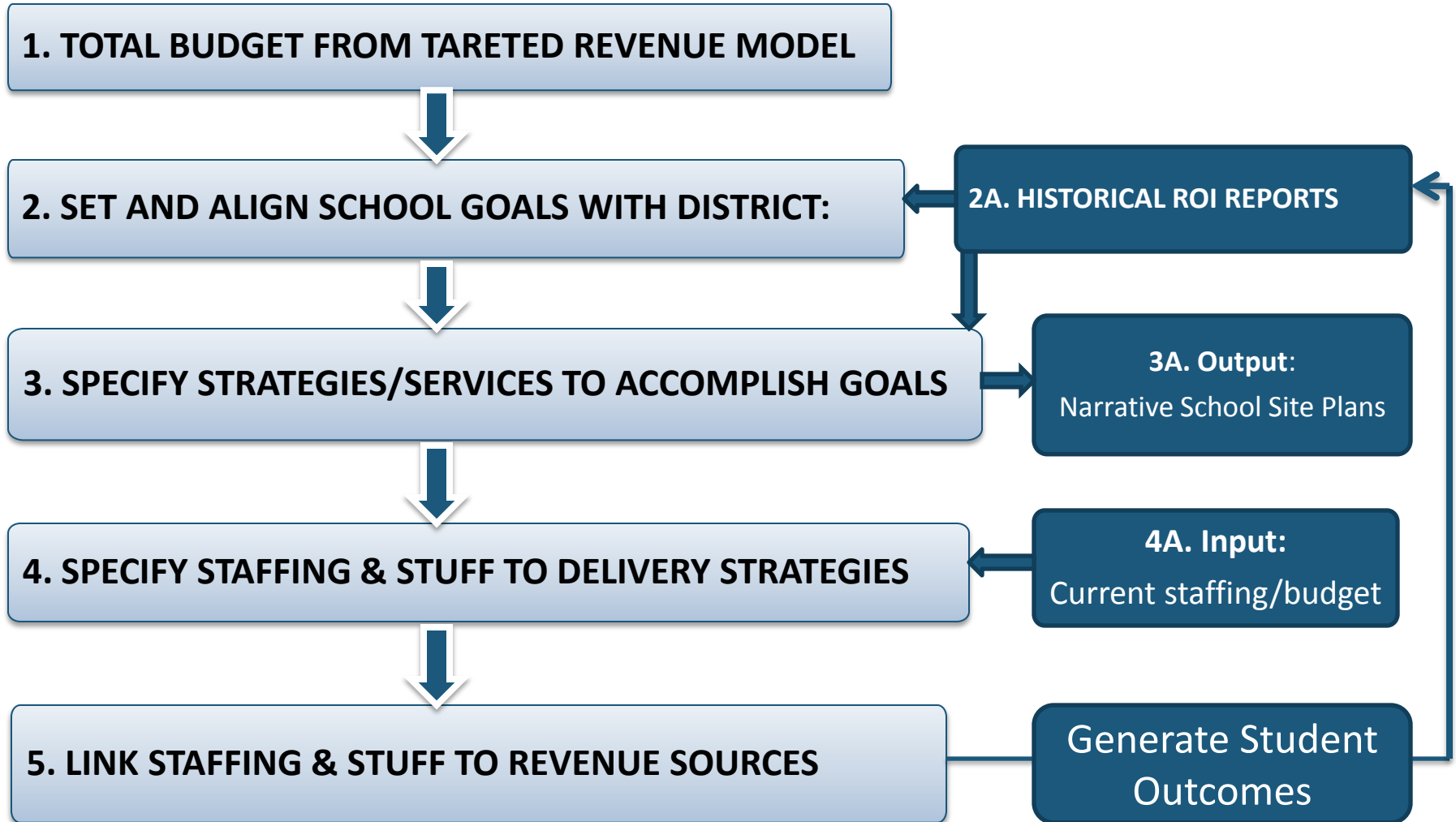**DECISION 5:** Specify Allocations to Student Need Categories

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

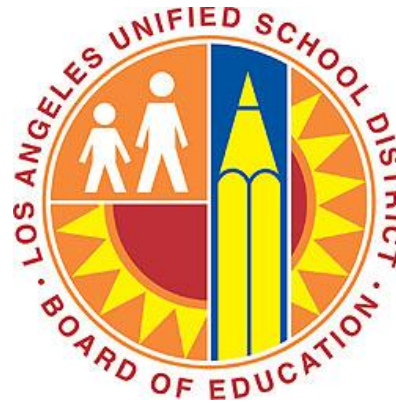# Program Planning and Budgeting Model (PPBM)

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1. TOTAL BUDGET FROM TARETED REVENUE MODEL
            │
            ▼
2. SET AND ALIGN SCHOOL GOALS WITH DISTRICT:  ◄──  2A. HISTORICAL ROI REPORTS
            │
            ▼
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  ──►  Generate Student Outcomes
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Strategic School Funding for Results

Two Partners	Three Districts

American Institutes for Research®

Pivot Learning Partners

Los Angeles Unified School District Board of Education

TwinRivers Unified School District

PUSD Pasadena Unified School District

Strategies

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

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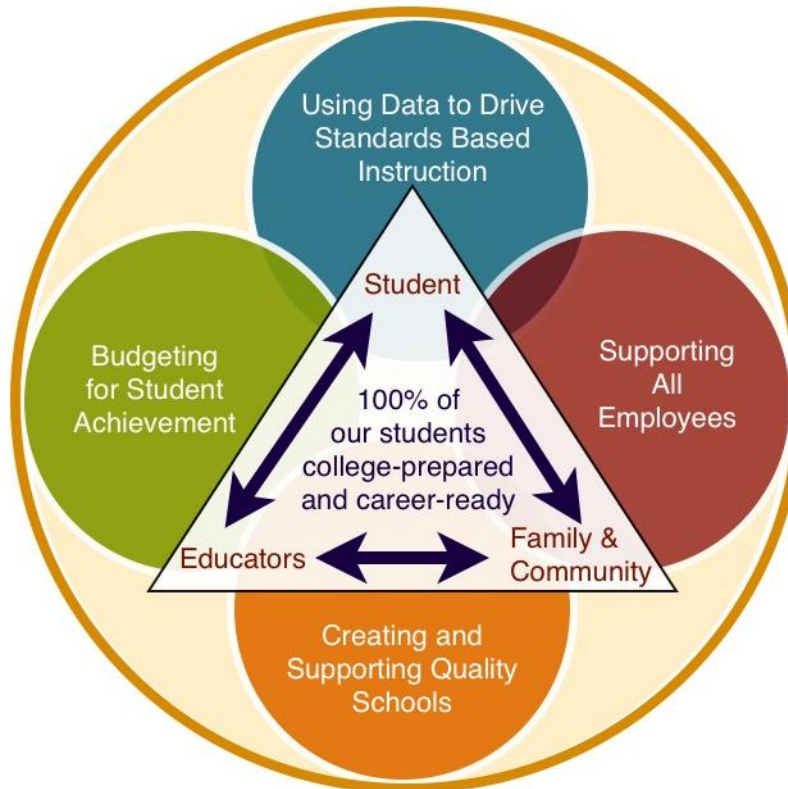
Use data to drive standards – based, effective instruction for all students, coupled with support and intervention, when students need extra assistance or accelerated learning.

We 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.

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

What we know

1. Years of service do not predict effectiveness
2. No career pipeline that builds on effectiveness
3. Little recognition makes teaching rewarding
4. Districts have to negotiate reforms with their unions
5. We don't measure what matters
6. Teaching is not a career profession any more
7. Low status

What's needed

1. An evaluation of teachers that's connected to real value added
2. A job pipeline that builds on teaching expertise
3. Money matters if the metric is valid, reliable and meaningful
4. Shift from an industrial to a professional paradigm
5. Better assessments of quality teaching and learning
6. A compelling reason to teach more than 5 years
7. Recognition, power & influence

LAUSD's Supporting All Employee Initiative
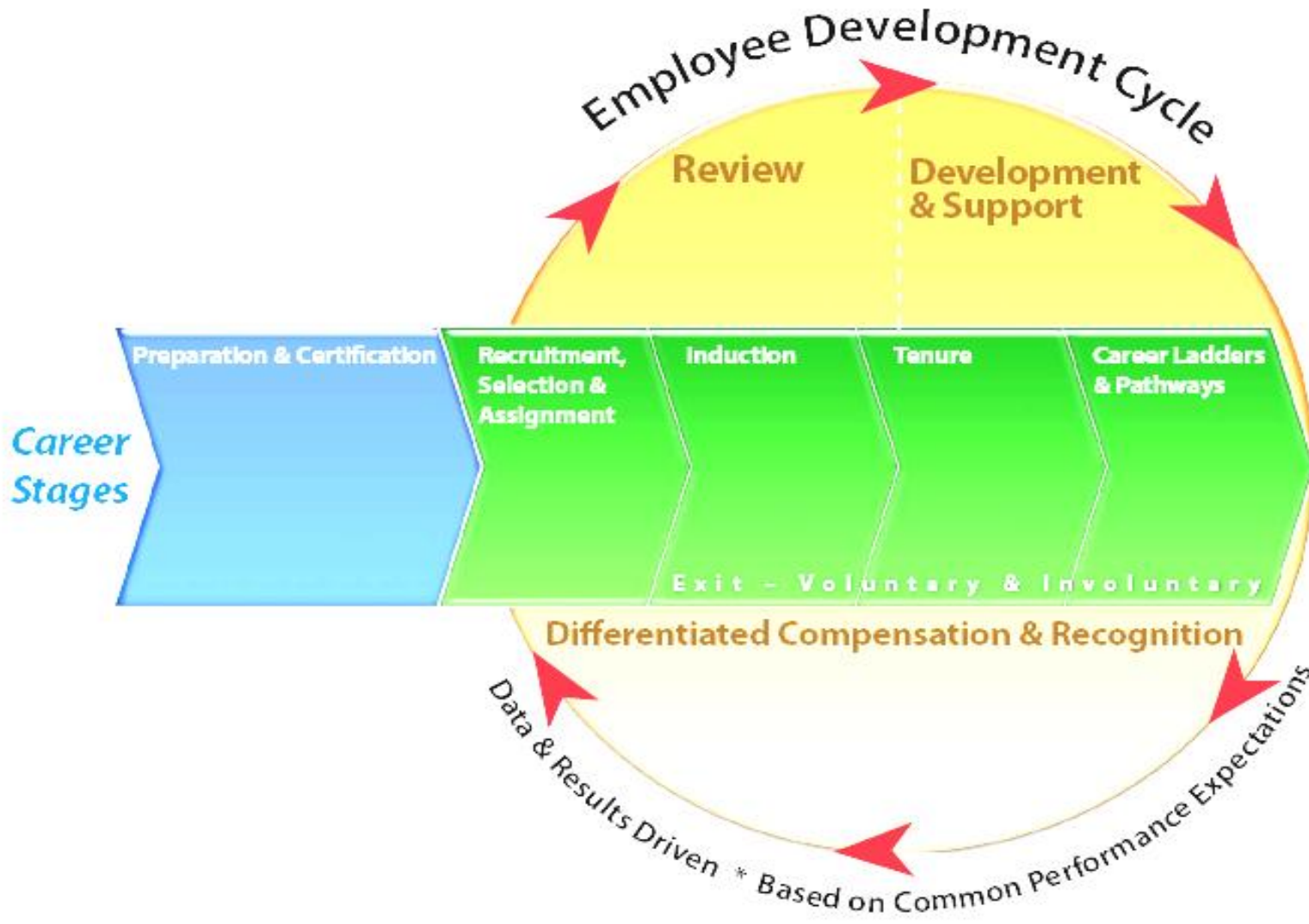
Modeled after the *Human Capital Framework for K-12 Education: Organizing for Success,* Wurtzel & Curtis (Aspen Institute, July 2008).

Thank You!

www.schoolfundingforresults.org

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QUESTIONS?