Strategic School Funding for Results (SSFR)
Laying the Foundation for Reform in Los Angeles Unified and Twin Rivers Unified
A presentation to the Association for Education Finance and Policy
March 26, 2011

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The context of education is changing — so how do we get ...
Emerging areas of innovation in managing public school districts

1. Student base budgeting and need based funding models
2. Talent management, especially teachers
3. Performance management
4. Community partnerships and family engagement
5. Better data and information to drive decisions
6. School quality through choice & tiered intervention
7. “Blended learning” integrating online and real time approaches

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Strategic School Funding for Results
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Two Partners

Two Districts

American Institutes for Research®

Los Angeles Unified School District Board of Education

Pivot Learning Partners

Twin Rivers Unified School District
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 central office service culture

- **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
Centralized resource allocation constrains innovation, equity and accountability

By allocating resources to schools centrally, districts 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 helps districts create conditions for equity, innovation and accountability

Student-based budgeting systems allocate resources and decision rights to schools and support 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

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Strategic School Funding for Results
SSFR provides essential supports for implementation and scalability

**Key Areas of Support**

1. **SSFR suite of SAAS tools** built using user-centered design
2. **Inside/outside project management** support team
3. **A service blueprint** for redesign of central office budget systems
4. **Site-level training and stakeholder engagement** in planning & budgeting
5. **Knowledge management systems** for equity, efficiency and effectiveness
6. **Research & evaluation** to support policy change
7. **Expanded dissemination** of activities and findings

**Purposes**

1. Make the switch to a per pupil system more manageable
2. Increase project management support during implementation
3. Re-focus central office departments on supporting schools
4. Create a more efficient and effective system of school
5. Increase the impact and quality of investment & allocation decisions
6. Opportunity to change policy at the state and local levels
7. Influence state policies
SSFR tools will help make the change

1- Targeted Revenue Model (TRM)
District determines services and dollars to place under school discretion

2 - Planning, Budgeting and Resource Allocation (PBAR)
Schools set goals, develop strategies, specify staff and buy materials to achieve goals

Projected school-level budget caps forwarded to PBAR

District establishes districtwide goals and provides accountability oversight and capacity building to schools

District modifies TRM based on review of DBOM reports

Finalized school-level goals, strategies and budgets forwarded to DBOM

3 - District Budget and Outcomes Management (DBOM)
Reporting and monitoring based on current school spending
Budgeting for Student Achievement is one of four core initiatives to drive change

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 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 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.
Early findings in Los Angeles:
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
LAUSD’s four main drivers of change

- Need-based, per pupil resource allocation
- Expanded flexibility for greater accountability
- Talent & performance management systems
- Accurate, timely, relevant, accessible data & information

Transforms incentives
Transforms accountability
Transforms the human capital system
Transforms decision-making at all levels
Work-streams and Projects for 2010-11

Transparency
- Designing Tools to support transparency and strategic budgeting at school sites.

Flexibility
- Program and Policy Reviews to identify resources and flexibilities for schools.

Accountability & Support
- Capacity Building for principals, school site councils, and the central and local district offices.

Equity
- Budgeting for Student Achievement Pilot Analysis to address and identify issues of scalability and equity.
Key accomplishments in LAUSD

• We have 73 schools participating in this model serving 65,154 students
• An average of 72% of revenues were allocated to school sites
Pilot case study: adjustments in school budgets creates inequity & inefficiency

• In the 2010-11 budget development cycle, Budget Services made several types of adjustments to Budgeting for Student Achievement school site budgets.

• These adjustments are:
  – **Average Daily Attendance** – adjusted school site revenue up or down to reflect the average district attendance rate.
  – **Salary Adjustment** – adjusted school site revenue to match the district average salary by position.
  – **Other Adjustment** – adjusted school site revenue up or down to match the expenditures identified in a norm-based budget for the site.
Case study: 17 schools received adjustments because of ADA

<table>
<thead>
<tr>
<th>School Name</th>
<th>ADA Adjustment</th>
<th>ADA %</th>
<th>Enrollment</th>
<th>API</th>
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<tbody>
<tr>
<td>Santee Education Complex</td>
<td>$672,542</td>
<td>82.5%</td>
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<td>Markham Middle</td>
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<td>Figueroa Elementary</td>
<td>$26,606</td>
<td>93.2%</td>
<td>428</td>
<td>708</td>
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<tr>
<td>Gratts Elementary</td>
<td>$23,758</td>
<td>93.9%</td>
<td>604</td>
<td>653</td>
</tr>
<tr>
<td>Ambassador Sch of Gbl...</td>
<td>$20,413</td>
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<tr>
<td>Westchester Senior High</td>
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<td>1,499</td>
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<tr>
<td>Roosevelt Communication</td>
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<td>Roosevelt Humanitas Arts</td>
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<td>Roosevelt STEM</td>
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<td>Roosevelt School of Law</td>
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<tr>
<td>Roosevelt Health Science</td>
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<td>LA Teacher Prep Academy</td>
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<td>Reseda Senior High</td>
<td>$538</td>
<td>90.9%</td>
<td>2,073</td>
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19 of 74 pilots received salary adjustments; 11 of the adjustments exceeded $65,000

<table>
<thead>
<tr>
<th>School Name</th>
<th>Max Salary Adj</th>
<th>Total Enrollment</th>
<th>API 2010</th>
<th>Salary Adj Per Pupil</th>
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<tr>
<td>FRANKLIN SH</td>
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<tr>
<td>ROOSEVELT HUMANITAS ARTS</td>
<td>$72,282</td>
<td>475</td>
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<tr>
<td>ROOSEVELT SCHOOL OF LAW</td>
<td>$72,282</td>
<td>474</td>
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<tr>
<td>ROOSEVELT STEM</td>
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<tr>
<td>UNIVERSITY SH</td>
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<td>2,096</td>
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<td>GRATTS EL</td>
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<td>ROOSEVELT ESP</td>
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<tr>
<td>WRIGHT MS</td>
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<td>$11</td>
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<td>HILLCREST DR EL</td>
<td>$9,649</td>
<td>754</td>
<td>624</td>
<td>$13</td>
</tr>
</tbody>
</table>
70% of the pilot schools had a deficit; 45% were high schools, 43% elementary schools.
Lessons Learned

• Need to start with transparency in order to have equity conversations
• Need to invest heavily in budget process redesign and technology upgrades
• Actively involve all stakeholders
New district, new systems, better results

- Newly unified school district
- Urban area of Sacramento, 22000 students, 100% Title I schools, 20+ Languages
- An opportunity to start the new, progressive systems with the guidance of AIR/PLP
Better systems to support better schools

- Per-pupil funding and a needs-based formula
- Training for leadership teams
  - decision-making, program evaluation, and resource management
- Engaging stakeholders in planning & budgeting
- Increase transparency around resource allocation

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Strategic School Funding for Results
Align a culture of effectiveness and improvement to enhance learning

• Focus on quality services to schools
• Set performance standards & measure impact
• Link evaluation to performance for everyone:
  – teachers, principals, certificated and classified staff & leadership
• Maximize dollars to schools
Making changes at a time of reduced funding is difficult

**Accomplishments**
- Principal, teacher, and community involvement at the pilot sites.
- Commitment of the Superintendent to focus district decisions through the lens of SSFR

**Challenges**
- Uneven ownership of the reform
- Resistance from central office to experiment with new processes
- Transparency is very threatening

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Ambitious changes require planning and project management

- Commitment of project sponsor
- Project management support
- Cultivate demand for change
- Collaboration between stakeholders
- Strong leadership is the antidote to the “rope a dope”
Lessons learned about change management

• It’s really true: where there is conflict there is opportunity
• Patience and persistence
• Stakeholder engagement strategies that leverage the “sweat spot”*

*The shared interests that motivate people to work hard and collaborate.
Thank You!

http://www.schoolfundingforresults.org/index.php

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QUESTIONS?