



Strategic School Funding for Results:

A Model to Promote Equity, Autonomy, Transparency, and Accountability in Local Public Schools

Final Report

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We would especially like to thank Mahala Archer, former Project Manager for SSFR in Twin Rivers, who provided substantial help in implementation as well as research-related activities during her tenure. She subsequently joined AIR (in 2013) to continue her work on related per-pupil budgeting issues.

We would also like to acknowledge the editorial and formatting assistance provided by Phil Esra, AIR.

ABOUT STRATEGIC SCHOOL FUNDING FOR RESULTS (SSFR)

What is the purpose of SSFR?

During the 2009–10 school year, American Institutes for Research (AIR) and Pivot Learning Partners (PLP) formed a partnership with two large California school districts—Los Angeles Unified School District and Twin Rivers Unified School District—to implement and evaluate the impact of a comprehensive approach to local school finance and governance reform that creates the conditions for improved human resource management and a more equitable distribution of both resources and student learning opportunities. The *Strategic School Funding for Results* project (SSFR) was designed to (1) develop and implement more equitable strategies for allocating resources within each district; (2) make budget and resource allocation decisions more transparent; (3) link those strategies to policies and processes designed to encourage autonomy, innovation, and efficiency; and (4) strengthen accountability for improving student outcomes.

What policies underlie SSFR?

The core reform strategy offered by SSFR includes four basic elements: equity, autonomy linked to accountability, transparency, and a culture of innovation and efficiency.

- 1. SSFR achieves equity by implementing a student need-based funding model**, and by developing and implementing policies, processes, and tools (the Targeted Revenue Model, or TRM) that support allocating dollars, rather than staff, to schools based on the needs of the specific students they serve (e.g., low-income students or English language learners).
- 2. SSFR links school autonomy to accountability** by offering schools discretion over how they use the dollars they receive and holding schools accountable for the results (student outcomes). SSFR includes a site budgeting tool (the Planning, Budgeting, and Allocation of Resources tool, or PBAR) that engages school decision makers in a series of activities that includes a needs assessment, goal setting, and the specification of instructional strategies and resource allocation necessary to achieve the goals with available revenues.
- 3. SSFR promotes increased transparency** by simplifying and clarifying the processes by which resources are allocated to schools, increasing the participation of a wide range of stakeholders in the design of these processes, improving stakeholder access to information about the patterns of resource allocation and student outcomes within the revenue allocation and site budgeting tools, and simplifying the structures that support resource allocation decisions.
- 4. SSFR promotes a culture of innovation and efficiency**. As these strategies are successfully implemented, SSFR encourages a culture of school innovation to improve performance and attract students and families; provides a structured, site-based budgeting tool in the context of a fixed revenue constraint; and encourages school leaders to operate efficiently to produce the best possible results.

What were the benefits of participation in the SSFR project?

Within the framework of the SSFR project, the AIR/PLP team provided the districts with data tools and analysis, technical assistance, coaching, and training to implement the funding

strategies and evaluate their success. While common themes were promoted across the two participating districts, each adopted its own focus and is now adapting the SSFR components to fit its unique culture and context. Each of the participating districts committed time on the part of its leadership and staff to participate effectively in this project and acknowledged that the project was a collaborative effort between the AIR/PLP and district leadership teams. The formative nature of the project allowed for a mutual learning experience among the participating districts and the AIR/PLP team and the creation of a strong partnership in successfully implementing SSFR. The SSFR project has resulted in a series of reports and guidebooks that describe the implementation of SSFR, as well as the changes in patterns of resource allocation and student outcomes that coincided with the efforts of the AIR/PLP team to implement SSFR in the two districts. For more information, see the SSFR website at www.schoolfundingforresults.org.

How was SSFR funded?

During the 2009–10 school year, the William and Flora Hewlett Foundation and the Ford Foundation provided grants to the AIR/PLP team to support the first phase of the SSFR work. August 1, 2010, marked the beginning of Phase II of the project, when the Institute of Education Sciences (IES) in the U.S. Department of Education awarded a grant of \$1.67 million to the AIR/PLP team to support the development of the SSFR model for three more years. The Hewlett Foundation awarded an additional three-year grant of \$1.5 million to the AIR/PLP team to extend its support of the project over the same three-year period. The Ford Foundation also contributed \$200,000 to support SSFR work during 2010–11.

EXECUTIVE SUMMARY

The purpose of the Strategic School Funding for Results (SSFR) project was to (1) implement and (2) evaluate the impact of a school finance reform that was intended to promote increased equity and transparency, provide schools more control over their fiscal and human resources, and link decision making autonomy for educational leaders (principals and key central office administrators) to accountability for student outcomes. The three-year project was funded by the Institute of Education Sciences (IES), the William and Flora Hewlett, Ford, and Kabacoff Foundations. The SSFR project put into place and tested a scalable model of intra-district resource allocation, supported by technology and participatory decision making processes. The model was designed to foster greater opportunities for innovation and efficiency at both the school and district levels.

Implementation

- **SSFR established finance and governance reforms that increased equity, school autonomy (linked to accountability), and transparency.** The SSFR project created a model that shifted control over resources away from the central office and toward the individual school, and attempted to engage a wide range of stakeholders in the process. The increased decision-making authority at the school level was paired with greater accountability for the school as well as increased transparency regarding decisions about resources. The SSFR model incorporated funding that followed the child and provided mechanisms for increasing the dollars available to high-need schools. Through these finance reforms, SSFR sought to support changes in the way school districts managed the distribution of teacher and principal talent among their schools.
- **SSFR designed and implemented tools for (1) allocating dollars to schools and (2) supporting school budgeting.** SSFR began with the development of software applications and tools for resource allocation. We developed three tools during the course of the project. First, we developed the District Budget and Outcome Management (DBOM) tool, which helps districts assess how well they have succeeded in equitably allocating resources across schools. Second, we developed the Targeted Revenue Model (TRM), which provides a mechanism for (1) dividing general purpose and categorical dollars between the central office and the schools and then (2) equitably distributing the school portion of these funds to schools according to a variety of student needs. Third, we developed the Planning, Budgeting and Allocation of Resources (PBAR) tool, which allows school leaders to systematically allocate dollars among various school programs and services in order to meet state, district, and school goals for the students they serve.
- **SSFR engaged two partner districts, with the goal of implementing the policies and tools by the end of 2012–13 school year.** To carry out implementation of SSFR, a team from AIR and PLP initiated partnerships with two California school districts: Los Angeles Unified School District (LAUSD), the second largest school district in the country, and Twin Rivers Unified School District (TRUSD), one of the newest unified districts in the state. The AIR/PLP team attempted to demonstrate in real-world settings that the tools and processes we were developing are scalable within and beyond California, and that they can provide a

cost-effective means to improve the way school districts operate. We were able to achieve some success in implementing the tools, processes, and training activities in TRUSD during the years in which we were engaged in the project, but the country's economic crisis, along with political circumstances beyond our control, halted the project during the third year (2012–13) of our work. LAUSD proceeded to develop its own set of tools with similar functionality to the original SSFR tools, and with support from the AIR/PLP team, was able to implement some of the SSFR strategies to improve district finance and governance.

Evaluation

- **SSFR conducted analyses of resource allocation and student outcomes to assess the impact of SSFR.** The AIR/PLP team conducted analyses of the variations in spending and student outcomes across schools serving students with varying needs (as measured by student poverty and English learner status).
 - In TRUSD, descriptive analyses showed very little change in the relationship between expenditures and the percent of low-income students over the study period.
 - In LAUSD, some descriptive analyses suggested that among middle schools and high schools, the relationship between spending and poverty was stronger and more predictable after the introduction of the district's version of SSFR, which the district referred to as Budgeting for Student Achievement (or BSA).

However, results in both districts from the more rigorous regression analysis showed that although the relationship between expenditures and poverty often became more responsive to poverty among schools that participated in BSA or SSFR, the results were never statistically significant. The regression analysis of the relationship between English Language Arts scores on the California Standards Test (CST) and poverty found no statistically significant changes in the relationship after the introduction of BSA or SSFR. (Note that neither district was able to fully implement SSFR or BSA the way it was originally intended because of the severe economic downturn that gripped the nation, and California in particular, beginning in 2008.

- **SSFR also surveyed and interviewed key stakeholders.** In addition to the analyses of resource allocation, the AIR/PLP team carried out surveys and interviews of school- and district-level stakeholders in both districts to assess their attitudes and perspectives regarding the impact of the project on resource allocation decisions. We gathered data from principals, teachers, and school site councils as well as key central office administrators in each district. Fiscal constraints and implementation challenges, such as the teacher assignment practices and policies that were already in place, prevented both districts from making significant progress on one of the primary SSFR goals—improving resource allocation equity. Survey and interview results show that both districts did make some progress in meeting other goals, such as increasing transparency in resource allocation practice and facilitating more meaningful stakeholder engagement in the budget process at the site level. Despite the implementation challenges both districts faced, several valuable lessons emerged that have helped inform district decisions on the implementation of an equitable and transparent funding system moving forward. Some lessons learned across both districts are that
 - Buy-in must be established at all levels before committing to the reform.

- There must be clear communication around a reform like SSFR/BSA given the variety of stakeholders that are required to shift their practice both at the central office and the site level.
- There are significant capacity gaps districts must assess and address at the central office and site level to successfully change district delivery of services and resource allocation.

We learned from our experience in the two partner districts that changing the culture of a district to improve equity, transparency, accountability, and efficiency requires a complex array of training and support activities, and that it works against many of the intergovernmental structures that influence the finance and governance of local schools and districts. This conflict must be acknowledged and addressed.

Successful implementation of SSFR depends on systemic changes in fiscal governance at the district and site levels, and the development of technology that helps districts and schools manage new roles and responsibilities. It requires commitment to a new paradigm, requires a willingness to focus all of the energies of leadership toward the goal, and requires that all key stakeholders work in close collaboration.

The SSFR approach encompasses far more than the reforms with which some districts may be familiar, such as weighted student funding and site-based management. SSFR is indeed a core reform strategy that has implications for all aspects of the finance and governance of schools, and it requires careful integration with all existing systems.

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Second, throughout the project, the AIR/PLP team was dedicated to working in collaboration with the participating districts by building on existing funding, budgeting, and data systems where appropriate and leveraging existing administrative structures to support SSFR policies. In other words, the purpose of the SSFR project was not only to evaluate the impact that such policies have on fiscal equity, school autonomy, and student outcomes, but also to work with districts as they enacted school finance and governance reforms, help them address challenges and barriers that they encountered, and help them and our team learn from their experiences along the way. SSFR’s Theory of Action: Intermediate and Final Goals	3
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INTRODUCTION

American Institutes for Research (AIR) and Pivot Learning Partners (PLP) launched the Strategic School Funding for Results (SSFR) project in 2009 in three California school districts: Los Angeles, Pasadena, and Twin Rivers Unified School Districts. The project was funded by the William and Flora Hewlett, Ford, and Kabcenell Family Foundations and the U.S. Department of Education's Institute of Education Sciences. The SSFR project's goal was to implement a new, weighted, student-need-based funding system in the three districts, and to evaluate the potential of the new system as a model for financial and governance reform. The SSFR model is a comprehensive approach to education reform that aims to improve student learning by more efficiently and equitably allocating resources to schools, increasing school autonomy over financial decision-making, building the capacity of school sites to plan and budget to improve student achievement, increasing stakeholder engagement in the planning and budgeting process, and realigning district support services to help schools effectively perform this new role.

This final report from the three-year project contains three major sections:¹

Section A contains narrative responses to two major questions: (1) *What are the major goals of the project?* and (2) *What was accomplished under these goals?* This section provides an overview of the project, along with its theory of action and how this theory of action relates to the various programmatic components and the various tools developed. We also present information on the current status of the SSFR implementation, descriptions of the various products the project team developed in implementing the SSFR model, and the results of our implementation and analysis.

Section B presents a summary of the budget and how funds were allocated over the course of the three-year grant.

Section C presents information about the various products and deliverables, the project website, technologies, and participating organizations.

¹ This document is officially a final report that will be used for the Institute of Education Sciences (IES) and the William and Flora Hewlett Foundations which were funding the last three years of the project ending on July 31, 2013. However, the overall project actually began in August of 2009, one full year prior to the beginning of the period funded by IES.

SECTION A: NARRATIVE RESPONSES

This section provides narrative responses for the report's two major questions: (1) *What are the major goals of the project?* and (2) *What was accomplished under these goals?* Prior to these responses, we discuss the background and context for the Strategic School Funding for Results (SFFR) project.

Background

At its core, the model used by the SFFR project attempts to equitably and efficiently allocate resources to schools. This goal is a persistent challenge for school districts struggling to improve student outcomes and narrow achievement gaps (Chambers, Shambaugh, Levin, Muraki, & Poland, 2008). Research demonstrates that schools serving the neediest students rarely receive the additional funding necessary to address barriers to learning (Roza & Hill, 2004). Furthermore, by allocating an increasingly larger share of these high-need schools' resources through categorical funding, districts have prevented schools from maximizing the limited resources that they have to improve teaching and learning (Timar, 2002).

Weighted Student Funding

Since the 1990s, reform-oriented school districts in the United States have experimented with weighted student funding to address these barriers, with inconsistent success.² Weighted student funding distributes dollars from districts to schools based on two factors: (1) the number of students a school serves, and (2) the level of need of a school's student population. Under such a formula, schools receive a specific amount for each enrolled student, and an additional amount for each educationally disadvantaged student, such as students who are identified as low income or English language learners. An unweighted allocation would be assigned to a student with identified special needs.

Most districts that transition to weighted student funding also shift more budgetary authority from the district to the school level, where staff work closer to students and better understand their needs. As a result, weighted student funding reform initiatives are generally viewed as not only a new funding method, but also a reform that encompasses changes in governance structures and processes. In practice, however, though weighted student funding initiatives have been successful at addressing inequities in funding, they have not always altered the organizational dynamics in schools (Goertz & Stiefel, 1998; Roza & Hill, 2004).

Strategic School Funding for Results Project

In contrast to past WSF policies, in which changes in governance were only on the margins, the core premise of SSFR is that through the introduction of a comprehensive approach to local school finance and governance reform, a district will achieve a more equitable and transparent approach to funding schools, strengthen accountability, foster innovation, and, ultimately,

² The first school district to implement a weighted student formula was in Edmonton, Alberta, Canada, in the early 1970's (see Thomas B. Fordham Institute. (2006), p. 24, for more information).

provide a foundation for improving teaching and learning for those students with the greatest needs.³

I. What Are the Major Goals of the Project?

SSFR is a comprehensive education reform that aims to improve student learning by more efficiently and equitably allocating resources to schools, increasing school autonomy over financial decision-making, building the capacity of school sites to plan and budget to improve student achievement, increasing stakeholder engagement in the planning and budgeting process, and realigning district support services to help schools effectively perform this new role.

Connecting Research, Policy, and Practice

The project was designed to connect research, policy, and practice on two levels:

- First, the AIR/PLP leadership team reflected a collaborative effort between AIR, which has experience bridging rigorous education research, policy, and practice; and Pivot Learning Partners, an organization dedicated to helping school districts implement improvement initiatives and to helping document and inform policymakers about what works.

Second, throughout the project, the AIR/PLP team was dedicated to working in collaboration with the participating districts by building on existing funding, budgeting, and data systems where appropriate and leveraging existing administrative structures to support SSFR policies. In other words, the purpose of the SSFR project was not only to evaluate the impact that such policies have on fiscal equity, school autonomy, and student outcomes, but also to work with districts as they enacted school finance and governance reforms, help them address challenges and barriers that they encountered, and help them and our team learn from their experiences along the way. SSFR's Theory of Action: Intermediate and Final Goals

Distributing funds to schools in a way that improves student learning and ensures adequate educational opportunities for all children has been and continues to be a persistent topic of debate among education policymakers (see Baker, 2008; Chambers et al, Oct. 2008; Hill, 2008; Roza, 2008, May 15). Moreover, as current federal and state accountability reforms create a strong focus on school site achievement across the country, the manner in which schools receive and manage their funding has become increasingly important. However, the policies and processes surrounding resource allocation and governance in many school districts limit the ability of school leaders ultimately to improve student learning. Reflecting this context, SSFR's

³ The word comprehensive in this context refers to the fact that the reform encompasses both finance and governance, addresses issues at the central office and school sites, and includes a broad perspective on decision making transparency, accountability, and stakeholder engagement.

major goals are based on this overarching theory of action: If the district office creates a more equitable allocation of resources, supports schools through a learning-focused partnership, and provides school leaders with more autonomy over planning and budgeting, then we create the conditions for schools to meet the local challenges of improving teaching and provide equitable opportunities for all students to learn.

Broadly speaking, there are seven categories of systemic and interrelated issues within school funding and governance that affect educational quality: equity, autonomy, accountability, transparency, parent and community engagement, financial decision-making capacity, and budgeting and planning. Figure 1 shows how the project aims to improve school quality and student outcomes by addressing each of these seven categories. SFFR's underlying theory of action hypothesizes that if these intermediate strategies are successfully implemented, the end result will be improved school quality and student outcomes. In the text that follows, we outline the project's goals within the seven categories and discuss SSFR's strategy for reaching those goals.

Figure 1: SFFR Theory of Action



Goal 1: Improve Equity Through Per-Pupil Budgeting

► The Issue:

District allocation practices often create inequities in funding across school sites. Students with the greatest needs often do not receive the resources necessary to provide truly equal opportunity for educational achievement (Roza & Hill, 2004; Hill, Roza, & Harvey, 2008). One example to illustrate this issue is the use of staffing formulas by districts to develop funding allocations for school budgets. School districts typically use this method for general-purpose funding (Rubenstein, Schwartz, & Stiefel, 2006; Perry et al., 2007).

Under a staffing formula allocation method, school districts develop school budget allocations by estimating each school's total enrollment, and then determining a ratio, such as 20 students per teacher, to calculate the number of teachers that each school will receive. Schools that serve

more students receive more teachers, and schools staffed with a larger number of teachers receive larger allocations to cover salary and benefit expenses. Under this method, schools receive more funding for additional students, but the individual school's level of student need is not taken into account.

Additionally, schools that have student populations with higher levels of student need are further shortchanged in this process. Although each school's allocation per teacher is based on a district average salary, actual expenditures at schools differ because teacher salaries are largely based on education levels and years of experience, and generally, schools with higher levels of student needs tend to have less experienced teachers, and vice versa. In Seattle Public Schools, Roza, & Hill (2004) estimated that this difference translated into a difference in teacher expenditures between low- and high-poverty schools of approximately \$1,000 per student.

The only countervailing influence to the inequitable distribution of unrestricted general fund dollars results from the fact that the distribution of federal and state categorical (or restricted use) resources to schools are often tied to counts of student populations with higher needs (e.g., students who are low income, are English Language Learners, or have disabilities).⁴ But even these funds are often not distributed as revenues, but rather in the form of staff assigned by the central office to the schools for specialized services.

► **SFFR Strategy:**

The SSFR model allows individual schools to receive per-pupil funds, weighted according to the composition of student learning needs, with more funds distributed to students who may “cost more” to educate, such as disadvantaged students or students from low-income families, English learners, and students with disabilities. With this approach, schools with similar levels of need receive the same amount of per-pupil funding, and schools with higher levels of need receive more funding.

Goal 2: Increase Site-Level Autonomy Over Budget Decisions

► **The Issue:**

In most districts, principals have little or no authority over the inputs of the education system, including how many or which specific teachers or other school personnel they employ, how much they allocate to professional development activities, selection of instructional materials, or the schedule they employ for connecting staff with students. Most of these decisions are made by the central district offices.

This inflexibility in existing budgeting and governance structures prevents school principals from being able to respond in specific ways to the special-need populations they serve. A recent study that surveyed 267 school principals in California found that constraints surrounding categorical aid were one of the strongest barriers they faced in improving instruction at their school (Fuller, Loeb, Chen, Arshan, & Yi, 2007).

⁴ For example, Title I funds are tied to counts of low-income students, Title III funds are tied to counts of English learners, and IDEA funds are often linked to counts of students with disabilities at the school site.

► **SSFR Strategy:**

SSFR decentralizes decision making from the central office to schools, giving school leaders more control over their school budgets. This allows school leaders to be more responsive to community concerns and individual student needs. For example, under SSFR, a school that received increased flexibility over funds spent at the site could decide to provide extended day or extended year programs, or to hire additional personnel to support interventions for struggling learners, instead of using the funding as dictated by the central office.

Goal 3: Build a Learning-Focused Partnership Between Schools and Districts

► **The Issue:**

In state and federal accountability frameworks, schools are often held accountable for making progress on a number of goals aimed at improving student outcomes, yet many decisions surrounding resource allocation—choices that may ultimately influence student success—are made at the central office. Although schools are held accountable and are expected to make progress toward these goals, central office and state decision-makers who make important decisions that potentially affect a school’s ability to reach these goals do not face this level of scrutiny (Brewer & Smith, 2006).

► **SSFR Strategy:**

Studies in site-based management have shown that a key factor in making increased autonomy work effectively is to strengthen the accountability required for improved outcomes (Wöbmann et al., 2007). In order to support schools in being the nexus of change, we must reinvent the relationship between the central office and schools, creating a learning-focused partnership where there is shared accountability for improving learning outcomes for all students. This means reorienting the current district and school culture of compliance to one that is more responsive to local needs and desires for student learning. In order to facilitate this partnership, the central office will need to shift the approach of supporting schools from compliance to performance. As an alternative to a narrow focus on high-stakes testing, accountability focused on individual performance is balanced with accountability for system performance: principals and teachers are held accountable for results, and school districts are accountable for providing the tools, structures, and resource flexibility necessary for those working at school sites to succeed.

Goal 4: Increase Transparency of How Financial Decisions Are Made

► **The Issue:**

Because resource allocation decisions are often made at the central office and are often driven by complex compliance requirements, they lack transparency. With complex staffing formulas for general purpose funds, and specific guidelines for each categorical aid program, it would be difficult for most school stakeholders, including school leaders, to understand how the district arrived at its school’s overall budget allocation. In a recent survey of school principals, researchers found that many were unaware of the share of their budget that came from categorical sources of revenue (Fuller et al., 2007). This lack of transparency has contributed to

the general erosion of trust between parents and community members and the schools that serve them.

► **SSFR Strategy:**

The per-pupil funding approach also increases transparency of district and school allocation practices. Under SSFR, a school's budget is determined by two factors: 1) The number of students that the school serves, and 2) the level of need of the school's student population. Moving to an allocation system that is based on two clear factors will help school and district leaders foster public understanding of, and confidence in, district and school resource allocation decisions.

Goal 5: Meaningfully and Authentically Engage Parents and Community

► **The Issue:**

Research suggests that high levels of family and community engagement favorably impact student achievement outcomes (e.g., Epstein, 2001; Henderson & Mapp, 2002), and engagement is weaker in schools with larger proportions of high-need students ("2012 MetLife Survey of the American Teacher"). A host of parent outreach and parent education programs exist, and yet one barrier to authentic parent engagement has remained largely unaddressed—the nature of parental involvement in decisions related to school finance and the allocation of resources.

California law does require that school site councils, which include parents and community members, approve certain budgetary decisions.⁵ However, they are only required to provide input on budgets associated with specific categorical programs where flexibility over spending is limited. Moreover, council members often receive little or no training in managing site-level finances (Perry et al., 2006).

► **SSFR Strategy:**

SSFR offers training to family and community members so that they can partner with principals to invest resources wisely. SSFR's collaborative planning and budgeting process is an entry point to reimagining the way educators approach meaningful family and community engagement. SSFR provides information and training directly to principals, making the dialogue of engagement at the school site an interactive, reflective process involving multiple stakeholders. District-level activities and trainings support this new paradigm, reinforcing collaborative, shared decision making that embraces parents as partners. This approach is especially important in an

⁵ Each California school is mandated to have a School Site Council (SSC) consisting of the principal, parents, teachers and staff elected by their peers, and secondary school students. This body is tasked with six responsibilities: measure the effectiveness of improvement strategies at the school; seek input from school advisory committees; reaffirm or revise school goals; revise improvement strategies and expenditures; recommend the approved single plan for student achievement (SPSA) to the governing board; and monitor implementation of the SPSA (<http://pubs.cde.ca.gov/tcsii/ch9/sscldrshp.aspx>). The analogous group in other states might be known as a Local School Council (LSC), School Council (SC), Parent Teacher Community Council (PTCC), Parent Teacher Community Organization (PTCO), or by another name. Compliance laws surrounding these groups differ from state to state, and even from district to district. This document refers to this group as the SSC, but please read with the knowledge that your particular group might be named, governed, or mandated slightly differently.

environment of resource scarcity in which developing budgets inevitably includes balancing competing priorities.

Goal 6: Build the Financial Decision Making Capacity of School Site Leaders and Other Stakeholders

► The Issue:

Virtually all of the studies of per-pupil budgeting systems in North America affirm the need to train school leaders to build and manage budgets strategically and to explicitly link resources to programs and strategies that have proved effective. One district administrator interviewed in the Chambers et al. study (2008) of weighted student funding in the San Francisco and Oakland Unified School Districts noted that “Certainly, when we all got our credentials, doing budgets was not part of it” (p.20). Without sufficient training, and given the myriad other demands on school leaders, districts can face challenges implementing weighted student funding. Indeed, some argue that because of this lack of school-level capacity around resource allocation strategies (a task that has typically been carried out by district-level staff), such policies could result in the ineffective use of funds (League of Women Voters of Charlotte-Mecklenburg, 2007).

► SSFR Strategy:

Facilitating the changes necessary to achieve transparent and equitable distribution and management of staff and dollars requires both the development of new policies and decision-making structures that are largely specific to each district and a set of more general tools. SSFR has developed a suite of tools that support allocating dollars (rather than staff) to schools based on the needs of the students being served, and that support greater levels of both budget transparency and stakeholder engagement in resource allocation decisions.

Goal 7: Align and Integrate School Budgeting and Planning Processes

► The Issue:

In most school districts, budgeting and planning processes are not integrated or aligned, resulting in budgets that do not address school priorities and school site plans that do not account for the resources necessary for implementation. For example, in many school districts the school site planning process generally begins in the fall for the following year and ends in the spring. In contrast, school budgeting processes typically begin in the late spring, and end in the summer—well after school site planning has been done.

► SSFR Strategy:

At the heart of the SSFR approach is an annual, year-long cycle that integrates school planning, budgeting, and engagement activities. Schools and their communities determine priorities to address the specific needs of students before actual funding levels are known, understanding that they will be empowered to enact the resulting plan at any given level of investment once budget allocations are provided. This process can be supported with an online tool that improves transparency and efficiency by allowing school leaders, in concert with their family and community stakeholders, to align budgets to goals for student learning. This accessible interface

transforms school plans into living documents by facilitating information sharing and collaboration across schools, which, when combined with data on results, helps schools develop and share approaches to improving student achievement.

Core SSFR Components

To implement the SSFR theory of action and meet the project's goals within the seven categories outlined in the theory, SSFR combines the following programmatic components:

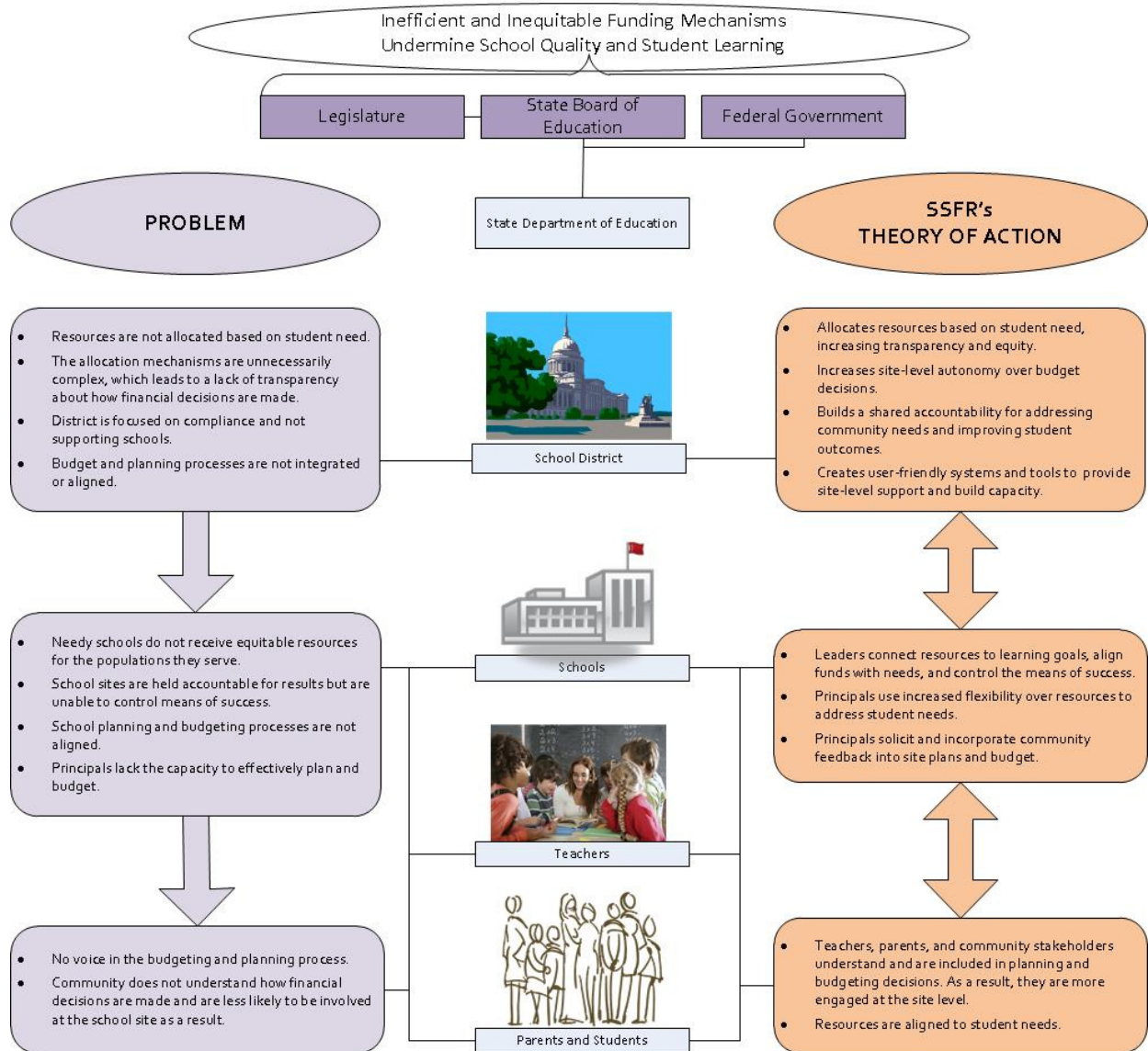
- *Policy changes:* Policy changes are a core part of the programmatic approach. Whether this involves changing school board policy about how funds are allocated or creating a side letter with the teacher's union to pilot a new approach to teacher assignment, policies and shared agreements are necessary to facilitate the implementation of SSFR, and they help sustain the change after the initial implementation of the SSFR approach.
- *Change management:* The SSFR model focuses on building and applying change management skills and practices to help districts implement and sustain the initiative, including (a) iterative stakeholder communication and engagement in designing the change initiative itself; (b) developing a dynamic plan for the project that addresses the local context and builds a shared vision for the desired future state; (c) identifying a clear path to the future; and (d) employing a user-centered design process to pressure test the plan and make refinements.
- *Infrastructure:* In all of the districts where we piloted SSFR, we had to build or redesign the organizational infrastructure to implement and sustain the SSFR model. This includes creating new roles within the central office to sponsor, manage, evaluate, refine, and sustain the change initiative. At the site level, it includes building or strengthening a team of teachers, families, and community stakeholders to help principals align the budget and planning priorities.
- *Training and capacity building:* SSFR combines training and coaching to build the capacity of stakeholders at all levels of the school system. It is important to customize the delivery of this training to fit the context of the school district in which we are working. We have experimented with blended learning models, and the training content should be adapted to match the needs of a variety of school district types. In addition to more traditional training and professional development, SSFR relied on job-embedded professional development, in which SSFR program staff members worked shoulder to shoulder with district or school staff to implement a particular part of the approach, while providing professional development around a new idea or skill.
- *Tools:* The SSFR approach includes a comprehensive suite of tools to support implementation:⁶
 - ***The Targeted Revenue Model (TRM):*** Districts use the TRM to allocate resources to schools in accordance with need-based or weighted student funding.
 - ***Planning Budgeting and Allocation of Resources (PBAR) tool.*** Schools align and integrate site-based planning and budgeting using PBAR.

⁶ Some additional detail on the tools is provided below under the section entitled “The SSFR Tools.”

- ***District Budgeting and Outcome Management (DBOM) tool:*** DBOM is used by the district for analyzing, reporting, and monitoring patterns of resource allocation and student performance to support decisions made within the **TRM** and **PBAR tools**.
- ***Monitoring progress and refining the approach:*** As SSFR is introduced in a district, it is important for leadership to monitor district and school progress towards implementation of SSFR reforms and school and district performance goals. Tracking improvement towards goals associated with improved student outcomes is a key component of strengthening accountability. It is also important to monitor progress towards implementation of SSFR reforms. That is, district leadership should pay close attention to the attitudes, perceptions, and feedback of those responsible for implementing the SSFR reforms—central office employees, teachers, and the community at large. Initiatives can then be adjusted based on feedback, which can potentially make them more effective.

Figure 2 shows where barriers to equitable and efficient resource allocation exist in the school system, and how we aligned our theory of action to target these levels within the school district.

Figure 2: Implementation of SSFR's Theory of Action at All Levels of the School System



Relationship Between Theory of Action and Tools

To assist districts in the implementation of SSFR, the AIR/PLP team developed a suite of tools to help partner districts work through resource allocation decisions. The support that these tools offer to users, and their relation to the various components of the theory of action, are described briefly in this section. All three tools are designed to build the decision-making capacity of school and district leaders and facilitate the transition to an annual budget cycle, but the tools are also strongly related to the theory of action in other important ways. Use of the specific tools implemented in the partner districts is not essential for a district wishing to implement the SSFR model in the future, but the general functionality of each of the three tools has the potential to assist and support any district transitioning to and implementing a model like SSFR.

Targeted Revenue Model

Under per-pupil budgeting, district leadership must decide (a) how much money to allocate to schools and how much to set aside for the central office, (b) how to divide money between different types and grade levels of schools, and (c) how much money to provide students with varying needs. The TRM provides a structured, step-by-step approach to making these decisions by clearly showing users how their choices will impact the overall distribution of resources among schools in their district.

► **The TRM and the SSFR Theory of Action**

Per-pupil budgeting is the vehicle through which the SSFR model achieves equity in funding across schools in a district, and using a tool that has the core functionality of the TRM can allow districts to implement per-pupil budgeting. It is important to note that using such a tool to develop a per-pupil budget is not sufficient to improve equity. Users must allocate revenues in such a way to derive composite pupil weights that allocate additional money to students with higher levels of needs. If the TRM is used to develop school allocations, decision makers can use the derived weights and the enrollment projections that are uploaded into the tool to clearly explain to various audiences how each school's allocation was calculated with simple arithmetic. This makes the district resource allocation process more transparent. However, this transparency also depends upon the share of total funds that a district chooses to distribute through this tool. If only a small share of money is distributed using the TRM, the tool will not shed much light on the district's overall resource allocation process. Additionally, the TRM is structured in a way that allows decision makers to solicit the input of school leaders and the community at several stages. For example, school leaders and community members could provide input about which funds to distribute through the model, and input in determining the amount of money allocated to students with different levels of needs. The TRM can easily be adapted to compare different allocation scenarios so that stakeholders can be provided with information about the potential consequences of their decisions.

The PBAR Tool

Under a system in which increased autonomy is granted to schools, each school's leadership team must devise a process for developing school plans and budgets each year. Past studies in site-based management have found that school administrators often have little experience in budgeting, and that school administrators often report that they would benefit from more training in this area (Chambers et al., 2008). The PBAR tool helps develop this capacity in a school

leadership team's comprehensive site planning and budgeting process by structuring step-by-step decisions that take schools and their communities through an annual, year-long budgeting cycle, culminating in a complete site plan for student achievement.⁷ Specifically, it guides them through a needs assessment, goal setting, program design, strategy identification, and determination of the staff and materials necessary to achieve the goals within available revenues.

► **The PBAR Tool and the SSFR Theory of Action**

The SSFR Planning, Budgeting, and Allocation of Resources (PBAR) tool supports school autonomy by providing a systematic and structured approach to guiding school leadership teams through the site planning and budgeting process. Moreover, the PBAR facilitates accountability by requiring school leadership to develop goals that are specific and measurable, and it incorporates functionality that allows users to monitor and track progress towards those goals over time. All stakeholders, from district employees to school site parents, can easily acquire the information they need to evaluate a school's plan. The PBAR encourages transparency because all resource allocation decisions are ultimately linked back to a school's goals. Stakeholders can map each dollar in a school's budget to a specific strategy and goal. By facilitating the organization of a school's budget around a few clear and specific goals, and developing functionality that positions the school's planning and budgeting in a manageable step-by-step process, the community has more opportunities to participate in a meaningful way. Additionally, people who are not typically engaged in the budget process can easily learn how much various school programs and services cost.

The District Budget and Outcome Management (DBOM) Tool

Under a system in which the accountability required for improved outcomes is strengthened, districts must increase their capacity to monitor progress towards school and district goals using school financial, personnel, and outcome data. The DBOM tool allows district and school leaders to monitor, analyze, and evaluate progress on performance, services, programs, and resource allocation. DBOM also supports the sharing of information between schools and provides access to central office data sources (e.g., revenue or enrollment projections).

► **The DBOM and the SSFR Theory of Action**

Similar to the PBAR tool component at the school level that allows users to evaluate progress over time, the DBOM incorporates functionality that allows users to monitor and track progress towards those goals over time as well as across schools within the district. The DBOM can house longitudinal or cross-sectional data, which can allow district and school leaders to monitor growth over time, help leaders identify strategies that appear to be working, and target others that may require adjustment. Moreover, the DBOM encourages transparency, because stakeholders can link measurable patterns of resource allocation and student outcomes back to goals, as well as assess the district's performance over time and differences in school performance across schools at a given point in time.

⁷ This plan was known in California as the Single Plan for Student Achievement, or SPSA.

II. What Was Accomplished Under These Goals?

Here we detail what the SSFR project accomplished. First we discuss the current status of the project and give an overview of the project's 2012–13 activities. Then we turn to the project as a whole and discuss its three years of implementation, training, and research activities. Through the fall of 2012, PLP and AIR made progress in implementing the SSFR model in our partner districts. Both districts had (a) publicly committed to the project; (b) adopted policies designed to establish the project as a core district improvement strategy; (c) built an interdepartmental infrastructure and redesigned work processes to implement SSFR action plans; and (d) piloted SSFR through a phased rollout with a subset of schools in Los Angeles Unified School District (LAUSD) and implemented SSFR with all 50 schools in Twin Rivers Unified School District (TRUSD).

While progress on implementation has continued in LAUSD, we encountered unexpected and significant changes in leadership in TRUSD that have had a dramatic impact on implementation. The following narrative provides an overview of the current status of the project in each of our partner districts.

Current Status of the Project

As of the 2012–13 school year, the SSFR project was supported with funds from the William and Flora Hewlett Foundation (a three-year grant for 2010–2013 for which Pivot Learning Partners was the prime contractor) and the Institute of Education Sciences (a three-year grant for 2010–2013 for which AIR was the prime contractor). In addition, AIR served as the prime contractor on a one-year grant from the Ford Foundation to support research activities that ended in November 2011.

Subsequent support from the Ford Foundation has focused on implementation, as has support from the California Community Foundation and the Dirk and Charlene Kabcenell Foundation. Each of our two district partners (LAUSD and TRUSD) has also supported the work through substantial contributions of time from numerous key administrative and support staff.⁸ District and school staff members have participated in numerous meetings, trainings, and policy discussions, some of which were initiated by the project team (AIR/PLP) and some of which were organized and facilitated by various teams within each of our partner districts. In each district, the local board of education has recognized SSFR as a core reform strategy.

We are now completing the third year of this IES project. The first phase of the project (2009–10) was supported by the William and Flora Hewlett Foundation and the Ford Foundation. Phase II of the project began in August 2010, and we are now in the third full year (2012–13) of this phase, which is being funded primarily by the Institute of Education Sciences (IES), the William and Flora Hewlett Foundation, and the Ford Foundation. While most of the effort has been supported by in-kind contributions of staff time, a portion of the Hewlett Foundation grant to the

⁸ As reported in the 2011 **Research Performance Progress Report**, we originally began this project with three partner districts. As of March 2011, however, the project team, in conjunction with the leadership team in Pasadena Unified School District (PUSD), reached a mutually agreed upon decision to suspend the project in PUSD. With the impending and sudden change of leadership that was announced in March 2011 (the resignation of the current superintendent, effective August 2, 2011), we decided it was best to give PUSD greater flexibility to customize the scope and pace of implementation to align district reform initiatives with the pending leadership transition.

AIR/PLP team has been used to support some of the on-the-ground leadership and activity in each of the districts.

At the state level in California, policymakers are continuing to grapple with whether, and how, to move to resource allocation strategies—often called “weighted student formula” approaches—that are more transparent and equitable than the current welter of categorical programs. Last year (2012), the governor put forth a recommendation to implement a new weighted student formula to fund public school districts within the state. Ultimately, this recommendation was not implemented; however, this year (2013) the governor redesigned his policy proposals, and at the time of the writing of this report, the Local Control Funding Formula (Governor Brown’s new approach to school funding) appears to have greater support among state legislators and key constituents, and is on the verge of passing into law along with the new California state budget. The governor’s proposal is a much simpler and more equitable approach to funding schools that would offer greater flexibility in how funds are used at the local district level. However, it doesn’t address how districts fund schools, and this is where the SSFR approach can come into play.

At the national level, policymakers began in 2011 and 2012 to move toward strengthening the comparability provisions of the Title I law under the *Elementary and Secondary Education Act* (ESEA), which ensure that Title I and other federal programs are adding on to a similar per-pupil base of state and local resources. Separate proposals by Senator Tom Harkin (Iowa) and Congressman Chaka Fattah (Pennsylvania) were proposed to impose stricter standards for satisfying the comparability provisions. More specifically, these two proposals would require schools to use per-pupil spending as the basis for complying with the comparability provisions, and would increase the lower bound thresholds on spending differences between Title I and non-Title I schools (or the highest and lowest poverty schools in districts with no non-Title I schools). However, these proposals have been put off, awaiting Congress to enact the reauthorization of ESEA.

In both cases, policymakers can benefit from answers to the following questions:

- What is possible for school districts that wish to create more transparent and equitable resource distribution strategies?
- How can SSFR-like approaches to finance reform enable and support reform in other key areas, including the distribution of effective teachers?
- What are the barriers that policymakers could remove or reduce to encourage this type of reform?

Each district has encountered real or perceived regulatory barriers at some point in this process that have triggered discussions across the project about petitioning the state authorities for waivers. In some cases, however, the barriers were found to be more at the district or county level. In Twin Rivers, for example, the Sacramento County Office of Education (SCOE) does not allow districts to pull data and push it back into their financial system, and a meeting with SCOE and project experts was required to make this possible. In addition, categorical department managers in both districts have proposed that our approach to building a budget—which starts by allocating the most restricted funding sources and progresses through to finish with the unrestricted sources—violates the “supplement not supplant” provision of Title I funds, and we may need to seek advice on this from department of education staff. The main regulatory issue,

however, is that there are simply too many regulations, and our SSFR districts would like to see the current strategy of “block granting” categorical funds extended and expanded.

Overview of Year 3 (2012–13) Implementation and Research Activities

During 2012–13, we continued to work in partnership with our two unified school district partners on the project: Los Angeles (~650,000 students) and Twin Rivers (~25,000 students). In 2011–12, both Los Angeles and Twin Rivers launched a new, more effective calendar of budget deliverables and activities that is designed to better align with the state’s accountability system and to encourage local participation in assessing school progress and creating program goals and priorities. In 2012–13, the PLP/AIR team continued to provide support, consultation, and training to support this transition. Implementation support activities varied significantly by district:

Twin Rivers

The SSFR team worked with TRUSD in transitioning to the new planning and budgeting process, focusing on how to use the Targeted Revenue Model (TRM) to distribute dollars equitably across schools and the Planning Budgeting and Resource Allocation (PBAR) tool to support school site planning and budgeting. The PLP/AIR team provided training and support activities to ensure the fidelity of the process and implementation of both tools. Due to historic budget cuts, Twin Rivers was not able to “turn on” the weighting mechanisms in the tool to make the allocations more equitable, though they are more transparent. Implementing the weights simultaneously with significant budget cuts was not politically feasible or programmatically desirable. However, the infrastructure was put in place so that it can be used when the budget outlook improves. TRUSD’s disengagement from the project is described in more detail in the implementation section of this report.

Los Angeles

PLP/AIR implementation efforts in Los Angeles focused on continuing to build a differentiated online blended learning model for principals to support a shift to the year-round planning and budgeting process. As noted in last year’s report, instead of using SSFR tools (TRM and PBAR), Los Angeles decided to create their own versions of the TRM and PBAR that could be better aligned to the data and financial systems already in place in the district. Similarly to Twin Rivers, the historic budget cuts in California forced the district to delay the transition to the per-pupil budgeting model. However, the district did use its TRM-like tool to provide each school with an alternate set of budgets so that they could see how they would be affected had the transition occurred.

Neither LAUSD or TRUSD fully implemented the weighted per-pupil allocations during the tenure of the project. However, both districts did use their respective site budgeting tools to allocate resources. This is discussed in more detail in the implementation section of this final report.

A Guide and Overview of the Remainder of Our Accomplishments

In the remainder of section A, we present an overview of each of the three SSFR tools, the implementation activities, the training activities, and, finally, the research activities.

The SSFR Tools

The AIR/PLP team created three tools to support the implementation of the SSFR approach to resource allocation: the Targeted Revenue Model (TRM), the Planning Budgeting and Allocation of Resources (PBAR) tool, and the District Budget and Outcome Management (DBOM) tool. Each of these tools is described below. In addition, we have created a brief User Guidebook corresponding to each tool, along with the electronic applications necessary to install and utilize the tool.

Targeted Revenue Model (TRM) Tool

Proposed Year 3 Activity: Continue refinement of the TRM tool and continue support of implementation in Twin Rivers Unified School District (TRUSD): **Benchmark met.**

► TRM Used in TRUSD

Over the course of the project, the AIR/PLP team has developed a tool—the Targeted Revenue Model (TRM)—that facilitates the implementation of student need-based funding within large urban and suburban LEAs. We have designed this tool to support a comprehensive and transparent set of decisions made by the superintendent (with his/her cabinet) to help them perform the following steps:

- To divide available federal, state, local, and private revenues between the central office and the school sites
- To allocate dollars to be put under school site discretion according to the various student need categories explicitly recognized by the district (e.g., students eligible for free or reduced-price lunch, English learners, students with disabilities, struggling learners, gifted students, etc.) and school level enrollments (elementary, middle, and high school)
- To “dial in” the school dollar allocations by reviewing and modifying in real time the resulting student needs weights in Step 2

The tool requires districts to think explicitly about their goals, to make decisions about the characteristics of students in their jurisdiction that should define need, and to recognize student need in determining the distribution of dollars to schools. The figures below provide snapshots of the summary information the TRM provides that allows the user to modify the allocation of dollars according to student needs.⁹ Specifically, Exhibit 2.1 shows a matrix of the per-pupil dollar allocations by schooling level and need category; Exhibit 2.2 shows an auto-generated graphic depicting per-pupil dollar allocations aggregated to the schooling level; Exhibits 2.3, 2.4, and 2.5 provide pie charts showing dollar and proportional breakouts of the overall per-pupil allocations by targeted student need category for elementary, middle, and high schools, respectively; and Exhibits 2f and 2g present a table and graphic depicting the calculated student need “weights” that measure the relative additional funding for each type of student defined by schooling level and need category (e.g., the 1.07 in the elementary poverty cell means that each impoverished student at that schooling level is funded an additional 7 percent on top of the base foundation amount received by all students).

⁹ Note that all figures included are purely fictional and are for illustrative purposes only.

Exhibit 2.1 – TRM Per-Pupil Dollar Allocations by Schooling Level and Need Category

<i>\$ Per Pupil by Student Type</i>	Base Foundation for All Students	Poverty	Gifted	EL (CELDT) Levels 1/2/3	Other EL	Not EL Below Proficient
Elementary Schools	\$3,936	\$292	\$44	\$848	\$345	\$158
Middle Schools	\$5,109	\$292	\$44	\$848	\$345	\$158
High Schools	\$5,614	\$292	\$44	\$848	\$345	\$158

Exhibit 2.2 – Overall TRM Per-Pupil Dollar Allocations by Schooling Level

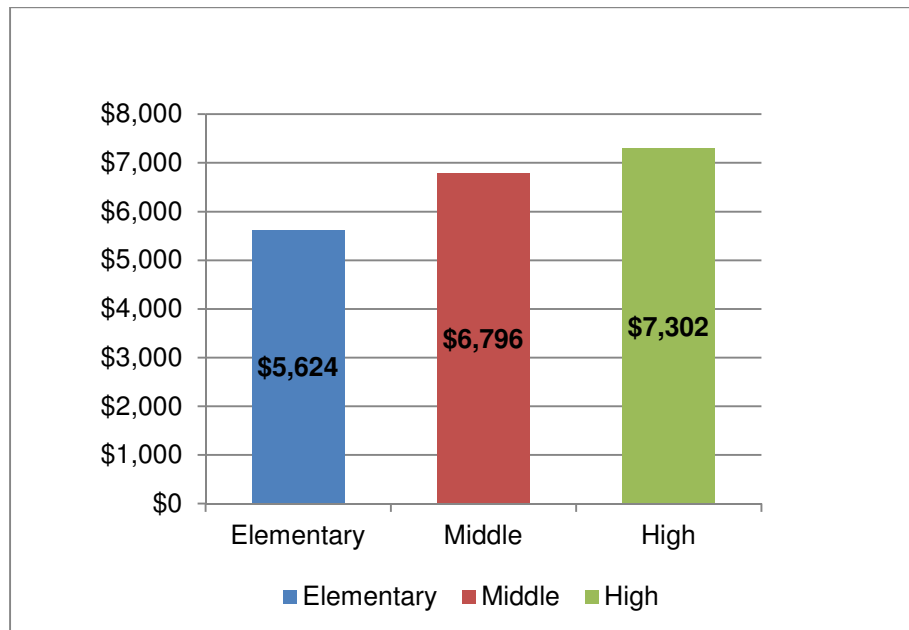


Exhibit 2.3 – TRM Distribution of Elementary School Dollars Per Pupil by Target Population

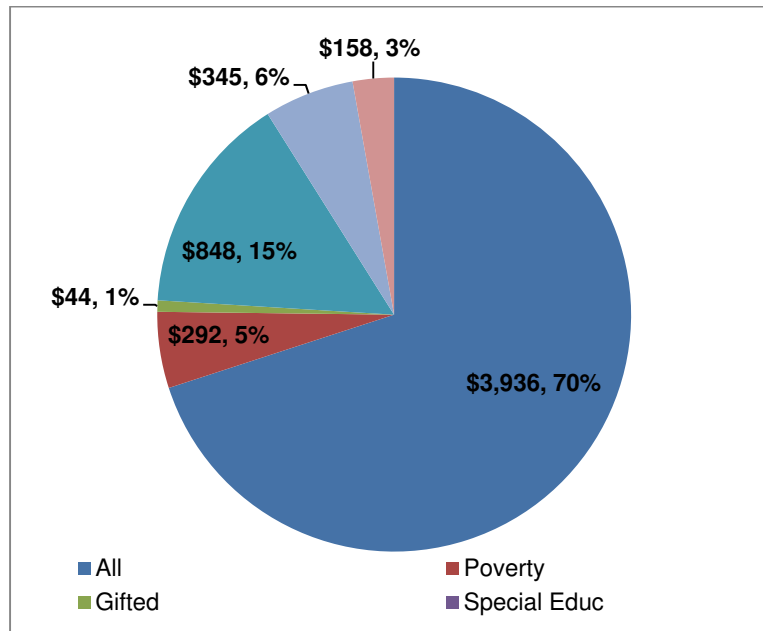


Exhibit 2.4 – TRM Distribution of Middle School Dollars Per Pupil by Target Population

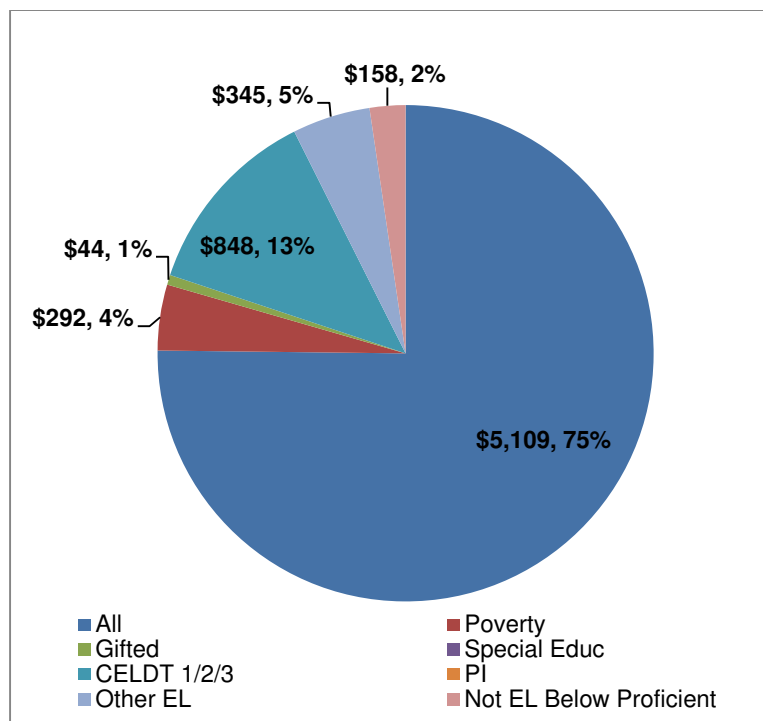


Exhibit 2.5 – TRM Distribution of High School Dollars Per Pupil by Target Population

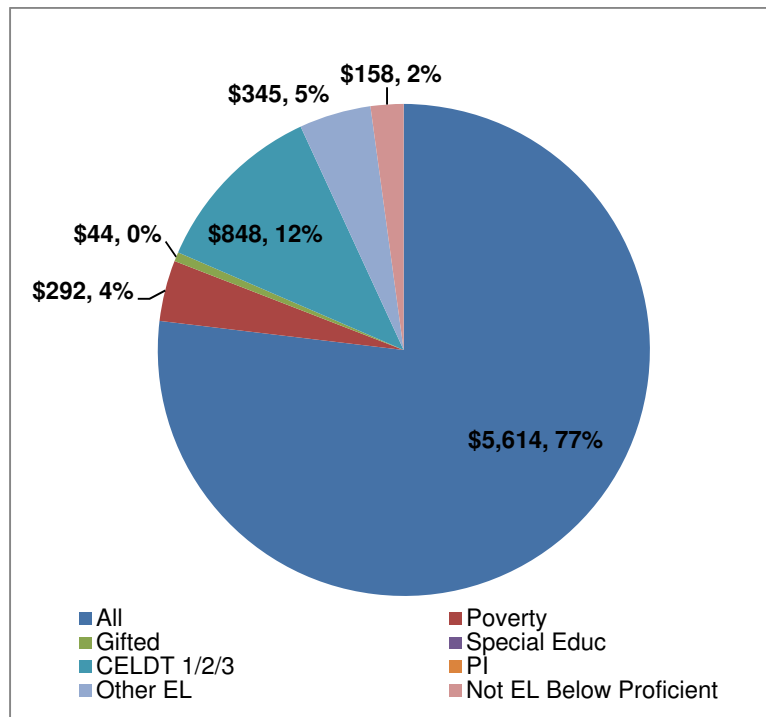
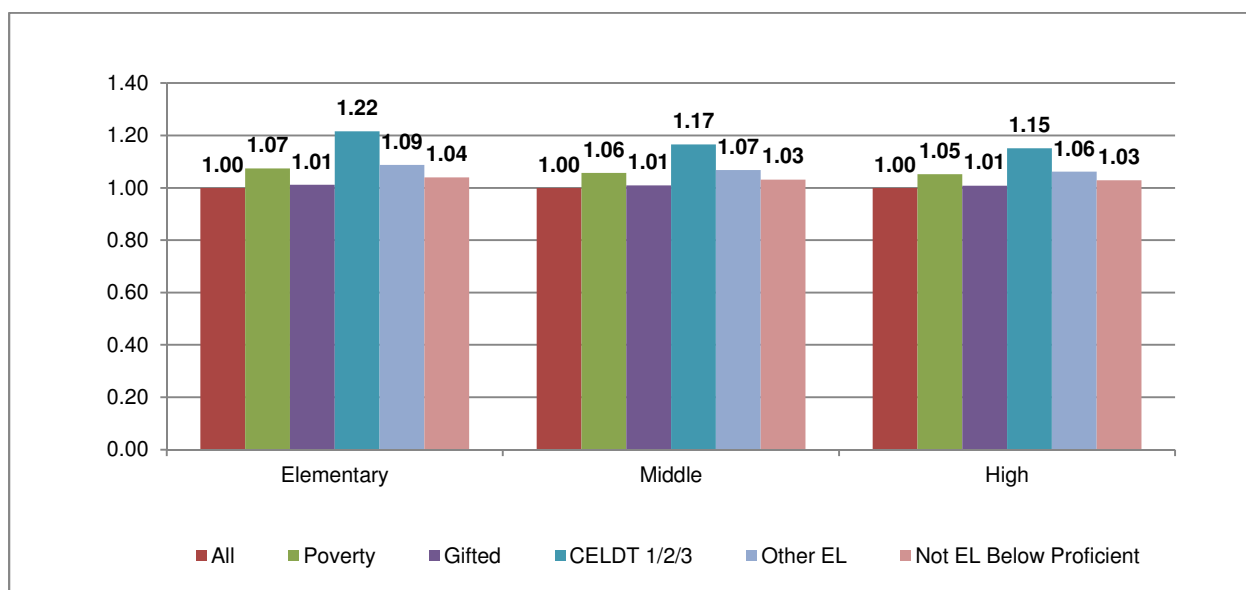


Exhibit 2.6 – Table of TRM Student Need Weights

Student Need Weights	All	Poverty	Gifted	CELDT 1/2/3	Other EL	Not EL Below Proficient
Elementary	1.00	1.07	1.01	1.22	1.09	1.04
Middle	1.00	1.06	1.01	1.17	1.07	1.03
High	1.00	1.05	1.01	1.15	1.06	1.03

Exhibit 2.7 – TRM Student Need Weights



This entire approach to need-based funding and the allocation of district revenues requires a major paradigm shift. It moves more of the decisions about how resources are allocated among programs and students from the central office down to the school level.

Revenue Allocation in LAUSD

The SSFR research team prepared a customized version of the TRM for LAUSD that ultimately was not adopted. Instead, the district followed a different approach. On an annual basis, in order to distribute unrestricted revenues, LAUSD staff develop a series of elementary, middle, and high school *per-pupil rates* from the major district programs that are calculated by taking the historical costs from the previous year and dividing them through by the schooling level-specific projections of the district-wide Average Daily Attendance for the following year. The major district programs for which this is done are as follows: Administrators, Assistant Principal, Secondary Counseling Services (APSCS), Clerical Substitutes, Clerical Support, Counselors, Custodial Supplies, Custodians, Day-to-Day Substitute, Teachers, Longevity and Salary Differentials (Certificated and Classified), Financial Managers, Instructional Materials Account, Nurses, Registration Advisor Time, Psychologists, Teacher Activity Differentials, Teachers, and Temporary Personnel Account (TPA).

The per-pupil rates are used to calculate school-specific allocations by multiplying each school's projected enrollment for the upcoming year by the appropriate per-pupil rate and the most recent measure of the Average Daily Attendance Percentage that is available (which is generally a year old at the time the initial school allocations are calculated). The school-specific allocations are updated after the more recent Average Daily Attendance Percentage becomes available. In addition, positive and negative adjustments to the allocation are made in order to balance allocations with actual expenditures:

In the immediate term, positive adjustments are necessary in order to avoid major disruptions to participating schools. Some schools will receive a negative

adjustment to account for the fact that their costs are less than the revenues they generate. These adjustments show that some schools generate resources for the District that in turn subsidizes expenditures at other schools.¹⁰

In sum, the mechanism used by LAUSD to distribute unrestricted revenues to schools is based on historical per-pupil costs that are not weighted by current student needs but are weighted by school attendance. It is important to emphasize that the per-pupil allocations only apply to unrestricted dollars and that schools also received resources supported by restricted funding sources that are distributed according to specific student needs.

Planning, Budgeting and Allocation of Resources (PBAR) Tool


Proposed Year 3 Activity: Continue refinement of the PBAR tool, continue support of implementation in TRUSD, and prepare for possible implementation in LAUSD: **Benchmark partially met.**


The AIR and PLP team also collaborated to build a school site budgeting application—the Planning, Budgeting and Allocation of Resources (PBAR) tool. LAUSD opted to design a similar application for school leadership to perform their budgeting and planning called the Budget Planning Tool. Both tools, and the associated decision-making processes, were designed to be used by site-level leadership teams (made up of school principals, faculty, parents, and other community members) to help them decide how to allocate the revenues they receive from the central office among staff and materials. The applications are populated with projected budget data (from the TRM in TRUSD and the revenue allocation process described above in LAUSD) that specifies the amount of revenues available to each school site by revenue source. With this budget constraint in place, the district establishes district-wide goals and provides accountability oversight and capacity building to schools.

The tools are intended to allow school leadership teams to operate within the context of district-wide goals, but the PBAR tool also provides some flexibility to define certain school-level goals that meet the needs of the student populations the school serves. By moving from a system in which the bulk of resources allocated to schools are staff fulltime equivalents to one in which schools are provided dollars that can be used more flexibly to employ more optimal combinations of inputs for their specific student population, these tools involve a major paradigm shift that affords school leadership teams greater control over the means to success. With the goals and revenue limitations in mind, each school leadership team is asked to develop program strategies that they believe will help them reach their goals, and they are then asked to determine the staffing configurations and materials necessary to carry out those strategies. Exhibits 3.1 and 3.2 provide screen shots of the main page of the PBAR and BPT tools. Note that the PBAR screenshot shows the hierarchy of goals, strategies, and specified resources that make up the Comprehensive Program Design, developed within the projected budget calculated by the TRM, which constitutes a major difference between the two applications. Specifically, incorporated in the PBAR tool is the additional capacity to carefully document the strategies used and to describe *how* the specified resources will be used to deliver the goals.

¹⁰ Quote taken from the 2012–13 *Budgeting for Student Achievement Pilot Manual*, available for download from the LAUSD website at:
http://notebook.lausd.net/pls/ptl/docs/PAGE/CA_LAUSD/LAUSDNET/OFFICES/CFO_HOME/SFSD_HOME/2012-13%20BSA%20PILOT%20MANUAL%209-12-12.PDF.

Exhibit 3.1 – Screen Shot of TRUSD Planning, Budgeting, and Allocation of Resources (PBAR) Tool



Planning, Budgeting and Allocation of Resources Tool 

MY PLAN



NEEDS ASSESSMENT

REPORTING




GOALS

DEMOGRAPHICS




PROGRAMS

SCHOOL SCORECARD



STRATEGIES

RESOURCES



COSTS

BUDGET




BUDGET

MONITOR



MONITOR

COMMITTEES



ADMIN

Goal Tree for Site Plan: Levin Clone3 Logged in: [Goals](#) > Goal Tree

- Click on the solid arrows below to expand or collapse Goals and their Strategies and Costs
 - Click on a Goal, Strategy or Cost to Edit its contents

Edit Goals

Expand All Nodes

☒ Sort by Strategy Name
 ☐ Sort by Strategy Priority

▶ GATE

▶ MATH

Our school-wide English/Language Arts proficiency as measured by the AMO is 67.5%. The NCLB target for next year is 78.6%. We must focus specifically on African American, Hispanic, Socioeconomically Disadvantaged, English Learners and Special Education students who fell short of this target in 2010.

▼ The following are strategies that will be used to increase proficiency.

Small group instruction and support will be provided to students in need. These groups will be data driven and fluid. All students can read Chinese. And Japanese.

- ▼ A1- Accelerate the performance of significant subgroups Prof/Adv CST ELA Subgroups 08-09 09-10 Change African- Amer...
- ▶ Admin
- ▶ CSR Teacher to reduce class size in the 6th grade
- ▶ ELA jr teachers
- ▶ ELA sr teacher
- ▶ A1- Contract with Center X to provide professional development to ELA and Math teachers three days prior to opening of the school year.
- ▶ A3- Decrease class size in order to provide a more personalized learning environment for students not making grade level standards
- ▶ B1- Hire librarian 1/2 day-5 days a week.
- ▶ A2- Implement Read180 as an intervention program targeting FBB, BB and B students
- ▶ A1- Increase percentage of students in grades 2-11 scoring proficient or advanced on the CST in ELA
- ▶ C1- Increase the percentage of students moving from one performance band to another on the CST ELA (e.g., from FBB to BB; BB to Basic; Basic to Proficient...
- ▶ C1- Introduce new spelling bee documents to all ELA grades
- ▶ A2- Purchase Voyager materials to supplement the core instructional materials in the classrooms
- ▶ A1- Staff development and professional collaboration
- ▶ A1- www.lexia.com
- ▶ GEN-ED
- ▶ History
- ▶ AMAO 2
- ▶ A NEW GOAL
- ▶ SPED
- ▶ CLIMATE
- ▶ Athletics
- ▶ Science
- ▶ INCREASE ACADEMIC PERFORMANCE FOR BOYS
- ▶ ELA2
- ▶ PLC

Powered by Pivot Learning Partners & The American Institute for Research 

Exhibit 3.2 – Screen Shot of LAUSD Budget Planning Tool (BPT)

Los Angeles Unified School District
School Budget Planning Tool

Home | Help | User Manual | FAQ | Logout
Login User: DENISE PETRULIS

School and Location Code: 135TH ST EL (1587701) School Year: 2013-2014

Budget Planning Reports

Minimum Staffing Requirements			
Description	# FTEs		Total Cost
ELEMENTARY TEACHER (6 hours)	30.00		\$2,890,347
PRINCIPAL, ELEMENTARY (8 hours)	1.00		\$142,396
DAY TO DAY SUBS	0.00		\$84,900
PLANT MANAGER I (8 hours)	1.00		\$65,842
ITIN NURSE	0.00		\$18,646
MAIN/OPER SUPPLIES	0.00		\$4,863
ITIN PSYCH SCHOOL C	0.00		\$4,504
Total			\$3,211,894

Recommended			
Description	# FTEs	Fulfilled	Total Cost
OFFICE TECHNICIAN (8 hours)	2.00	2.00	\$105,486
SCH ADMINISTRATIVE ASSIST (8 hours)	1.00	1.00	\$67,853
BLDG & GROUNDS WORKER (4 hours)	0.50	0.50	\$36,004
TEMP PERSONNEL ACCT	0.00	0.00	\$17,578
GENERAL SUPPLIES	0.00	0.00	\$12,529
IMA	0.00	0.00	\$11,872
DIFF LONGEVITY-CLAS	0.00	0.00	\$2,938
Total			\$255,655

Total Budget				
Program Name	Funds	- Budgeted	= Remaining	Exceeds Indirect Limits
Unrestricted	\$3,467,549	\$3,467,549	\$0	
Title I	\$361,312	\$361,312	\$0	
Title III LEP	\$6,272	\$6,272	\$0	
EIA-LEP	\$258,224	\$258,224	\$0	
Program Improvement	\$40,146	\$40,146	\$0	
Title I Parent Involvement	\$5,792	\$5,792	\$0	
Total :	\$4,139,295	\$4,139,295	\$0	

Edit Funds View Direct/Indirect

Allocation Scenarios	Value (in %)	Action	Amount
Scenario 1 % (Range 50 - 75)	75	Calculate	\$3,104,471
Scenario 2 % (Range 76 - 99)	85	Calculate	\$3,518,401
Status Quo	100%	Calculate	\$4,139,295

Add New Budget Line

Hide Minimum Staffing Requirements

Row #	Priority	Purchase?	New/Existing	Budget Line Item	Performance Metric	Budgeted	Remaining	Funding Source(s)	Comments
1	Edit Save Rec	Yes	Existing	1-Position BLDG & GROUNDS WORKER (4 hours) 0.50 FTE, Direct		\$36,004	\$891,397	Unrestricted (13027)	100 % \$36,004
2	Edit Save Rec	Yes	Existing	1-Position SCH ADMINISTRATIVE ASSIST (8 hours) Direct		\$67,853	\$823,544	Unrestricted (13027)	100 % \$67,853
3	Edit Save Rec	Yes	Existing	1-Position OFFICE TECHNICIAN (8 hours) Indirect		\$52,743	\$770,801	Unrestricted (13027)	100 % \$52,743

District Budget and Outcome Management (DBOM) Tool

Proposed Year 3 Activity: Develop DBOM into a more automated tool that could be used in the future by districts that are attempting to evaluate the equity in their patterns of resource allocation and student outcomes across schools: **Benchmark met.**

Over the course of the project, we conducted analyses using standard software applications such as STATA to examine the equity with which resources were allocated across schools. These were mostly one-off analyses specifically undertaken for the purpose of writing the quantitative resource allocation reports.¹¹ As we began our work during 2012–13, we decided to build an Excel-based tool to automate this analysis. In addition, we have developed a *User Guide for the District Budget and Outcome Management (DBOM) Tool* to accompany the Excel model in order to allow district level staff or other interested individuals to examine the relationships between variables that impact or are impacted by district finance. The core functionality of the tool (which we developed using *Visual Basic*) provides a means for district decision makers to implement or update some of the analyses that will help them assess the degree to which equity in resource allocation and/or student outcomes across schools has been achieved.

The DBOM is an easy-to-use tool that does not require technical expertise or prior knowledge of statistical software packages to create informative graphics about the patterns of resource allocation in a school district. The only requirements are that the user has access to Microsoft Excel and has a file that contains key data elements on school-level spending, student outcomes, and student demographics that are of interest. The structure and content of that file are described in more detail in the *User Guide*.

¹¹ For example, see <http://www.schoolfundingforresults.org/reports/LAUSDResourceAllocation2010.pdf>.

The following exhibits are samples of the types of charts that may be created using the DBOM tool. On the following pages, we present a bar chart (Exhibit 4.1), a scatter plot (Exhibit 4.2), and a multivariate analysis (Exhibit 4.3) using data from one of our two SSFR partner districts. These represent only a sample of the types of output the DBOM can produce.

Exhibit 4.1 – Graphic Produced by the Bar Chart Feature (Using the “Show Restricted Details” Option) Showing Expenditures by Level of Students With Disabilities for Elementary Schools in the 2008–09 School Year

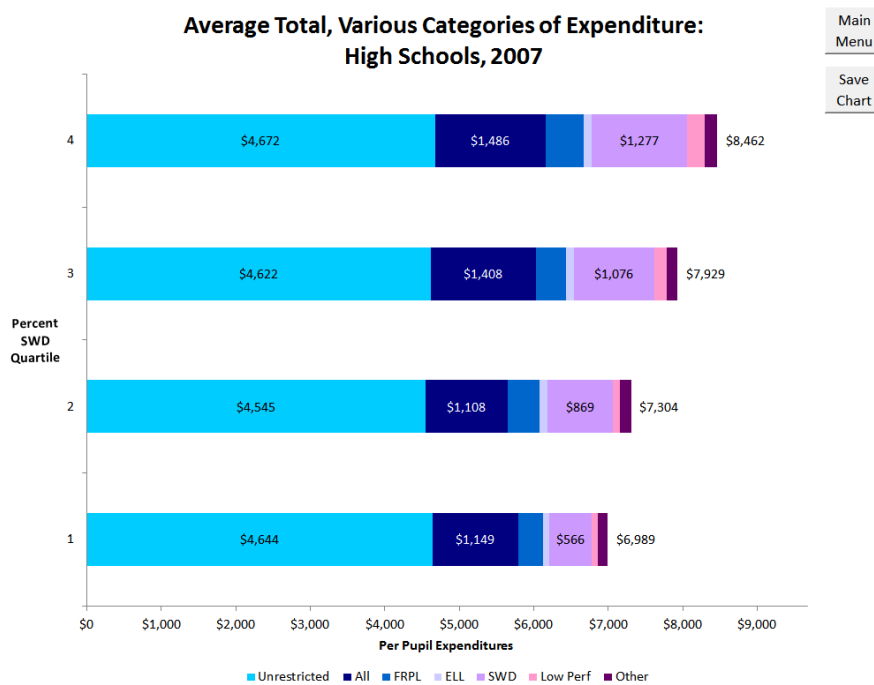


Exhibit 4.2 – Graphic Produced by the Scatterplot Feature Showing the Relationship Between Percent Free/Reduced-Price Lunch Eligible (FRPL) Students and Overall Expenditures, With Schools Grouped by Percent English Language Learners (ELL), for High Schools in 2007

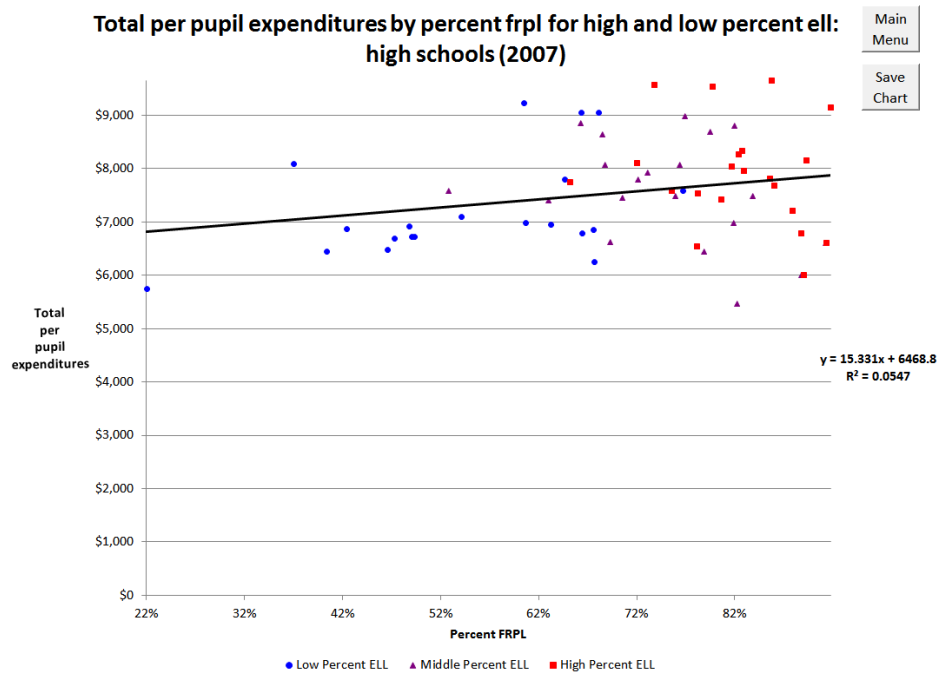
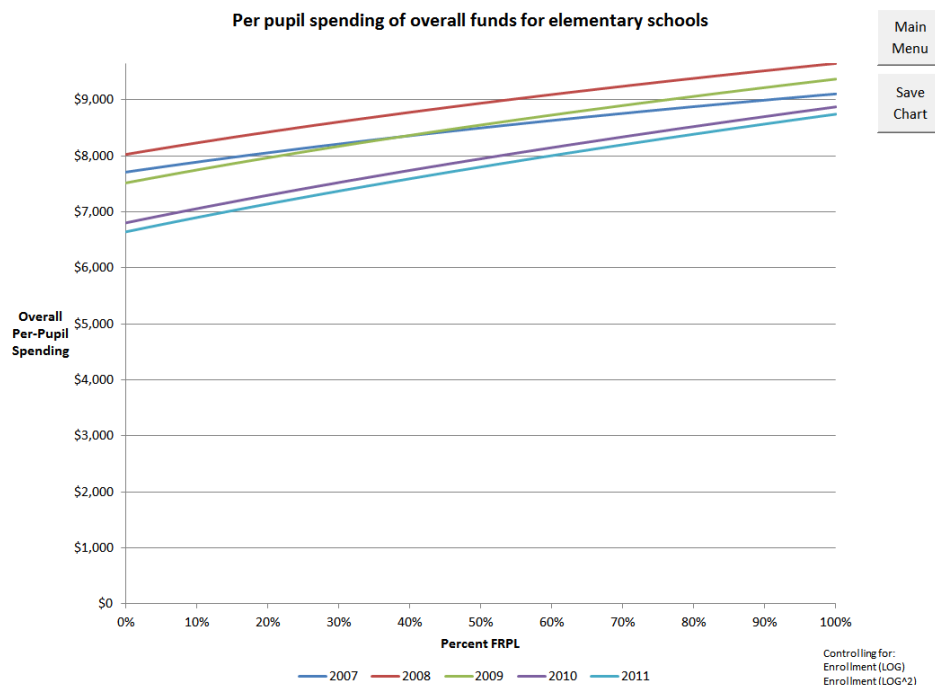


Exhibit 4.3 – Graphic Produced by the Spending Profile Feature Showing the Relationship Between Percent Free/Reduced-Price Lunch Eligible (FRPL) Students and Overall Expenditures for Elementary Schools in 2007–2011



► Overview of Technical Details for Supporting the DBOM Tool

The DBOM tool requires a data file to be loaded that contains a dozen or so variables that are necessary to support different core features of the tool. The data file required to utilize the DBOM tool should include school-level information on student demographics, such as total enrollment and percent of various need categories of students; breakdowns on per-pupil expenditures out of unrestricted and various restricted funding sources (e.g., state and federal categorical revenues) by school; and basic data on school-level aggregates of student outcomes, such as achievement test scores, attendance rates, drop-out rates, or graduation rates. The *User Guidebook for the DBOM Tool* provides all the technical detail required to use the tool, as well as information about how to construct the basic input database.

SSFR Activities: Implementation

Proposed Year 3 Activity: Work with key central office and school staff within our partner districts to finalize implementation of the new calendars and processes for resource allocation policies. **Benchmark met.**

An Overview of Implementation

Both LAUSD and TRUSD have gone through two budget cycles using a year-long planning and budgeting process. In 2011–12, each district went through the process for the 2012–13 budget, and this year, each district began working its way through the new process for next year’s budget (2013–14). The following summarizes overall implementation activities for both districts:

- **Per-Pupil Budgeting:** We worked with TRUSD in the fall of 2011 to implement the Targeted Revenue Model (TRM). We organized the decision-making processes to fully populate the model with the data necessary for determining how revenues would be distributed across all schools in the district. In the summer of 2012, the PLP/AIR team worked with the TRUSD finance team to ensure that the TRM was ready for fall 2012, and we supported the district to implement TRM in the fall of 2012 for the 2013–14 school year. As previously noted, Twin Rivers decided not to fully implement the TRM due to budget cuts.
- In LAUSD, we supported the district as they created their own version of the TRM and rolled it out in 2012–13. As noted previously, Los Angeles also decided not to fully implement its resource allocation tool. Instead, it ran the tool with the per-pupil, need-based weights turned on, while also using the existing infrastructure and process. Schools received their budgets using the old model, but they also received information detailing what resources they would have received had the new model and tool been fully implemented.
- **Implementing the Site Planning and Budgeting Process.** In the fall of 2011–12, we began working to build the capacity of TRUSD school sites to implement PBAR. The school leadership teams established various assessment committees, reviewed district goals, specified site goals, and described educational practices. These activities were intended to help school leadership teams prepare for the budget season, and to provide information that was eventually used by the PBAR to create Single Plans for Student Achievement. In the summer of 2012, the PLP/AIR team used the data for the user-centered design experience (described above) in order to refine the PBAR tool for use in

2012–13. In the fall of 2012–13, the team continued to provide technical support and training to principals in how to use the PBAR.

In 2011–12, the PLP/AIR Team helped LAUSD to redesign their planning and budgeting process for the Budgeting for Student Achievement (BSA)¹² initiative and pilot it in the pilot schools. Throughout the summer of 2012, PLP/AIR provided technical assistance to LAUSD as this process was refined, based on feedback from principals and other stakeholders. In 2012–13, LAUSD continued to use this revised process for the pilot schools, and it launched a new tool to support principals, which was modeled after the PBAR. The PLP/AIR Team provided coaching and implementation support for this transition.

- **Documenting a Scalable Approach to Implementation of Per-Pupil Budgeting:** As the PLP/AIR Team wound down work in both districts, we increasingly spent time documenting lessons learned, challenges, and best practices for implementation. Leaders from both teams collaborated to create a guidebook (*Strategic School Funding for Results: A Guidebook to Implementing Per-Pupil Budgeting for Practitioners*) for practitioners based on our experiences in Twin Rivers and in Los Angeles. This guidebook is a deliverable for IES and is being submitted along with this final report to IES. This guidebook enabled us to reexamine and rearticulate our approach to per-pupil budgeting while providing practitioners with field-tested implementation strategies for central office staff and principals.

Detailed progress on SSFR implementation by each of our partner districts is outlined below.

► Los Angeles Unified School District (LAUSD)

Los Angeles began working to develop its initiative—Budgeting for Student Achievement (BSA)—before the SSFR project officially launched in July 2009. In BSA’s early stages, a network of eleven pilot schools operated as a prototype of the kind of system the district wanted to build. A subset (the “Belmont pilots”) operated with a per-pupil allocation and greater flexibility over staffing, school design, curriculum, and assessment in exchange for greater accountability in the form of close scrutiny and engagement with district leaders. In the 2009–10 school year, this group of schools met regularly with Superintendent Ramon Cortines to engage in dialogue on the progress of SSFR-related policies. These exchanges were critical to maintaining a focus on what was needed for effective implementation of BSA. In 2009–10, Superintendent Cortines increased the number of BSA schools to 33, although the newly added schools did not have the same degree of flexibility as the initial set of pilot schools, which operate under a negotiated agreement with United Teachers of Los Angeles (UTLA). In 2010, Mr. Cortines expanded the number of schools in the pilot to 73 for the 2010–11 school year (or 92 when LAUSD’s magnet centers are included).

In mid-April 2011, there was a leadership change in LAUSD, with John Deasy taking over as the superintendent from Ramon Cortines. Early in this process, the SSFR team was fully apprised of, and prepared for, this transition. The team coordinated closely with Matt Hill, chief administrator in the office of the superintendent, who has helped the AIR/PLP team adapt to the leadership

¹² Budgeting for Student Achievement (or BSA) was the name that LAUSD adopted for the Strategic School Funding for Results (SSFR) reform.

transition and the implications for implementation of BSA. As expected, Superintendent Deasy charged forward with BSA as a core reform strategy in the district in 2011–12. With the new administration and looming fiscal uncertainty due to additional budget cuts, the SSFR team worked with district leadership to adapt the rollout strategy for BSA to the evolving LAUSD context. Instead of launching full implementation of the new budget model across the district, the team decided to make participation voluntary in 2011–12. A statement released by Superintendent Deasy in December 2011 announced this shift:

Even though we are delaying full implementation for next year, we are continuing to enhance our budgeting process for schools. We will continue to improve our budget planning tools for schools, increase budget training opportunities, increase budget transparency through improved reports, and will also continue our work to increase equity in funding for our students, based on their needs.

Delaying the mandatory rollout, and using an opt-in approach instead, has provided the team with time to create bottom-up demand for the program and has—to the benefit of the tools and training that were being developed—extended the timeframe for user testing and system integration.

In the 2010–11 school year, despite challenges in providing budget allocations to schools in an expedited manner (due to frequent state budget revisions and union negotiations that forced numerous revisions of the per-pupil allocations), Los Angeles increased the per-pupil allocation schools received, from 18 percent to 72 percent of net unrestricted revenue. This was achieved by including instructional staff in the dollar allocation to the 73 pilot sites. These schools now have greater transparency and flexibility in spending. Thirteen pilot schools used the cost-modeling tool to help generate the data needed to develop a need-based funding model, but the cost-modeling work faced its greatest challenges in Los Angeles as wave after wave of political upheaval and budget changes rippled through district schools. While only a few schools were able to complete the exercise, working with the schools gave the AIR/PLP team much greater insight into the tools and training that schools would need to operate successfully to achieve district and project goals. In 2011–12, 95 schools participated in the per-pupil model.

In 2012–13, LAUSD continued on the path toward implementing a transformed budgeting system district wide by using a “phase-in” approach that allows sites to opt in to more flexibility while also preparing to roll out a new funding model in 2013–14. This development presents a reframed set of opportunities and accomplishments summarized below:

- Instead of presenting BSA as a core initiative, the district now refers to its entire budget process as “Budgeting for Student Achievement” to promote the mindset that all budgeting is in service of student achievement and lay the groundwork for future changes.
- As part of BSA’s goal to make budgeting more efficient and streamlined for all schools, LAUSD is adopting a school budget funding model for 2013–14, through which schools will be eligible to opt in to new flexibilities based on the new Memorandum of Understanding (MOU) with United Teachers of Los Angeles (UTLA). This agreement created significant new demands that the central office was not prepared to respond to, but starting with fewer schools provides time to work out kinks and build support systems.

- With support from PLP's LAUSD-based team, the budget team is creating a training to show the difference between the norm model used in 2012–13 and the 2013–14 model, foreshadowing the beginning of district-wide rollout.
- The budget services department is evolving to a new, more strategic design that divides the department into teams that provide service to schools, budget management, and budget strategy and analytics.
- PLP's LAUSD-based team continues to collaborate regularly with the director of budget services, the budget department, and other central office units through the process of engaging key stakeholders to design training and tools.

Early on in the BSA initiative, PLP and LAUSD completed a process map of the current budget process that pilot schools experience, which identified the suboptimal steps within that process. A cross-departmental team (which included central and local district staff, school principals, parents, and affiliated charter operators) met to validate the analysis and make final revisions. Last fall, PLP's process improvement team presented the map to both the BSA Advisory Group and the District Advisory Group that represented all eight local districts. At that time, an ad hoc committee of central office leaders from the central Information Technology (IT), Finance, and Budget Offices in LAUSD undertook the work of developing process improvements that were required in order to implement BSA effectively, and to make the system easier to use and more transparent to stakeholders.

Given the confusing nature of California's finance system, LAUSD accomplished an important transparency goal when, for the first time, it issued reports to each pilot school that revealed the school site's actual budget based on real salaries, position data, and real costs. Implementing a district-wide rollout of this initiative (to more than 600,000 students) will, however, present some challenges. First, the process for generating these reports will need to be automated, as the manual generation of reports was labor intensive and this contributed to the delay in allocating resources to schools. Second, the district will need to overhaul the budget process to align actual expenditures to budgets at the site level, as LAUSD (like other districts) has historically used norm tables derived from district averages and has balanced its budgets using average costs at the district level rather than aggregating spending using individual school budgets.

The shift to a 12 month, redesigned budget and planning calendar allows schools to plan their budget allocations in advance of receiving funds, and this additional time helps schools to make authentic and meaningful budget decisions, with real input from school communities. The design of this calendar was informed by feedback from principals and district staff, as well as effective practices from other districts, and principals were engaged in a user-centered design process to develop a series of 11 web-based trainings to support the year-long planning and budgeting cycle. These trainings are being routed through LAUSD's process and will be finalized and posted to LAUSD's Learning Zone (the district's central, online location through which all trainings are delivered) in 2012–13, at which time they will be available to all principals, leadership teams, and SSCs.

In the 2009–10 school year, PLP supported the district in its stakeholder engagement strategies by chairing the district's BSA Advisory Group and working with the Parent Community Services Branch (PCSB—<http://www.lausd.net/parent-services/>) to reframe the work of school leadership and school site councils supporting effective school-level stakeholder engagement in planning and budgeting. The advisory group includes a wide swathe of stakeholders from inside and

outside the district, and, despite a slow start, it continued through 2010–11 to increase the visibility of the initiative through publicly available recordings of meetings available on the district website, weekly updates by the superintendent, and Board updates on the monthly meetings of the Advisory Group.

Another SSFR-related milestone achieved in LAUSD was the formation of a successful relationship between the district and the AmeriCorps VISTA (Volunteer In Service To America) Community Partnership Program. In the 2010–11 pilot year, the program focused on BSA schools and, in conjunction with the recently adopted “Parents as Equal Partners in the Education of their Children” Board resolution, BSA schools were offered the opportunity to participate in this pilot project. Participation is voluntary and involves an annual cost of \$950 per school site (which may be reduced or eliminated through additional fundraising activities). Participating school sites receive access to a VISTA for one day per week, focusing on parent and community engagement activities. These activities include increasing parental engagement, school site council capacity building, increasing attendance and retention, implementing or expanding tutoring and mentoring opportunities, recruiting volunteers, and other options determined through a school needs assessment. Research demonstrates that one of the most effective strategies for improving student outcomes is increased parental engagement, and school sites can use general funds or categorical dollars allocated for parent engagement purposes to budget for this opportunity.

PLP’s LAUSD-embedded staff kick-started the development of training materials and trained VISTA members on engaging parents around developing budget priorities in the 2010–11 pilot year. Over the course of the year, management of the partnership transitioned to the Parent Communities Services Branch (PCSB). In the fall of 2011, after cutting staff and experiencing a leadership turnover, PCSB underwent a makeover under the direction of the new Chief of School, Family and Parent/Community Services, Maria Casillas. Maria Casillas retooled the VISTA/LAUSD partnership and, with Dr. Deasy’s support, narrowed the scope to improving attendance. Given the critical status of school and district budgets, this goal was deemed the best opportunity to work together, impact school budgets, and achieve concrete results.

Despite the transition to a new PCSB director, and a shift in the focus of stakeholder engagement efforts in order to respond to the urgent need to improve attendance rates in an effort to stabilize LAUSD’s budget, PLP made progress supporting parent and community engagement and participation with the planning and budgeting process. The program currently maintains a 57-member service corps serving 80 school campuses and offices throughout the District. According to PCSB, the current plan is

to meet LAUSD’s attendance targets by 2014, one-third of the LAUSD VISTA corps will work as key members of the District’s Attendance Improvement Program (AIP) team. VISTAs will build the program’s capacity to deliver targeted interventions that improve attendance rates by 5% over 3 years in 60 of the District’s most vulnerable schools. School-based VISTAs not assigned to the AIP Team will work to expand and implement each school’s Attendance Improvement Plan to increase attendance in 60% of the schools they serve by 1% over the course of one school year.

In addition to successfully supporting the PCSB to make this transition, PLP has accomplished the following outcomes related to stakeholder engagement:

- Designed a year-round planning and budget model that the district has adopted to create more time for engaging parents and other stakeholders.
- Made all online budget trainings available to school site councils and included stakeholder engagement as a key competency addressed in principal budget training.
- Designed the budgeting and planning tool to help school site councils and school leaders model decisions and project their impact on budgets.
- Elevated the importance of family engagement by participating in the Parents as Partners Taskforce, chaired the BSA advisory group, and presented to the now-disbanded District Advisory Committee.
- Worked with the PCSB to train the original team of VISTA volunteers to help parents engage in the budget process.

At the outset of this work, LAUSD leadership and the SSFR team faced some serious challenges with the LAUSD finance department over implementation of the PBAR tool, due to both the complexity of the district's technology systems and the decision to delay district-wide rollout. As a result, LAUSD leadership and the SSFR team decided that developing a customized technology tool that aligns with the district's revised Single Plan for Student Achievement¹³ form would be the most effective way to move forward with implementing a tool that supports LA's schools in prioritizing budget scenarios to support school goals. Accordingly, PLP's LAUSD-based staff led the development, testing, and phased implementation of LAUSD's School Budget Planning Tool, which is designed to assist principals, staff, and other stakeholders in developing budgets that are tied to goals for student achievement. This tool helps schools plan for and prioritize program needs, such as afterschool programming and other extended and redesigned learning opportunities. More information is provided on the structure, utilization, and training materials provided to support the LAUSD site-based budgeting tool at <http://bsa.lausd.net/>.¹⁴

The tool was released in January 2012, and 140 participants representing 54 locations (including 42 school sites) attended the launch training. In addition, all 48 fiscal specialists in LAUSD were trained on the tool and were required to take and pass an assessment of understanding following the first in a series of trainings. This first training includes an overview of the per-pupil funding model. Since the launch of the tool, PLP's LAUSD-based team has focused on developing new features and improving existing features based on a user-centered design process for collecting feedback (from fiscal specialists, instructional directors, principals), developing training and other end-user material (e.g., user manual, help text), and deploying trainings (in-person and online). All of this work has been accomplished through a successful collaboration with LAUSD's IT Department, which has aimed to build the capacity of IT staff to lead future user-centered design processes to create technology systems and trainings that meet authentic and contextual user need. The PLP team also facilitates cross-departmental collaboration between the IT and budget teams. To date, every fiscal specialist in the district and more than 100 other users have been trained on the School Budget Planning Tool.

¹³ The Single Plan for Student Achievement (or SPSA) is a required component of school site planning in California, directed primarily at the decision making around categorical funds made available to the schools.

¹⁴ The tools may be found at <http://bsa.lausd.net/resources/tools>. The training materials can be found at <http://bsa.lausd.net/trainings>. Information on best practices can be found at <http://bsa.lausd.net/resources/bestpractices>.

The Pivot Learning Partners team also provided change management and professional development coaching and support to LAUSD leadership at the site and district level. As part of this effort, PLP's LAUSD-based staff developed 11 core training modules to support principals' planning and budgeting activities. All 11 modules have been outlined and the first six modules (supporting basic understanding of budget practices and LAUSD's finance system) are available in English and Spanish on LAUSD's Learning Zone and publically on the BSA website. These trainings focus on best practices in student-based budgeting drawn from national research and local case studies. There have been 193 enrollments in the first six learning modules via LAUSD's Learning Zone, and the majority of these users are principals. It is important to note that while we are able to track enrollments through the Learning Zone, we do not have a record of users (likely school site council and community members) that have accessed trainings via the BSA website. The remaining five modules (focused on connecting budgeting and planning with instructional strategies, including presenting extended and redesigned learning as high leverage strategies) will be posted by June 2013.

► **Twin Rivers Unified School District (TRUSD)**

SSFR launched in TRUSD in July 2009 with a year of planning and preparation for implementation. Work with principals began in the 2010–11 school year. At the beginning of that year, district leadership planned to implement the SSFR model in three stages by introducing it to three cohorts of schools and layering in a new cohort each school year. The schools in Cohort 1 began to utilize early versions of the site-based budgeting tool (PBAR) in 2010–11, and Cohort 2 was going to be included in the implementation during the 2011–12 school year. In August 2011, Twin Rivers made the decision to push ahead implementation by one year, having concluded that this would be more efficient and less burdensome than maintaining two parallel budgeting systems for allocating resources to, and within, schools. All schools (Cohorts 1, 2, and 3) were moved into the per-pupil environment during the 2011–12 school year to plan for the 2012–13 school year budget.

By the 2010–11 school year, TRUSD had undertaken a number of steps to identify and reinforce the SSFR project as a core reform strategy for the district, and to build support for, and understanding of, this strategy among key stakeholder groups including: the Board of Trustees, the Budget Advisory Committee, the Superintendent's Advisory Committee, the Twin Rivers Employee Relations Council, the Twin Rivers United Educators Officers, the District Leadership Team, and principals. On March 20, 2010, the Board approved a resolution identifying the SSFR project as key to the Mission of the TRUSD Board of Trustees, and the Budget Advisory Committee (a Board advisory committee that includes district personnel, classified and certificated union representation, and six Board-appointed community members) unanimously passed a motion on March 16, 2010, in support of this resolution. The Superintendent's Advisory Committee, made up of a select group of recognized community leaders, also unanimously supported the Resolution on March 17, 2010, and the SSFR project was included in the district's Title II Equitable Distribution Plan, which was submitted on March 18, 2010, to the California Department of Education. The creation of Change Management Teams—which include district personnel from all divisions, principals, unions, students, and community and family groups—has provided an important vehicle for integrating SSFR with other key district reform efforts, and SSFR is, in fact, becoming the District's core reform strategy.

In June 2010, per-pupil costs for centralized and site-based services and personnel were published. In the 2010–11 fiscal year, the district increased flexibility for the pilot sites in two of the major categorical funding sources: Title I and the English Language Acquisition Program (ELAP). By February 2011, the district had developed a tiered system of autonomy and accountability (similar in nature to the plan outlined in the U.S. Department of Education’s blueprint for the reauthorization of ESEA) to identify sites to add to the SSFR pilot.¹⁵

During the 2011–12 school year, all schools (50) transitioned to calculations based on the per-pupil funding model. All schools received approximately 80 to 85 percent of their unrestricted dollars, including receiving their staffing allocations as a base sum. Cohort 1 and 2 schools (a total of 19) also received approximately 70 to 75 percent of their categorical funds. Cohort 3 schools (a total of 31 schools) received the usual 25 to 30 percent (approximately) of categorical funds, which they had also “received” in previous years to control at the school site. During 2012, the district also followed their normal position allocation system, through FTE, as a check while they transitioned to straight per-pupil funding. The TRM was used to generate calculations for all school site budget allocations this year through a collaborative process with Dr. Jesse Levin at AIR.

In 2011–12, all schools (50) used the PBAR to generate both their 2012–13 comprehensive site plans and their 2012–13 budgets. Beginning in the fall of 2011, schools conducted needs assessments with their school site councils and other stakeholder groups to develop goals and strategies. Projected allocations for the 2012–13 budget were uploaded to PBAR on December 19, 2011, to begin budgeting costs of strategies and allocating them to funding categories. All schools completed comprehensive site plans and corresponding budgets in PBAR by April 27, 2012, and schools used this information to generate their accurate and complete Single Plan for Student Achievement to present to the Board for full approval in June 2012. These plans were completed a full 6 months ahead of their previous completion date (November) and schools will start the year with a plan in place on day one.

Twin Rivers began the process of retooling its central office services to support schools more effectively as they gained greater autonomy and accountability in 2010–11. A PLP process improvement consultant assisted the district in creating a map of the current budget process and identifying areas for improvement. With PLP support, TRUSD launched an effort to create greater central office accountability through a performance leadership initiative that was designed to tie evaluations to evidence of effective service to schools. The district published its plan, titled “Performance Leadership: Developing our Service Culture,” this fall, which detailed a transparent blueprint for strengthening support for school communities.

In August 2011, the Twin Rivers budget process map was completed, integrating the HR layoff process into the year-long cycle. This allowed Twin Rivers to determine their milestone dates for

¹⁵ Section 1116 of the ESEA prescribes a tiered menu of interventions that states and districts may, or in some cases must, implement if districts or schools do not meet their annual goals. The options that states or districts have to pursue vary according to the number of years that a district or school does not meet AYP, though there is a great degree of latitude in principle and (even more so) in practice. General consensus is emerging that persistently low-performing schools need more extreme interventions (replacing the principal and/or teachers and staff, conversion to charter school, closure, and so on) and that higher performing schools, having shown that they can improve results, should not be fettered by unnecessary regulations of the means. Federal policy recommendations for ESEA seem closely modeled on the 2007 report from Mass Insight, recommending a unique set of policy conditions (a “turnaround” zone) to make these interventions possible.

plan creation and budgeting. This is the first year that Twin Rivers began the year on track, complete with the new, integrated 12-month planning and budgeting calendar. As a result of the transition, however, schools were completing their 2011–12 Single Plans for Student Achievement and working through the new year-long planning cycle for the 2012–13 school year simultaneously. Budgets were completed by April 27, 2012, and this allowed the fiscal services department to project a budget aligned to each school's plan, with detailed information for compliance coding purposes. In previous years, the school site budgets submitted to the Board for approval were estimated based on the current year's expenditures.

A variety of methods were used to train principals consistently over the course of the 2011–12 school year. The training covered the span of the budgeting and planning process, and it was accompanied by functionality and purpose training on the PBAR in order to allow principals to execute their plans and budgets within the tool. All principals attended a group meeting at the district office once a month, and the SSFR team had between one and two hours at every meeting to train principals (and other site staff who accompanied them to the meeting) on the methods of SSFR and the PBAR tool. Training topics included: completing a needs assessment; goal area development; goal setting; creating strategies; prioritizing strategies; costing strategies; entering goals, strategies, and costs into PBAR; entering staff into PBAR; building a budget in PBAR; running reports from PBAR; determining goal tracking information and entering in PBAR; finalizing a comprehensive site plan; and printing a Single Plan for Student Achievement.

Through the 2011–12 school year, the PLP team and internal TRUSD staff used a train-the-trainer model to present the same information and training materials used in the all-principal meetings through other opportunities and venues, including:

- Critical Friend Cohorts: Schools were grouped around the original eight cohort 1 schools to create smaller groups, which we trained together at school sites.
- Webinars: Each week, from October to January, there was a standing, scheduled webinar that addressed one of the topics listed above. Time was also allotted for Q&A.
- Drop in sessions: The PLP team made themselves available at the TRUSD office or at school sites periodically throughout the year (and especially following principal trainings and before deadlines) to allow principals to come in for extra help and one-on-one training.
- One-on-One: Individual principals received one-on-one training sessions from PLP staff as needed, either by phone or in person. These sessions usually took place to assist with entering information into the PBAR tool.
- PBAR Helpdesk: We had a dedicated email and phone number designed to take questions and to provide training and support to principals and central office staff.

One of the key lessons we have learned is that each school district needs project management infrastructure. Twin Rivers now has in place an SSFR Leadership Team, a Change Management Team, a Principal Working Group, a Build Team, a Design Team, and a Project Manager. All of the aforementioned teams have received PBAR training. Teams from financial services, human resources, and communications have also participated in PBAR training.

The PLP team worked primarily with the director of Budget Services and the director of Categorical Budget to train the Fiscal Services Team on using PBAR for entering and accessing

budget information, including modification of terms and menus within the PBAR system. The Human Resources team, including directors of certificated and classified staff, HR analysts, and assistants were trained in using the PBAR tool to access school site plan information, verify staff entry into budgets, and double check school site staffing against the position forecasts (2011–12 only).

To support the budget development process, the Build Team—a cross-functional team made up of district leadership, budget services, and human resources staff—met weekly, beginning in December 2011. The team was trained regularly on the functionality of the PBAR tool to facilitate the use of the tool within central office departments requiring access to, and use of, the information contained within PBAR.

The Design Team—which consists of the three network executive directors, who supervise school sites in cohorts of schools, and their network coordinators, who assist with supervision, oversaw most of the budget and plan development at school sites, and facilitated use of the PBAR tool—met weekly during the 2011–12 school year. They were regularly trained on the functionality of the PBAR tool to turnkey, train, and assist schools in their use of the tool. They were also trained on the SSFR budget process, approach, and methodology, although this was often facilitated informally through discussion and question/answer sessions. The communications department was trained on the functionality and purpose of PBAR so that they could access the system and look across school plans in order to more efficiently and accurately respond to media and public inquiries into the work and practices occurring in TRUSD schools.

Engaging families and communities continued to be an important element of the SSFR approach in Twin Rivers in 2011–12. All SSCs, English Language Advisory Committee (ELAC) participants, and site leadership teams were invited to attend a Family Engagement Retreat. They all received training in the meaning and purpose of their respective roles, including the shift under the SSFR project. Separately, principals were trained to deliver a specific introductory presentation to their teams to begin the needs assessment and goal-setting work. This training was delivered in school groups at the retreat. Additionally, a stakeholder engagement report was built into the PBAR tool that allows quick and easy access to the information in PBAR to share with families and communities. Principals received quick guides on the purpose and use of this report, especially in terms of preliminary approval of comprehensive site plans in January 2012. Using a train-the-trainer model, principals also received training presentations that they could use with their stakeholders to teach them about the purpose, use, and interpretation of the stakeholder engagement report.

During the 2012–13 school year, the AIR/PLP team faced several major implementation challenges that ultimately led to the end of the SSFR project within the district. Superintendent Frank Porter abruptly retired on June 30, 2012. Mr. Porter had aligned most of his improvement initiatives under the SSFR initiative, including a new teacher evaluation system. It was Mr. Porter’s decision to fast-track implementation of the SSFR initiative in 2011–12, and he played a major role in the implementation of SSFR, as the executive sponsor for the project. Shortly before Mr. Porter retired, Twin Rivers held a School Board election (on June 5), in which three of the existing members were replaced. This turnover led to a new majority that was not supportive of Mr. Porter or the SSFR initiative.

Initially, it appeared that the SSFR project would not be impacted by the change in Board members and a new superintendent. As of July 1, the Board decided to promote Rob Ball,

associate superintendent of Business Support Services, as interim superintendent. Mr. Ball was very supportive of the SSFR and indicated that he was going to continue with full implementation of the SSFR model in 2012–13 and beyond. However, in September, the Board subsequently decided to replace Mr. Ball with a new interim superintendent, Joe Williams. Mr. Williams was formally a principal at Foothill High School, and he participated in the SSFR Project as a Cohort 3 member.

From July through late November, the AIR/PLP Team continued to work with TRUSD. The district appeared as if they were going to continue using the SSFR model. It launched its planning in budgeting process in the fall, using the TRM to allocate resources to the schools. Principals also began using the PBAR to develop their plans and budgets for school success. The PLP/AIR team provided implementation support in three main ways:

- Coaching the SSFR Project Manager: As the transition occurred, PLP spent a significant amount of time coaching and advising the SSFR project manager as to how she should proceed and how she could best support the principals using the new model.
- Principal Training: PLP supported the Project Manager as she conducted one training for principals in the district that focused on implementation of the PBAR tool and stakeholder engagement activities at the school site.
- Providing technical support to principals using the PBAR tool.
- Helping the district extract data from the PBAR tool.

Throughout the fall, the SSFR Project Manager and the PLP/AIR team experienced significant difficulty in gaining cooperation from the superintendent and other key staff for conducting SSFR implementation activities. It became increasingly obvious that Twin Rivers was going to change direction. However, the superintendent did not indicate that he was going to stop the SSFR model until late November and early December, which essentially stalled the project for two to three months. In early December, the PLP/AIR team was finally able to meet with the superintendent, at which point a mutual decision was made to halt all external SSFR activities. The PLP/AIR team granted the district a significant period of time to extract planning data for 2013–14 from the PBAR. Moving forward, it is not clear what Twin Rivers will do. It appears that Twin Rivers will retain major features of the SSFR model, including the year-long planning and budgeting cycle. However, they will not be using the TRM to allocate resources to school sites, nor will they be using the PBAR to develop site levels plans and budgets.

Implementation Activities—Lessons Learned and Recommendations for Implementation

The following section provides an overview of the lessons learned and the recommendations we would make to a district that is considering implementation of a per-pupil budgeting model such as SSFR. We outline the lessons that apply to the central office and those that apply to a school site separately.

► Central Office

At the Central Office level, districts should consider adapting one or more of the following strategies for implementing a per-pupil budgeting model:

- **Map the context.** District leadership needs to have a clear picture of which groups of students in which schools are successful and which groups are struggling, and should identify systemic barriers to per-pupil budgeting and site-level autonomy.
- **Transition to per-pupil budgeting.** Based on a holistic picture of district-wide student achievement and current fiscal conditions, district personnel must decide what weights and/or allocations within revenue sources fit their district's needs.
- **Increase site-level autonomy for financial decisions.** The district must determine which sources of funding and which types of services can be managed at the site level, and which are better managed at the central office level.
- **Move to a year-round planning and budgeting process.** Shifting to a year-round planning and budgeting cycle helps facilitate the development of school site plans in which priorities and available resources are well aligned.
- **Manage the change process.** The SSFR approach alters the roles and the responsibilities of central office employees (see “establish a culture of services to schools” below). The development of change management strategies can facilitate these necessary adjustments.
- **Build an infrastructure for project and change management.** Because SSFR requires the cooperation of individuals across multiple departments, districts must develop the infrastructure necessary to support the SSFR project.
- **Implement effective project management practices.** Develop an overall master plan, as well as plans and key messages for each workgroup, and revise these items based on feedback as the implementation progresses.
- **Establish a culture of services to schools.** Central offices must regard school sites as the primary customer and must position themselves so that they are able to help schools solve problems and develop innovative and creative strategies to improve the level and the distribution of student outcomes.
- **Develop technology that allocates money from districts to schools based on student need.** To implement a need-based, per-pupil budgeting system, districts must shift away from traditional staffing models to a system where funds are provided to schools.
- **Monitor progress toward objectives.** As SSFR is introduced in a district, it is important for leadership to monitor district and school progress toward the implementation of SSFR reforms and school and district performance goals, and to adjust these goals and implementation strategies as necessary.

► **School Site**

At the site level, districts should consider adopting one or more of the following strategies:

- **Map the context.** At the site level, school administrators must assess the status quo of resource management and school community engagement to develop well-aligned school plans and budgets with meaningful participation from stakeholders.

- **Transition to a year-round planning and budgeting process.** A year-round planning and budgeting process can facilitate innovation, collaboration, reflection, and alignment with school needs.
- **Engage in asset mapping.** Tapping available community resources beyond district funding can help close family and community resource gaps.
- **Build principal capacity to engage the community.** Principals must motivate community members to contribute to the school planning and budgeting process.
- **Develop technology to support the planning and budgeting process.** To facilitate efficient organization of financial information and school priorities, principals need technological support to develop school plans and budgets.
- **Build principal capacity to use technology.** School administrators need practice and assistance using the technology that they will leverage to develop school plans and budgets.
- **Monitor progress toward site-level goals.** School leadership must reflect on whether the goals they set were met, and whether the strategies developed to meet those goals were effective.

► **Additional Findings From Our Case Studies of the Site Budgeting Processes and Tools**

Early in the SSFR project it became clear that the timing of school site budgeting needed to change in the partner districts if principals were to conduct a more deliberate and strategic planning process. In the partner districts, even though some budget planning began in the fall of a school year, the school sites did not have an estimated budget with which to work. Schools did not start working on their budgets in earnest until after state projections were available in February or later. At that point in the year, time was short so budgets were finished quickly before school plan development even started.

Rethinking the site and district budget planning calendars (and accelerating the site-level process to begin in the fall) under SSFR changed this. The new schedule gave principals and school site councils the time to carry out a needs assessment and goal setting, to think about the innovative strategies that would achieve their goals, and to develop a school plan that could then drive the budget development process. The schools were therefore able to allocate their available dollars toward the goals and strategies they had already adopted.

► **Aligning Innovations with District Priorities**

In Twin Rivers USD, district officials used the PBAR (the site budgeting tool) approach to connect improvement goals in areas such as academic performance, school climate, and attendance with the budget-building process for school sites. The schools then developed the strategies they believed would enable them to meet or make progress toward both the district-defined goals and any additional school goals, to assign priorities to those strategies, and to allocate their resources accordingly.

Within those constraints, school leaders had the flexibility to try new things. Most of the schools that participated in the SSFR pilot during the first year tried new approaches to professional

development and/or extracurricular or afterschool programming, despite having no additional resources. At Rio Tierra Junior High, this included an expansion of afterschool and summer school programs. Regency Park Elementary purchased new technology tools to strengthen instruction, and at Rio Linda High School, teachers were provided expanded professional development opportunities.

► **Supporting “What If?” Planning**

Given the volatility of the California state budget, the principal at Santee Educational Complex in LAUSD used the data tool to create three different budget scenarios. They included a worst-case scenario, a scenario that identified additional needs if more money appeared, and a third scenario that included everything the school would have in an ideal situation. While preparing for the worst, the school site was able to easily identify strategic uses for additional funds were they to become available.

► **Increasing Accountability Yields Benefits**

Transparency Builds Trust

At Carver Middle School in LAUSD, the principal credits the PBAR, or site budgeting technology approach, with an improvement in trust across all of the relationships on her campus. She explains that the school has created greater openness about its budget by being very transparent with its stakeholders about how money is spent. The result has been that all groups are very familiar with the school plan, which has built a lot more trust. She also underscores the importance of having at least one person in your support staff at the school site that is competent in budgeting. Having a staff member who can support the budget development process and help to manage the necessary paperwork and reporting, as well as the day-to-day management of the budget, is critical.

Clear Financial Consequences Change Behavior

Within the traditional school district structure, it is almost revolutionary to talk about giving principals control over all the resources that are allocated to their schools, but the experiences of several LAUSD principals demonstrate some of the benefits that result from this added flexibility. In reports on their site-based budgeting experiences, these principals recounted what happened when the district gave them full budgetary control. As an example, under this new system, each site would have to pay for the cost of substitute teachers out of its budget. As a result, the school staff saw the cost of teacher absences as directly affecting their school and the result was a marked reduction in those absences. An immediate outcome was that the school had more dollars available to meet other needs. Similarly, each site—rather than the district as a whole—realized the financial benefit of better average daily attendance, since the increased revenue generated by better attendance ended up in the school’s budget rather than the district’s. Principals were able to communicate this to their staffs, students, and parents with a resulting improvement in student attendance as well.

► Professionalization Takes Many Shapes

A New Principal Found a Much-Needed Budget Management Tool

When Brent Givens began working as principal at Norwood Junior High in Twin Rivers Unified, he was stunned to find that he did not have any software tools for managing a school budget of over \$4 million a year. He was looking for a tool, even something akin to what he used for his personal checking account, but the district's systems were designed for accounting and compliance, not budget management.

"I was craving a tool that would help me manage a significant amount of money, one easy-to-use management tool that had all the information I needed." He said that once he was able to access the software developed through the SSFR project—the PBAR (Planning, Budgeting and Resource Allocation) tool—he was better able to engage in effective budget management for his school.

Middle School Principals Share Ideas and Resources

At Central Region Middle Schools in LAUSD, three small learning community schools operate on the same campus and work collaboratively to do so. With support from the SSFR project team, these schools have been able to plan and budget in ways that support that collaboration. As principals Hugo Carlos and Tommy Welch explained in a report to their communities, they were able to split-fund staff positions very easily, which gave them greater staffing flexibility around both core teaching positions and specialized positions based on their disparate school themes of Arts and Culture and Business and Technology.

The principals also worked together to plan for a variety of scenarios based on different enrollment and budget possibilities. They created a master plan with five different scenarios that enabled them to prioritize what they needed assuming increases in enrollment and resources occur. They also planned to create a horizontal network with other middle schools in their region.

► Redefined Relationships Strengthen the Entire Enterprise

Site-Level Budget Control Changes the Dynamic

Giving principals real budget control has whetted their appetite for greater autonomy and can cause a shift in how they see the district office. In a written description of his school's experiences, Principal Eric Davidson, at University High in LAUSD, noted that site-based budgeting

respects the position of the principal as somebody that can make school-based decisions based on data and student needs... I think it is just a matter of having mutual respect and trust. I trust that the process is going to be consistent and [the district office trusts that] the decisions that I make are going to be for the benefit of my students.

School Staff Can Use the Planning Tools to Function More Effectively

At one site, the school secretary used the PBAR (the site budgeting tool) and found that she was able to function at a higher level in support of the principal because the planning and budgeting process was well documented. By accessing that record and having a place to record changes, she could have confidence acting independently on decisions that were consistent with the plan, such as procuring supplies or authorizing a professional development cost.

► Local Knowledge Management Systems Required

The use of the site budgeting tool—which facilitated transparency and collaboration among principals—creates demand from principals for more access to examples of how others are able to squeeze more efficiency out of their budgets and make key tradeoffs to prioritize student learning. Early in the work on LAUSD’s school budget initiative, the SSFR team visited some of its per-pupil pilot schools to identify best practices for principal training content. Many school leaders we spoke to expressed keen interest in learning how others are using their resources to accomplish their goals. We also heard from the principals that they had far too much that they were expected to do, with much of this focused on mandatory meetings and workshops related to district-wide initiatives. Later on, PLP drew up a short presentation to describe a more principal-centered approach to professional development and started meeting with central office leaders to share it. Many of the ideas resonated with the leaders. One leader taking up the effort to redesign the district’s approach to professional development is Julie Kane, director of Academic Operations, Office of the Deputy Superintendent of Instruction Jaime Aquino, LAUSD. Ms. Kane, a former principal herself, now facilitates a cross-functional team in Los Angeles that is looking at ways to make a principal’s life easier by creating a system of principal- and teacher-driven professional development and online access to local best practices.

Implementation Activities—Concluding Remarks

Successful implementation of SSFR requires systemic changes in fiscal governance at district and site levels, a high level of support from district and school leaders and community members, and the development of technology that helps districts and schools manage new roles and responsibilities. The SSFR approach encompasses far more than the reforms with which some districts may be familiar, such as weighted student funding and site-based management. A district cannot simply enact the policy changes that SSFR embraces without further effort; a district must embrace and commit to the challenging work of building capacity, managing change, and engaging the community.

SSFR Activities: Training

Proposed Year 3 Activity: Provide any additional ongoing training and support as necessary to central office and school staff on final implementation of the SSFR tools and obtain feedback for the development process: **Benchmark met.**

Some of the implementation activities—relating to the development of the school site budgeting tools and the need-based funding tools, and the implementation of a year-long school budgeting and planning cycle—require training for central office administrative staff and school site leaders as part of the development process. The AIR/PLP team followed a *user-centered design* approach to develop the tools and the training.

Twin Rivers

The AIR/PLP team members worked directly with central office staff in the finance office of TRUSD to provide training on the use of the TRM. Principals were trained consistently over the course of the 2011–12 school year, using a variety of methods. This training covered the span of the budgeting and planning process, and was accompanied by functionality and purpose training on the PBAR so that plans and budgets could be executed within the tool. Training topics included:

- Completing a needs assessment
- Goal area development
- Goal setting
- Creating strategies
- Prioritizing strategies
- Costing strategies
- Entering goals, strategies, and costs into PBAR
- Entering staff into PBAR
- Building a budget in PBAR
- Running reports from PBAR
- Determining goal tracking information and entering it into PBAR
- Finalizing a comprehensive site plan
- Printing a Single Plan for Student Achievement (a California requirement for budgeting categorical funds).

Through the 2011–12 school year, the PLP/AIR team and internal TRUSD staff used a train-the-trainer model to present the same information and training materials used in the all-principal meetings through other opportunities and venues, the details of which were described in the previous section. The PLP/AIR team also worked with central office staff on issues related to change management and has helped them to implement the new budget calendar and other process components of SSFR effectively in their schools.

As noted in more detail in the previous section, the resignation of Mr. Frank Porter posed significant implementation and training challenges for the project. We were using primarily a train-the-trainer model, where the PLP/AIR team would train the project manager and others, and she would then train principals. Unfortunately, as the district decided to go a different direction, she was not able to convene principals for training and other capacity building

activities. As a result, much of the SSFR team capacity building efforts in the summer and fall of 2012–13 involved coaching the project manager and building her capacity to continue to lead the project in the face of significant political obstacles.

LAUSD

In LAUSD, activities included training for:

- Central office staff
- Principals and school site staff
- All 48 fiscal specialists in the district
- AmeriCorps VISTA members

As described in the previous section on implementation, both in-person and online trainings and other material (e.g., user manual, help text) to support the use of LAUSD's School Budget Planning Tool have been developed and deployed using a user-centered design process. All of this work has been accomplished through a successful collaboration with LAUSD's IT Department that has aimed to build the capacity of IT staff to lead future user-centered design processes to create technology systems and trainings that meet authentic and contextual user need.¹⁶

PLP's LAUSD-based team also developed 11 core professional development modules that support the implementation of BSA's year-long school budgeting and planning cycle. The first six modules (supporting basic understanding of budget practices and LAUSD's finance system) are available in English and Spanish on LAUSD's Learning Zone and publically on the BSA website. These trainings focus on best practices in student-based budgeting drawn from national research and local case studies. There have been 193 enrollments in the first six learning modules via LAUSD's Learning Zone, and the majority of these users are principals. The remaining five modules (which focus on connecting budgeting and planning with instructional strategies, including presenting extended and redesigned learning as high leverage strategies) will be posted by June 2013.

The BSA training modules are designed and deployed to be: a) personalized, in order to help principals assess their needs and identify appropriate supports; b) on-demand, as web-based trainings can be accessed at any time; and c) consistent with and aligned to the feedback LAUSD has received from school leaders regarding a lack of time to leave their sites for all professional development. Our web-based learning modules allow principals to access content online, in an engaging format, whenever they want. We also partnered with LAUSD's Personnel Commission to offer content (specifically around leadership skills) that is available through their Just-in-Time Training page.

In the past year, the PLP team has also made an effort to integrate BSA trainings into LAUSD's infrastructure for supporting school leaders. As the new Educational Service Center (ESC) structure has been rolled out across LAUSD, the PLP team has worked closely with ESC instructional directors to promote BSA trainings. Instructional directors (IDs) work closely, in a supervisory capacity, with principals around academic planning and aligning resources to

¹⁶ For more information on the array of trainings available from LAUSD, see <http://bsa.lausd.net/trainings>.

academic needs. IDs know the strengths and weaknesses of the principals they supervise and are able to direct principals to the training resources that are appropriate for each individual. We believe that partnering with instructional directors is a powerful strategy for ensuring that the principals get the budgeting and planning support they need.

It is worth noting that LAUSD is in the process of reevaluating how professional development (PD) is delivered across the district to optimize in-person and remote PD for principals, and ESCs and central office departments are strategizing how best to move forward in providing support to school leaders. The work we have done with BSA training is being presented as one model for providing engaging online content *before* an in-person training, so that principals can use in-person time for networking, best-practice sharing, dialogue, and reflection.

SSFR Activities: Research

This section summarizes the methods and results of our quantitative and qualitative research directed toward assessing the impact of SSFR on the patterns of resource allocation (e.g., per pupil spending at the school level) and student outcomes (e.g., student test scores) over time and across schools, and on the attitudes and perspectives of school-based and central office staff employed in each of our partner districts.

Resource Allocation Analysis and Student Outcomes

Proposed Year 3 Activity: Gather and obtain the necessary fiscal and other resource data to carry out final analyses of patterns of change. Conduct analysis of student outcomes across schools serving students with varying needs: **Benchmark met.**

In developing the TRM and PBAR tools, we identified the need for a third application in the suite of tools, which we refer to as the District Budgeting and Outcome Management (DBOM) tool (see the previous discussion in the section on the SSFR tools). The DBOM has been designed to capture and organize information on spending patterns, student demographics, and school and student outcomes. DBOM provides information that supports the decision making processes associated with both the PBAR and the TRM in three key ways.

First, the DBOM tool provides a foundation to help the district evaluate student and school performance. It transforms data into information that helps central office decision makers support evaluation of school leadership and the associated capacity building efforts. Second, the DBOM serves as a source of information for central office decision makers as they make the resource allocation decisions required for implementation of the TRM. Third, the DBOM is a transparent tool and source of data that can be used at schools to assess how well they are performing, and to help identify changes that might need to be made in their site's resource allocation.

The tool allows the user to upload a myriad school-level data that can be categorized as measures of resource allocation, student needs or school characteristics, and student outcomes. The DBOM tool provides useful analysis of various relationships between these three types of data. Specifically, we have developed the following functionality in the DBOM tool: bar chart analysis of expenditures by levels of student needs; flexible scatter plot analysis between any two of the following—resource allocation, student needs or school characteristics, and student outcomes measures; and multivariate regression analysis of school expenditures. For instance, the tool can

be used to explore patterns of variation in restricted and unrestricted per-pupil spending across schools serving various proportions of students from low-income families or other categories of student need. Similarly, the outcome assessment tool can examine the distribution of student outcomes across schools serving various proportions of students from low-income families or other categories of student need. The following section provides detailed resource allocation analyses using data from LAUSD and TRUSD, most of which was performed using the DBOM tool.

Analysis Introduction

Under the SSFR project, two programs—Budgeting for Student Achievement (BSA) in Los Angeles Unified School District (LAUSD) and SSFR in Twin Rivers Unified School District (TRUSD)¹⁷—strived to provide a more transparent and equitable distribution of resources and to increase autonomy over spending decisions in schools, with the hope that this flexibility would lead to innovative instructional programs that targeted student needs and boosted outcomes. This analysis involves studying the outcomes of implementing these reforms, both in terms of the equity with which dollars were spent and student achievement.

In LAUSD, the BSA model was first implemented in the 2009–10 school year. Prior to the start of BSA, however, a subset of schools known as the Belmont Pilots began piloting the initiative. The number of schools participating in BSA has grown each year, but to this day not all schools in the district are participating in the program. TRUSD implemented the SSFR initiative in three phases/cohorts: Cohort 1 in 2010–11, Cohort 2 in 2011–12 and Cohort 3 in 2012–13. Cohorts 1 and 2 implemented the initiative voluntarily and received the full complement of training and preparation, and maximum flexibility over dollars. In contrast, the most recent cohort (Cohort 3), which included all the remaining schools that had not yet implemented the reform, did not receive the same amount of training, preparation, or flexibility as the earlier cohorts. Thus, neither district had fully implemented their per-pupil budgeting strategy by the last year for which we have data (2011–12) in our resource allocation analysis.

Two important resources were utilized by the school districts to fully leverage their respective per-pupil budgeting systems in order to promote improvements in equity and autonomy. First, models that facilitated the equitable distribution of funding from the central district office to school sites was used by both districts to calculate the amount of funds distributed to each school based on student enrollment and need characteristics. Second, a site-level budgeting tool was used by schools to develop budgets that aligned resources with academic goals set by both the district and the schools themselves.

While the qualitative analyses—interviews and surveys—focused on stakeholder perspectives about the implementation and progress of BSA or SSFR over the years, we are also interested in the quantitative outcomes resulting from implementing the per-pupil budgeting strategies. In the following analysis, we look at two types of outcomes: (1) equity across schools as measured by the relationship between site-level, per-pupil expenditure and student need (as represented by the proxy measure of the percent of students eligible for free or reduced-price meals); and (2) academic achievement as measured by school average scores on the California Standardized Test (CST) English Language Arts (ELA) assessments. Per-pupil expenditure serves as a proximal

¹⁷ Note that TRUSD adopted the name of the project for their version of the initiative.

outcome that is used to measure the dollar value of the resources that were spent on the average student at each school. The school average mean scale score on the CST ELA test serves as our distal outcome, which the analysis employs as a measure of student learning.

The objective of the analysis is to answer two research questions:

How did the relationship between per-pupil expenditures and student need change after the introduction of BSA/SSFR?

How did the relationship between student learning and student need change after the introduction of BSA/SSFR?

To answer these research questions, we employed both descriptive and more rigorous regression analysis techniques. Specifically, the first analysis presented in this chapter grouped schools into categories of equal size based on their free and reduced-price meals (FRPM) rates, and examined how three different types of expenditures per pupil (overall spending, as well as expenditures supported by unrestricted versus restricted categorical revenue sources) varied across these categories over the study period. This is followed by an analysis that, rather than grouping schools into categories, used scatter plots to investigate the overall variation in per-pupil expenditures across schools with respect to FRPM rates. Finally, to develop a more sophisticated understanding of how the relationship between expenditures and student need may have changed after implementation of BSA/SSFR, we used regression analysis in a program evaluation framework (i.e., a comparative interrupted time series, also referred to as a difference-in-differences model), which allowed us to estimate the differential per-pupil expenditure/FRPM relationship between schools that did and did not participate in the reform, while controlling for the influence of other observable cost factors thought to explain variation in schooling expenditures (e.g., enrollment).

To answer the second research question, we again made use of regression analysis in a program evaluation framework to estimate the differential school-average CST scores/percent FRPM relationship between reform participants and their non-participant counterparts while controlling for other observable factors that might influence ELA achievement (e.g., a school's percentage of English language learners).

In the remainder of this chapter, we briefly describe the fiscal and demographic data sources used to perform the analyses discussed above. We then follow with a brief overview of the methodology and a description of the key findings for each analysis. For a more detailed description of the models used for the multivariate analysis and the descriptive statistics on the data used for this section of the report, see the *SSFR Technical Report on Resource Allocation and Student Outcomes*.

Data

► Fiscal Data

The research team obtained school-level fiscal data for years of the district-specific study periods from the LAUSD and TRUSD budget offices. These data files were organized by the California Standardized Accounting Code Structure (SACS), which classifies each expenditure along a variety of dimensions. For this analysis, the research team made use of the SACS Fund code to

limit school-level reported expenditures to those associated with a school district's General Fund, and the resource code to classify expenditures by source of revenue. Unrestricted revenues are those available for general educational purposes that come with the most flexibility in terms of how they can be spent.¹⁸ Restricted revenues include funds derived from federal and state categorical programs directed at particular student populations, such as students from low-income families, English language learner (ELL) students, or students eligible for special education service.¹⁹

► Achievement Data

For all public schools in LAUSD and TRUSD, the average student mean scale scores for the California Standard Test (CST) English Language Arts (ELA) assessments in grades 2–10 were extracted from the California Department of Education (CDE) Standardized Test and Reporting (STAR) database. A composite school-level measure was created by taking the pupil-weighted average of the grade-specific average mean scale score on the ELA assessment across all grades in the grade range associated with the level of a school (elementary, middle, or high). For example, in an elementary school the pupil-weighted average of the average ELA mean scale scores for grades 2 through 5 would be calculated using as weights the grade-specific shares of test takers in each of these grades. In middle schools, this was done for grades 6 through 8 and in high schools for grades 9 and 10.²⁰

► Demographic Data

Demographic information on student needs and school enrollment was obtained from several sources. The research team used the percent of students eligible for free or reduced-price meals as a proxy for student need. For both districts, these data were extracted from databases maintained by the CDE.²¹ The total number of students was also extracted from the same sources and used to generate per-pupil expenditures.

Student counts by grade level were extracted from the California Basic Educational Data System (CBEDS) to determine a school's grade range.²²

¹⁸ Expenditures coming from unrestricted revenue sources for California public school fiscal data are identified as those with SACS Resource codes ranging from 0000 to 1999.

¹⁹ Expenditures coming from restricted revenue sources for California public school fiscal data are identified as those with SACS Resource codes that are 2000 or higher.

²⁰ Note that schools with grade ranges spanning multiple schooling levels (e.g., schools with Kindergarten through grade 8) were categorized as an elementary, middle, or high school depending on the grade range (Kindergarten through grade 5, grades 6 through 8, and grades 9 through 12) that accounted for the largest share of total school enrollment. To this end, the calculated pupil-weighted average score will exclude those grade levels that fall outside the grade range of their assigned schooling level (e.g., 6th and 7th grade scores were not used to calculate the school-level achievement measure for an elementary school serving students in Kindergarten through 7th grade). This was done to ensure consistency in our analyses, each of which have been run separately for elementary, middle, and high schools.

²¹ For 2003 and years prior, the information comes from the California Work Opportunity and Responsibility to Kids (CALWORKS) database, while information relating to the years following 2003 are sourced from the California Longitudinal Pupil Achievement Data System (CALPADS) and the Consolidated Application Reporting System (CARS). This information is available for download at <http://www.cde.ca.gov/ds/sh/cw/>.

²² The CBEDS Enrollment data is available on the CDE website and available for download at <http://www.cde.ca.gov/ds/sd/sd/filesenr.asp>

As described above, a school was classified as “Elementary,” “Middle,” or “High” based on the grade range with the largest share of total enrollment (Kindergarten through grade 5, grades 6 through 8, and grades 9 through 12).

Student counts from the CDE Language Census were used to generate a school-level measure of the percent of students who were classified as English language learners.²³ However, for the 2010–11 school year, student counts provided by the LAUSD Central Office were used due to a large number of missing schools in the Language Census Data.

The number of students with disabilities variable from the CDE Academic Performance Index data file was used to generate a school-level measure of the percent of students participating in special education.²⁴

Analysis Sample

Our data sample covers all years of implementation up to 2011–12 (the most recent year for which we have data), along with data from a select number of years prior to implementation. For LAUSD, there are six years in total, starting from 2006–07: two years of pre- and four years of post-implementation data for high schools; and three years each of pre- and post-implementation data for elementary and middle schools. In TRUSD, we have two years each of pre- and post-implementation data, starting from 2008–09. The lack of historical data for TRUSD is because TRUSD is a new district created in 2008–09 as a consolidation of four smaller, independent school districts in the Sacramento area. We intentionally excluded schools from the effective analysis sample that served special student populations (e.g., early childhood centers, special education schools, etc.) or that were charter schools. To do this we made use of the CDE Public Schools Database.²⁵ Schools were only kept in the sample if they had a code denoting that it was a “public school.” Again, the reader is reminded that schools were classified as “Elementary,” “Middle,” or “High” according to the largest share of total enrollment.

As of 2011–12, all treatment schools in both LAUSD and TRUSD implemented per-pupil budgeting voluntarily. In LAUSD, the 86 treatment schools either participated in the Budgeting for Student Achievement Program or were part of the subset of schools (known as the Belmont Pilots) that implemented the initiative prior to the formal introduction of BSA in 2009–10. Therefore, we coded five high schools as first implementing the program in 2008–09, and all the other schools began participating in 2009–10 or later.²⁶ According to sources in the LAUSD central district office, only one school withdrew from the program. Exhibit 5 shows the number of LAUSD schools that began participating in Budgeting for Student Achievement Program or the Belmont Pilot Program in each year.

²³ The Language Census data is available on the CDE website and available for download at <http://www.cde.ca.gov/ds/sd/sd/fileselsch.asp>.

²⁴ The Academic Performance Index (API) is a school-level measure based on standardized test performance and it serves as a key metric in the California accountability system. The data can be downloaded from the CDE website at <http://www.cde.ca.gov/ta/ac/ap/apidatafiles.asp>.

²⁵ The Public Schools Database can be downloaded from the CDE website at <http://www.cde.ca.gov/ds/si/ds/pubschls.asp>.

²⁶ Some of the Belmont Pilot schools did not meet the criteria to be included in the sample because they were charter schools or served special populations. The other schools that did meet the criteria appear to be new schools that did not have data available before 2008–09. For more information about the difference between the treatment of the Belmont Pilot schools and other schools, see the implementation chapter.

Exhibit 5 – Schools in LAUSD by BSA Participation Status (2008–09 to 2011–12)

School Year	Number of First-Time Participant Schools	Total Number of Participant Schools	Total Number of Non-Participant Schools
2008–09	5	5	605
2009–10	22	27	592
2010–11	38	65	566
2011–12	21	86	561

Exhibit 6 shows that TRUSD implemented SSFR in two consecutive cohorts of schools in 2010–11 and 2011–12. The first cohort included eight schools, which left 30 non-participant schools in our analysis sample. One of the 38 schools in the analysis sample closed after 2010–11. The second cohort contained an additional 11 schools that participated in the program, leaving a close to perfect balance of 19 participant schools versus 18 non-participant schools. It should be noted that the Cohort 1 schools served as mentors to those in Cohort 2.

Exhibit 6 – Schools in TRUSD by SSFR Participation Status (2010–11 to 2011–12)

School Year	Number of First-Time Participant Schools	Total Number of Participant Schools	Total Number of Non-Participant Schools
2010–11	8	8	30
2011–12	11	19	18

Restricted Versus Unrestricted Per-Pupil Expenditure Across FRPM Category

► Methodology

The first analysis investigates variation in average overall expenditures per pupil, as well as variation in average per-pupil expenditures broken out by unrestricted versus restricted (categorical) revenue source. Unrestricted revenues are those that are available for general educational purposes and are flexible in how they can be spent. Restricted revenues include funds derived from federal and state categorical programs that are often targeted to particular student populations, such as students from low-income families, ELL students, or students eligible for special education services.

In addition to providing insight into how equity in the distribution of per-pupil expenditures has changed after implementation of BSA or SSFR (i.e., whether the relationship between spending and student need became more systematic and positive), the results of this descriptive analysis can provide some insight into two additional important questions:

Did levels of per-pupil expenditures change over time?

Did the relative shares of expenditures from unrestricted and restricted revenue sources change over time?

To perform this analysis for each school year, all schools in LAUSD within a particular schooling level (e.g., elementary) were sorted by percent FRPM and then divided across this range into four groups of equal size (quartiles). Quartile 4 contains schools with the highest

FRPM rates, while quartile 1 contains schools with the lowest FRPM rates. In TRUSD, all schools within a particular schooling level were sorted by percent FRPM due to the smaller sample size. Elementary schools were divided across this range into three groups of equal size (tertiles). The average overall, restricted, and unrestricted per-pupil spending for each quartile or tertile was then charted by school year. Proportions of average overall spending broken out by revenue source were included in parentheses on the bar charts to denote changes in relative shares of spending made with unrestricted versus restricted funding.

► **Selected Findings, LAUSD**

For all schooling levels, there does not appear to be a strong positive or negative relationship between expenditures and poverty over the study period. Overall per-pupil expenditures have declined across elementary schools in all poverty quartiles, but have for the most part increased among middle and high schools.

Exhibits 7, 8, and 9 show that at all three schooling levels, there does not appear to be a discernible pattern between average spending and poverty. Schools in higher poverty quartiles do not consistently spend more or less than schools in lower poverty quartiles. For example, at the elementary school level, although schools in the second poverty quartile tend to spend more on average than schools in the first poverty quartile, schools in the third and fourth poverty quartile outspend schools in the first poverty quartile only in some years, and they never outspend schools in the second poverty quartile. There is some evidence of a positive relationship between expenditures and poverty for middle and high schools, but it appears that schools in lower poverty groups outspend schools in some higher poverty groups, even in the most recent years. Compared to 2006–07, average overall expenditures per pupil at elementary schools across all poverty quartiles were lower in 2011–12. The decline in overall expenditures that began after 2007–08 appears to be driven by reduced spending out of restricted revenue sources. Restricted spending in 2011–12 is lower than 2006–07 levels across all quartiles. On the other hand, though there was a decline in spending out of unrestricted revenue sources between 2008–09 and 2009–10, spending out of this category in 2011–12 is slightly higher than 2006–07 levels. At the middle school and high school level, however, overall expenditures per pupil were generally higher in 2011–12 than they were in 2006–7, with the only exception being middle schools in the lowest poverty quartile. Spending out of both unrestricted and restricted revenue categories increased.

Exhibit 7 – Average Per-Pupil Expenditure Across Quartile of Percent Free or Reduced-Price Meals (FRPM) for LAUSD Elementary Schools (Overall Per-Pupil Spending in Bold)

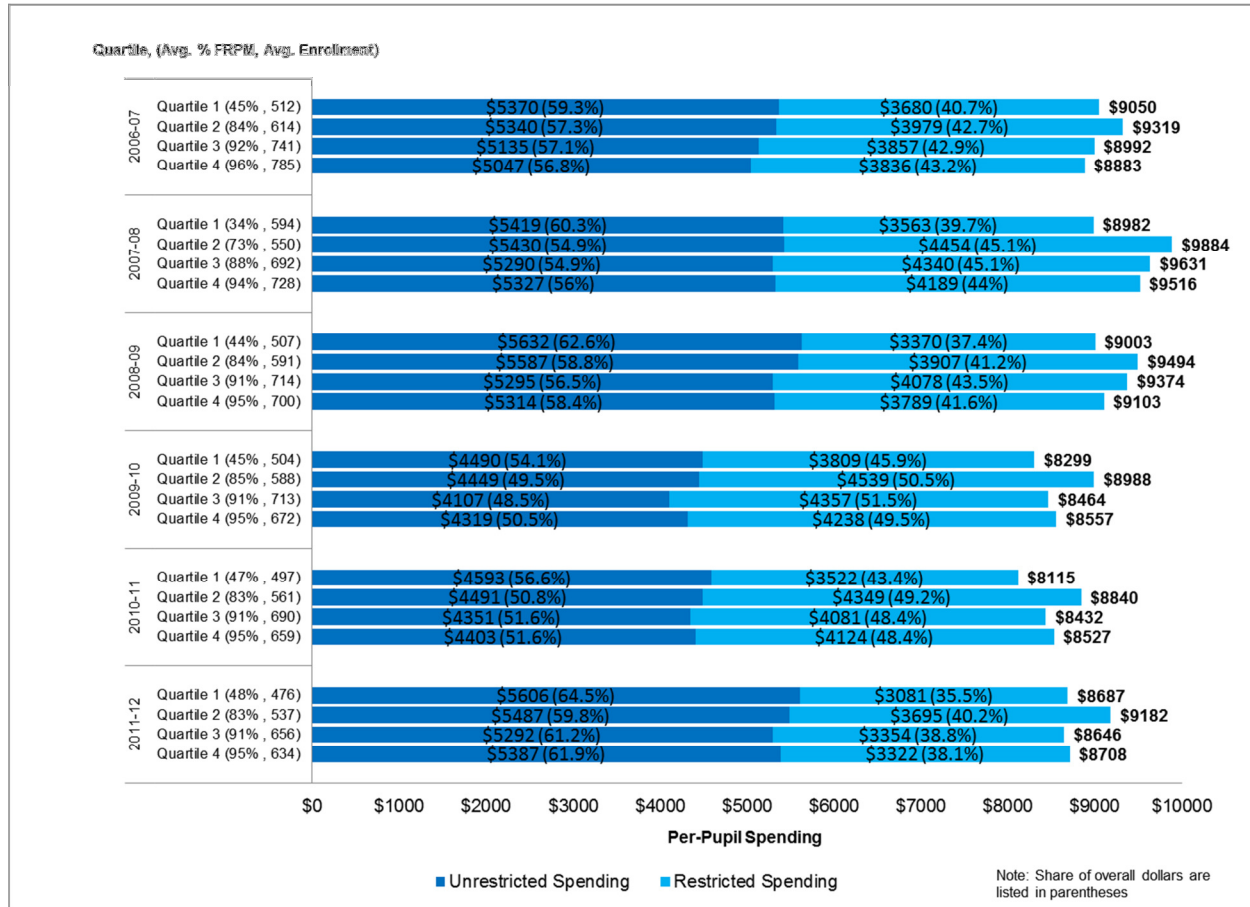


Exhibit 8 – Average Per-Pupil Expenditure Across Quartile of Percent Free or Reduced-Price Meals (FRPM) for LAUSD Middle Schools (Overall Per-Pupil Spending in Bold)

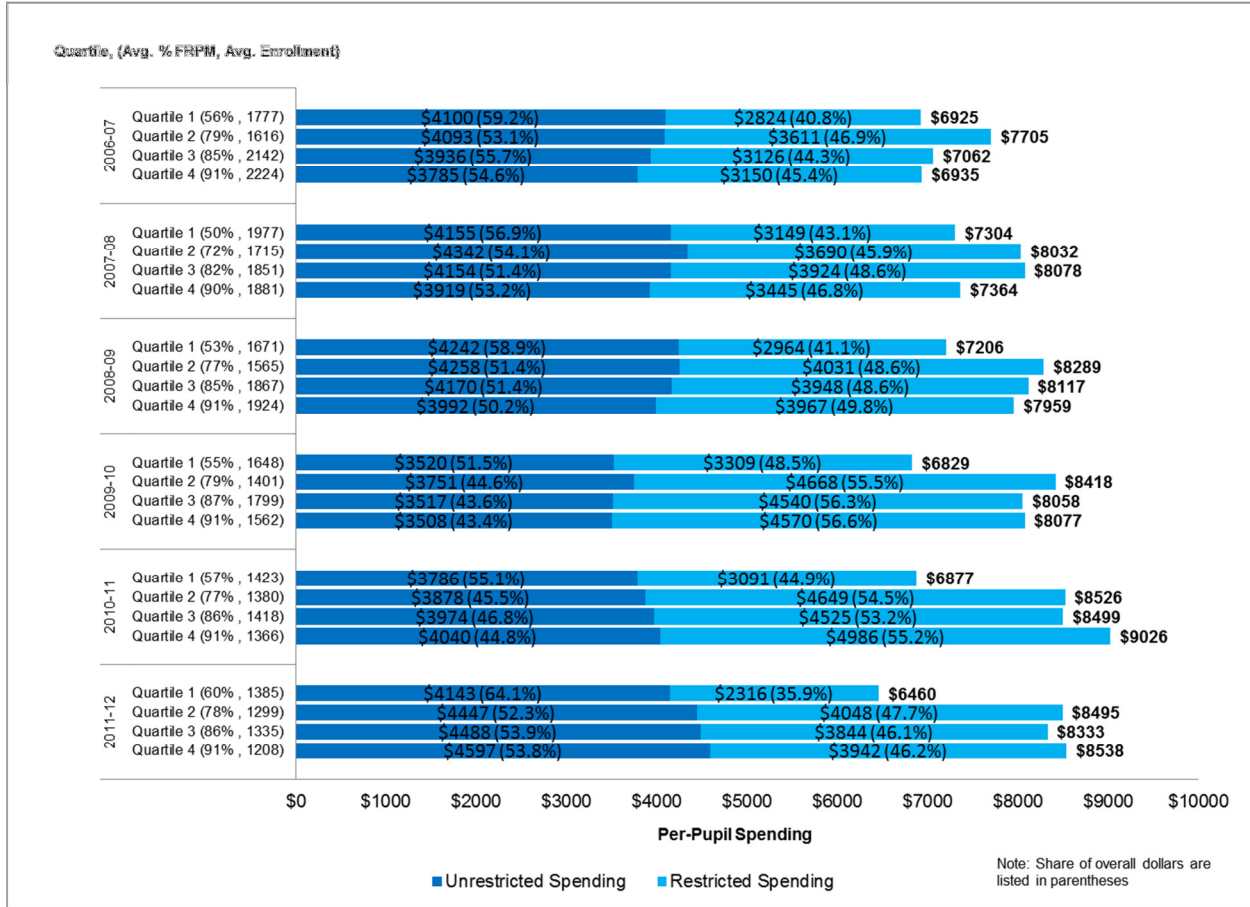
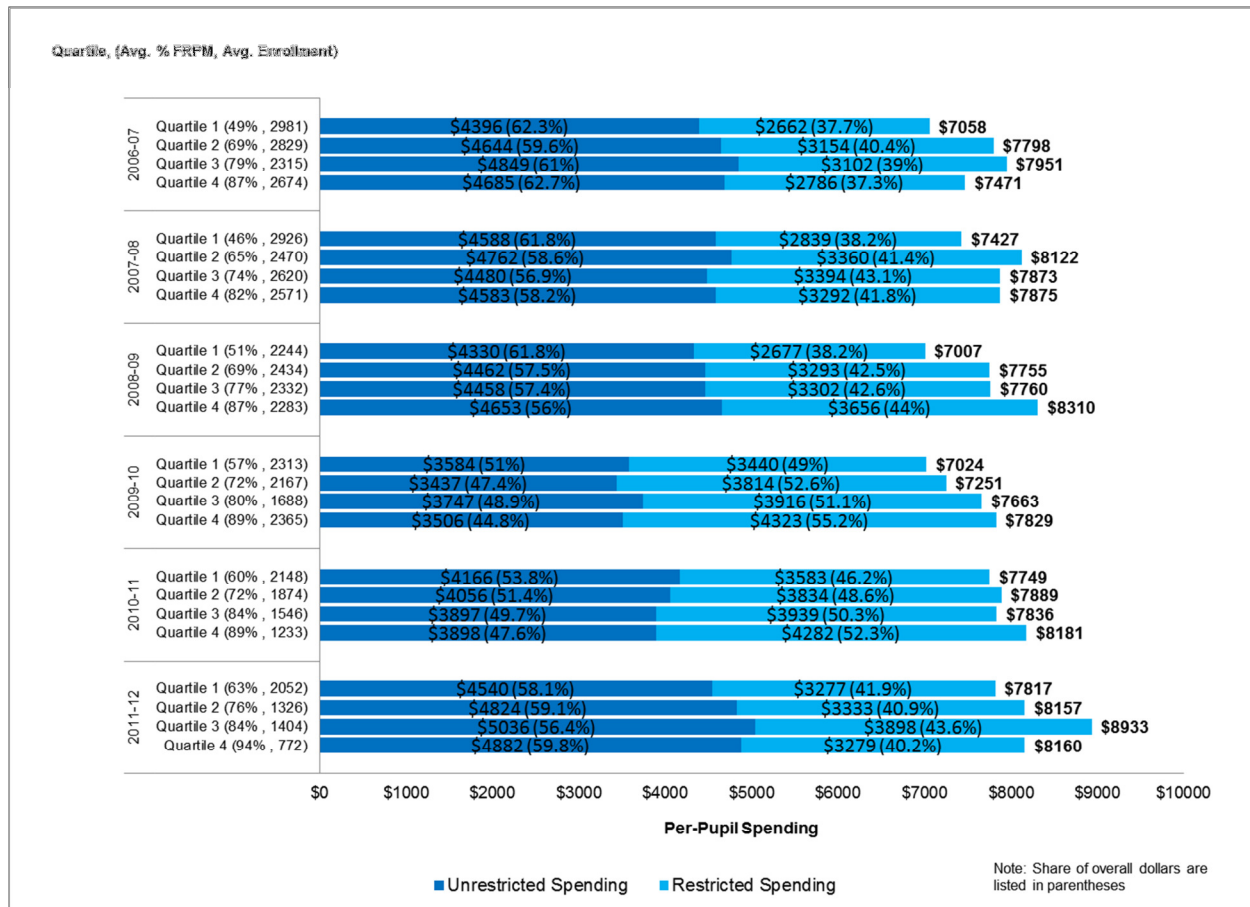


Exhibit 9 – Average Per-Pupil Expenditure Across Quartile of Percent Free or Reduced-Price Meals (FRPM) for LAUSD High Schools (Overall Per-Pupil Spending in Bold)



► Selected Findings, TRUSD

The relationship between poverty and overall per-pupil expenditure differed across schooling levels, varying from generally positive over the full study period for elementary schools, to increasing in the latest year for middle schools, to becoming negative in the most recent year for high schools. Over the study period, overall per-pupil expenditures tended to decline at all schooling levels and across all poverty tertiles.

Exhibits 10, 11, and 12 provide similar bar charts of average per-pupil expenditures by poverty category across the study years. Among elementary schools, per-pupil spending tends to be higher in the highest poverty schools across all of the four study years. In middle schools, per-pupil spending only appears to show a positive relationship with student poverty in 2011–12. In high schools, the relationship between per-pupil expenditures and FRPM starts out positive in 2008–09 but turns negative by 2011–12. Notably, overall per-pupil expenditure at Highlands High was approximately 50 percent more than that of the next highest spending school (Foothill High) in 2010–11. One likely explanation for Highlands’ major spending increase in 2010–11 and 2011–12 is that the school received a school improvement grant (SIG) that was distributed over those two years. Across all four years of the study, it seems that the relative distribution of

overall expenditures between schools within each year is strongly driven by the amount of unrestricted expenditures. The unsystematic relationship between unrestricted spending and poverty may be due to the fact that the district was engaged in deficit funding (i.e., making use of reserve funds) and was committed to holding all schools harmless from funding decreases. Looking at overall expenditures during our study years, we observed a decline in per-pupil expenditures in elementary schools between 2008–09 and 2010–11, which then rose slightly in 2011–12. In contrast, we observed no noticeable trend during the same period for middle and high schools.

Exhibit 10 – Average Per-Pupil Expenditure Across Tertile of Percent Free or Reduced-Price Meals (FRPM) for TRUSD Elementary Schools (Overall Per-Pupil Spending in Bold)

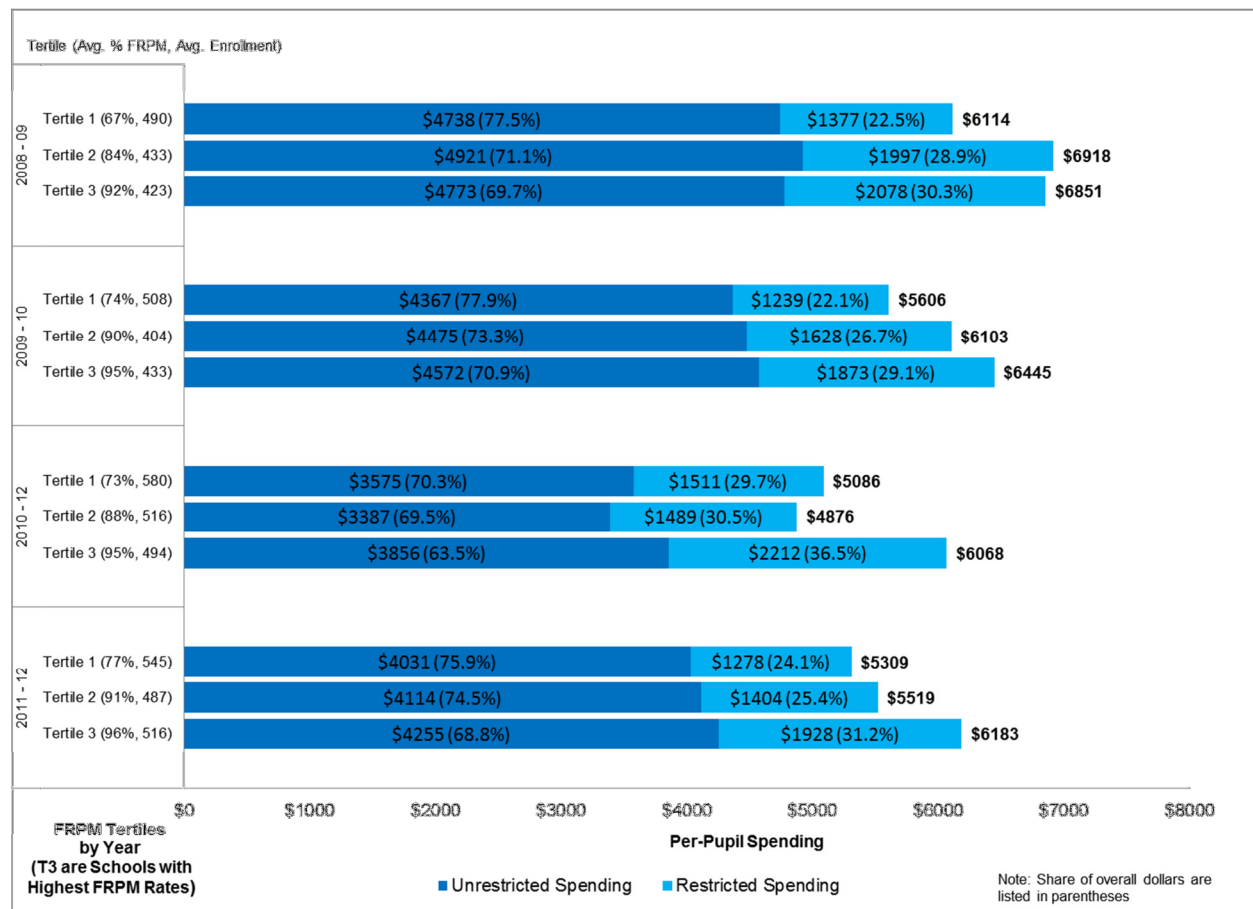


Exhibit 11 – Average Per-Pupil Expenditure Across Tertile of Percent Free or Reduced-Price Meals (FRPM) for TRUSD Middle Schools (Overall Per-Pupil Spending in Bold)

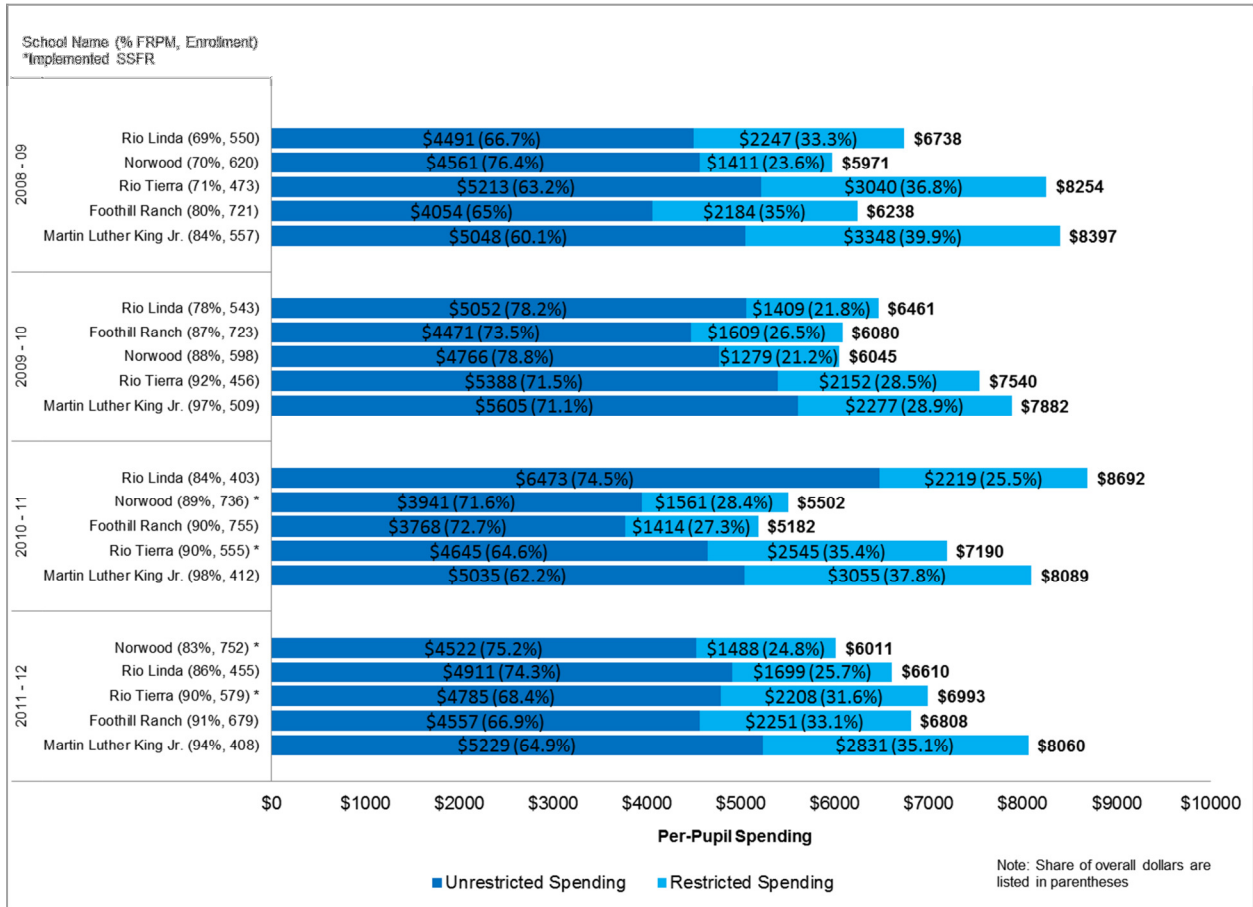
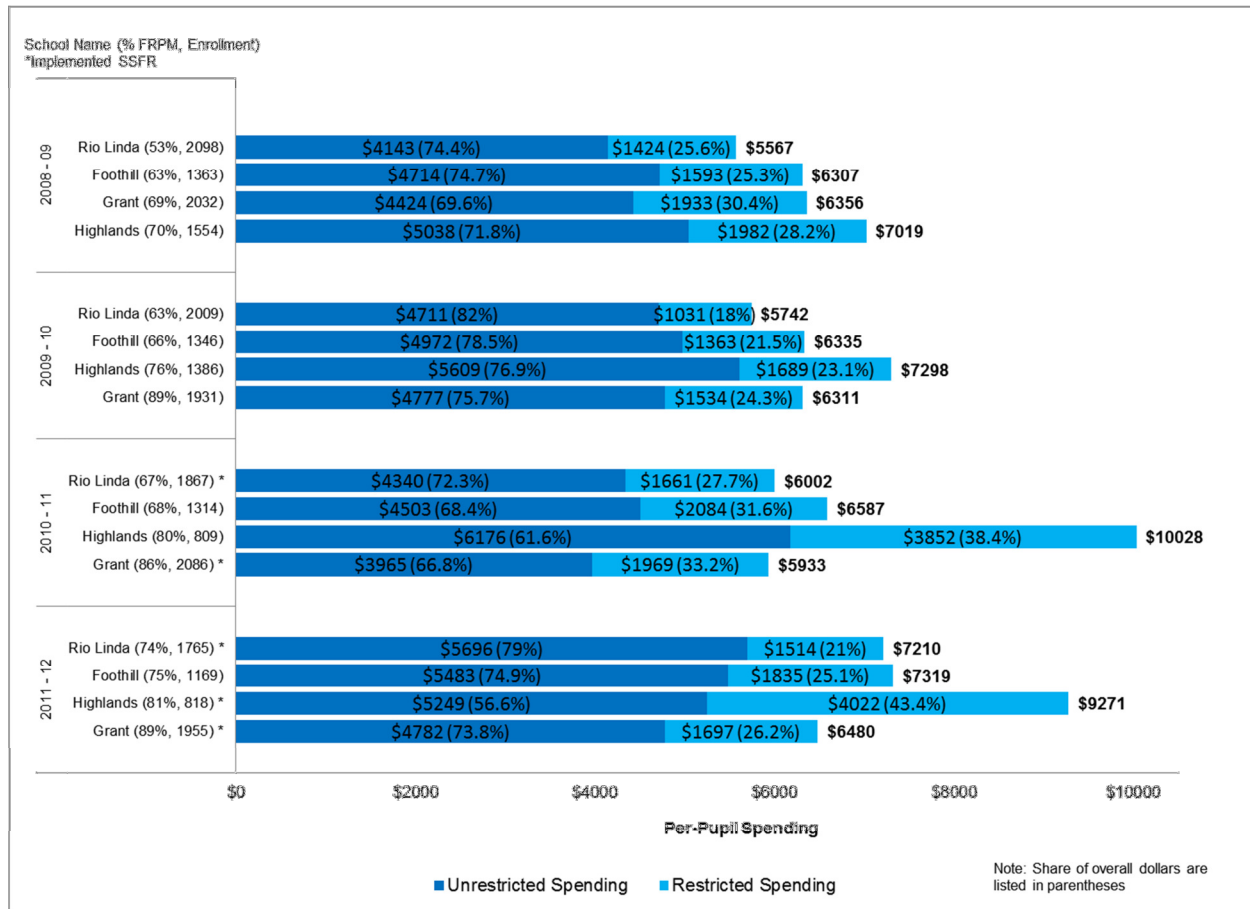


Exhibit 12 – Average Per-Pupil Expenditure Across Tertile of Percent Free or Reduced-Price Meals (FRPM) for TRUSD High Schools (Overall Per-Pupil Spending in Bold)



Scatterplot Analysis of Per-Pupil Expenditures Across Student Poverty

► Methodology

Although the bar charts provide a simple method of tracking the basic relationship between average per-pupil expenditure and student poverty over time, the average expenditures reported for each quartile or tertile of poverty mask the variation within each group. To this end, we turn to scatter plots, which provide more detailed information about the overall variation in per-pupil spending by showing the per-pupil expenditure at each school in relation to their poverty level.

The scatter plots can also be used to detect patterns of per-pupil expenditures across levels of student poverty by fitting a line through the plotted points using the method of Ordinary Least Squares. This fitted line predicts a school's per-pupil expenditure level, on average, based on its FRPM rate. A positively sloped line would indicate that schools with higher FRPM percentages tend to receive larger per-pupil expenditures, and would imply that funding is distributed to schools with some level of equity. If the fitted line is positively sloped and becomes steeper over time (for instance, since the introduction of the BSA/SSFR initiative), this would suggest a stronger relationship between per-pupil expenditures and poverty and, hence, would denote an improvement in funding equity. Our analysis reports the slopes of lines fitted through scatter plots from before and after the BSA/SSFR initiative was introduced. Specifically, we present results from the year just prior to the implementation of the BSA/SSFR initiative and the most recent year (2011–12).

The hypothetical y-intercept of the fitted line also conveys useful information. By comparing y-intercepts from different years, one can determine whether levels of expenditure have increased or decreased over time. Due to the fiscal crisis that occurred during the study period, we would expect expenditure levels to decrease across all schools, regardless of the changes in the slope. Our hypothesis is that the BSA/SSFR initiative has strengthened the relationship between overall expenditures per-pupil and poverty, which should be reflected in steeper (more positively sloped) fitted lines following implementation of BSA/SSFR. Due to limited historical data and the small number of middle and high schools in TRUSD, we were only able to conduct this analysis for elementary schools. The scatter plots and fitted lines can also be used to evaluate how well poverty predicts overall per-pupil expenditures, as well as whether this has changed since implementation of BSA/SSFR. To this end, our analysis also reports the R-squared statistic associated with each fitted line, which represents the share of total variation in per-pupil expenditures explained by poverty. We hypothesize that after implementation of the BSA, we should expect to see poverty explaining more variation in per-pupil expenditures as measured by a higher R-squared statistic.

► LAUSD Results

Scatter plot analysis of per-pupil expenditures and school FRPM rates suggests that the relationship between these two measures has become stronger and more predictable since the introduction of BSA among middle and high schools, implying an increase in the equity with which funding has been distributed to schools.

Each pair of exhibits presented below contains the scatter plots for the year prior to BSA implementation (2008–09 for elementary and middle schools, 2007–08 for high schools) and the most recent year (2011–12) in the study period, respectively, across the three schooling levels.

The results in Exhibits 14.1 through 15.2 suggest that for middle and high schools, the responsiveness of spending to differences in poverty among schools has increased since the introduction of BSA. For these schooling levels, the slope of the fitted line was steeper in the most recent year than in the year immediately before the introduction of BSA. For example, in 2011–12, a 31 percentage point difference in the middle school FRPM rate (from 60 to 91) was associated with a relative increase in per-pupil spending of 26 percent (from \$8,681 to \$6,875), while the same FRPM difference in 2008–09 corresponded to an expected increase of only 9 percent (from \$7,528 to \$8,207).²⁷ Results for high schools were similar.

On the other hand, the results for elementary schools in Exhibits 13.1 and 13.2 show that the slope of the fitted line declined from the year prior to BSA implementation (2008–09) to the most recent year in the study period (2011–12). In contrast to middle schools, the relative difference in per-pupil spending between the typical low (48 percent) versus high (95 percent) FRPM elementary school was 4 percent (\$8,564 versus \$8,930) in 2011–12, which was just slightly lower than the 6 percent difference (i.e., \$8,874 versus \$9,442) exhibited in 2008–09.

Across all three schooling levels, the constant term (or y intercept) has decreased between the first year of the study period and the most recent year. In other words, schools with the lowest levels of poverty saw a decline in per-pupil expenditure between the first year of implementation and the most recent year. For example, the constant term for high schools decreased from \$7,038 in 2007–08 to \$6,471 in 2011–12. This a relative decrease of nearly 20 percent.

²⁷ The two FRPM percentages, 91 percent and 60 percent, represent the average FRPM rates in 2011–12 for middle schools in the lowest and highest poverty quartile, respectively.

Between the two years, the R-squared statistic increased for middle schools, suggesting that at this schooling level the relationship between per-pupil spending and poverty has become more predictable. This is an important finding, as the report by Chambers and Levin (2009) lists predictability a desirable property of a well-functioning school funding mechanism.

It should be noted that at any given level of percent FRPM, there is variation around the fitted line, which is likely attributable to a host of factors other than poverty. For example, other factors—such as percent ELL, special education, and school size—will contribute to this variation that is not explained by poverty.

These scatter plot analyses have been repeated for unrestricted and restricted expenditures per pupil and reported in Exhibits 16.1 through 18.4. Decomposing overall per-pupil expenditures into these two categories shows that the slight decrease in the responsiveness of overall spending to poverty at the elementary school level was driven by separate decreases in the relationships between poverty and both restricted and unrestricted expenditures (see Exhibits 16.1 through 16.4). There was a slight increase in the R-squared statistic for unrestricted expenditures, but a noticeable decline for restricted expenditures.

In contrast, the slight increase in progressivity seen for high schools in Exhibits 17.1 through 17.4 shows that the increase in responsiveness of overall spending to poverty at this schooling level was mainly driven by the change in how unrestricted expenditure responded to poverty. In 2008–09, there was a slight negative relationship between expenditures and poverty, but in 2011–12, this had changed to a slight positive relationship. The slope of the fitted line for restricted expenditures, on the other hand, was positive, but it declined slightly between 2007–08 and 2011–12. Similar to the elementary school level, the R-squared statistic increased for unrestricted expenditures. On the other hand, the R-squared statistic for restricted expenditures decreased only slightly.

Exhibit 13.1 – Overall Expenditures, LAUSD Elementary Schools (2008–09)

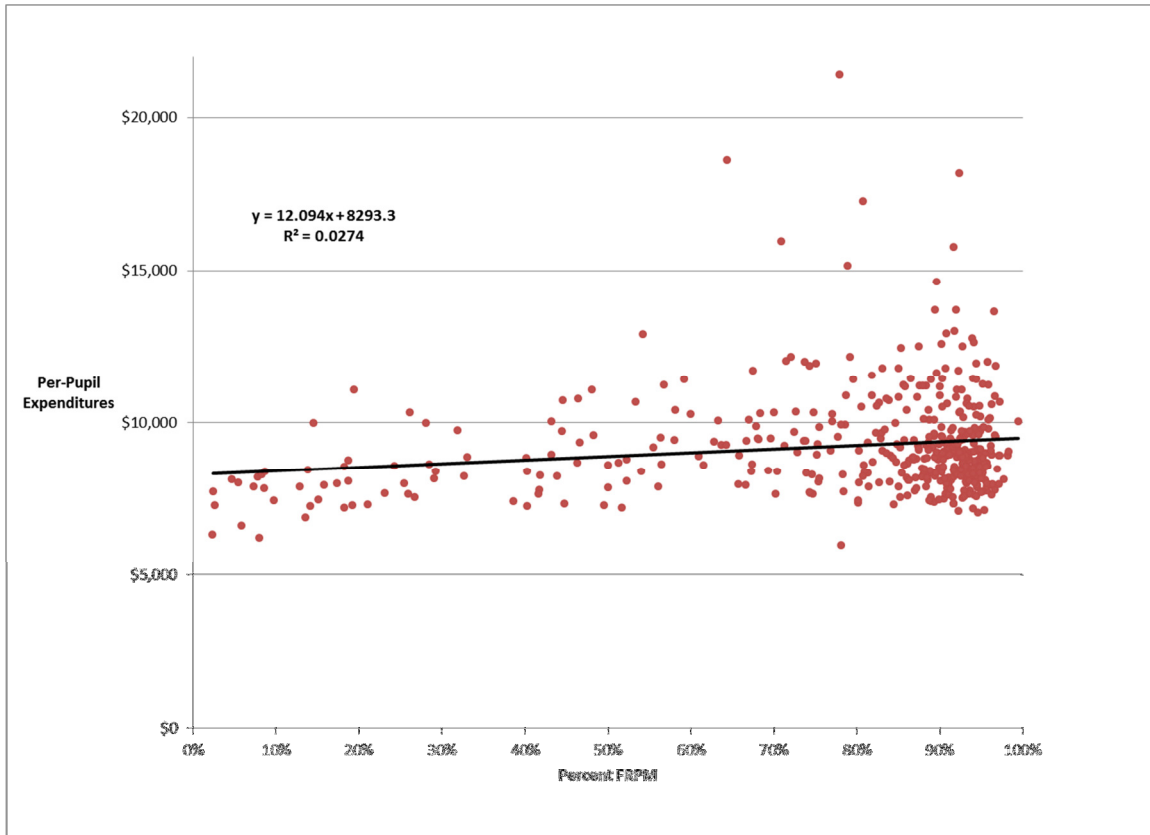


Exhibit 13.2 – Overall Expenditures, LAUSD Elementary Schools (2011–12)

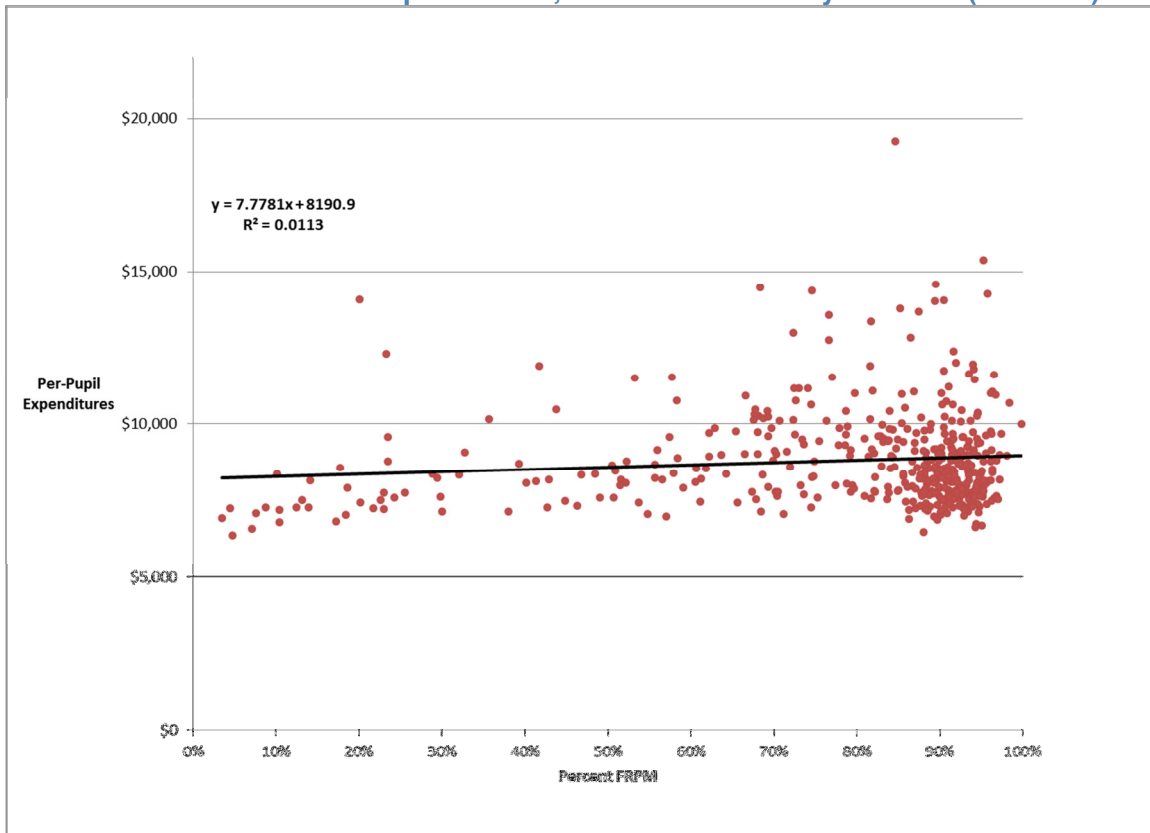


Exhibit 14.1 – Overall Expenditures, LAUSD Middle Schools (2008–09)

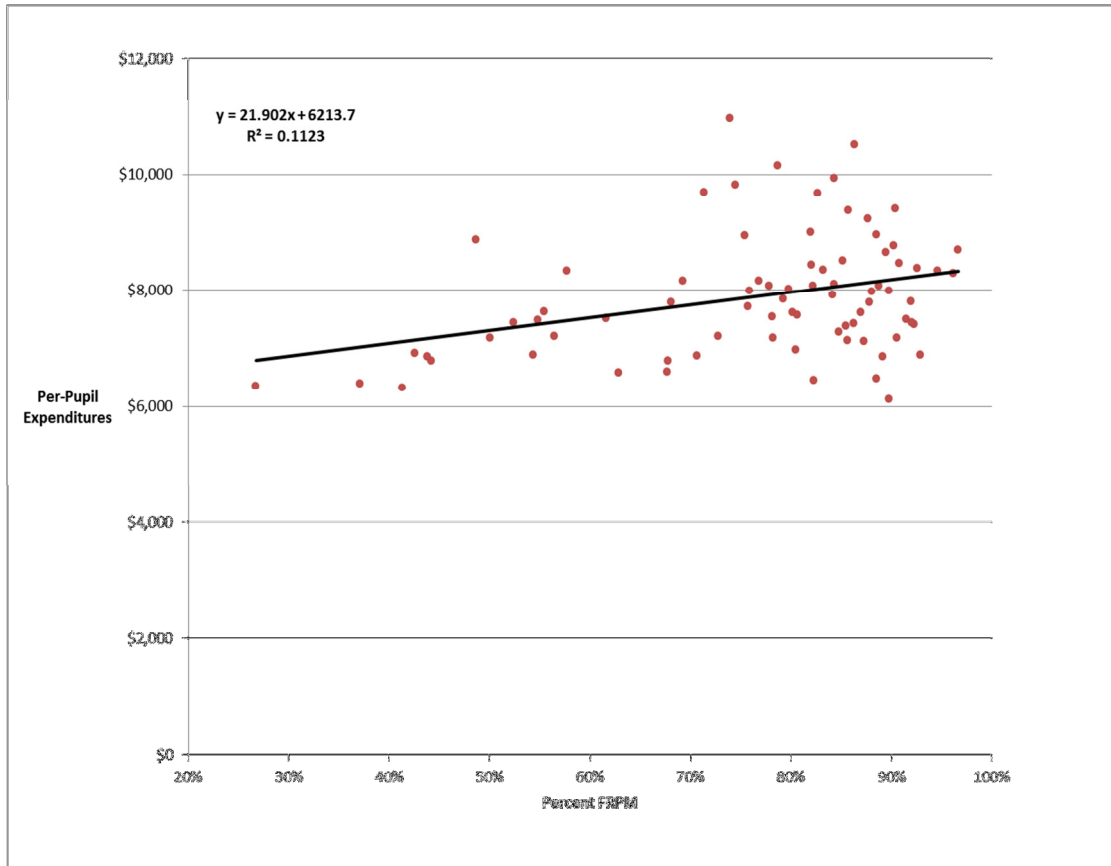


Exhibit 14.2 – Overall Expenditures, LAUSD Middle Schools (2011–12)

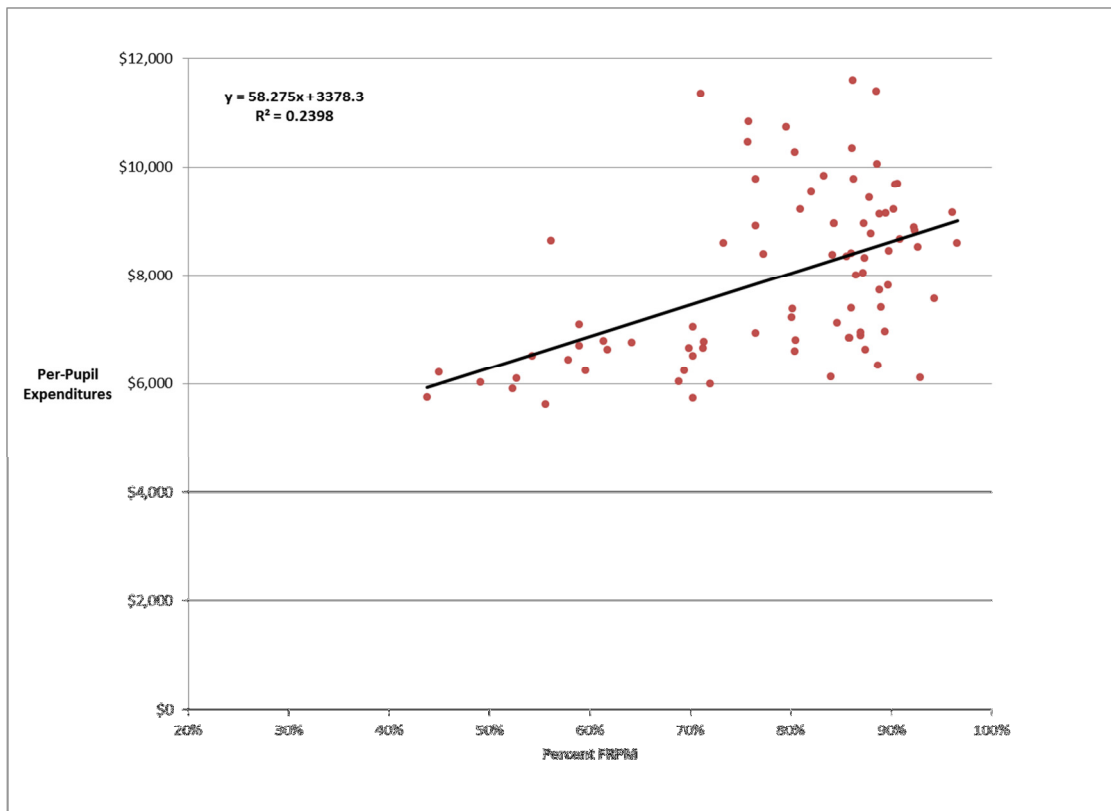


Exhibit 15.1 – Overall Expenditures, LAUSD High Schools (2007–08)

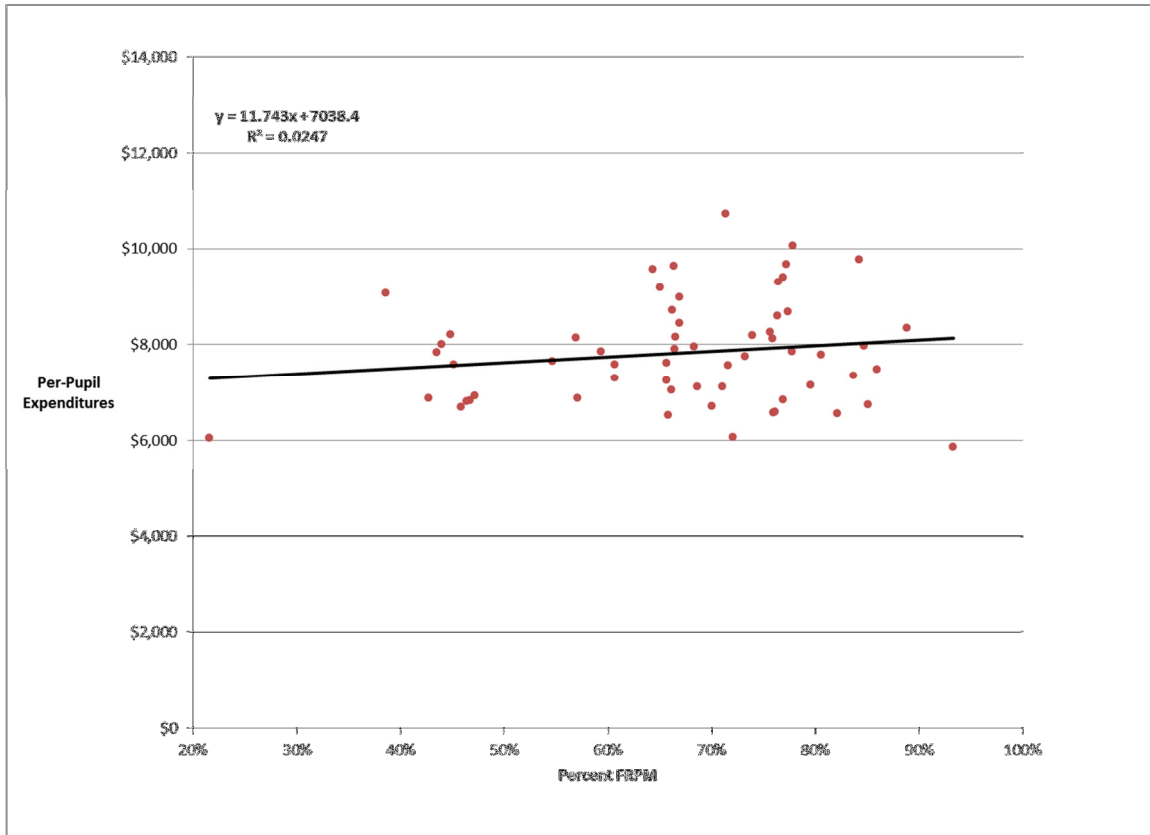
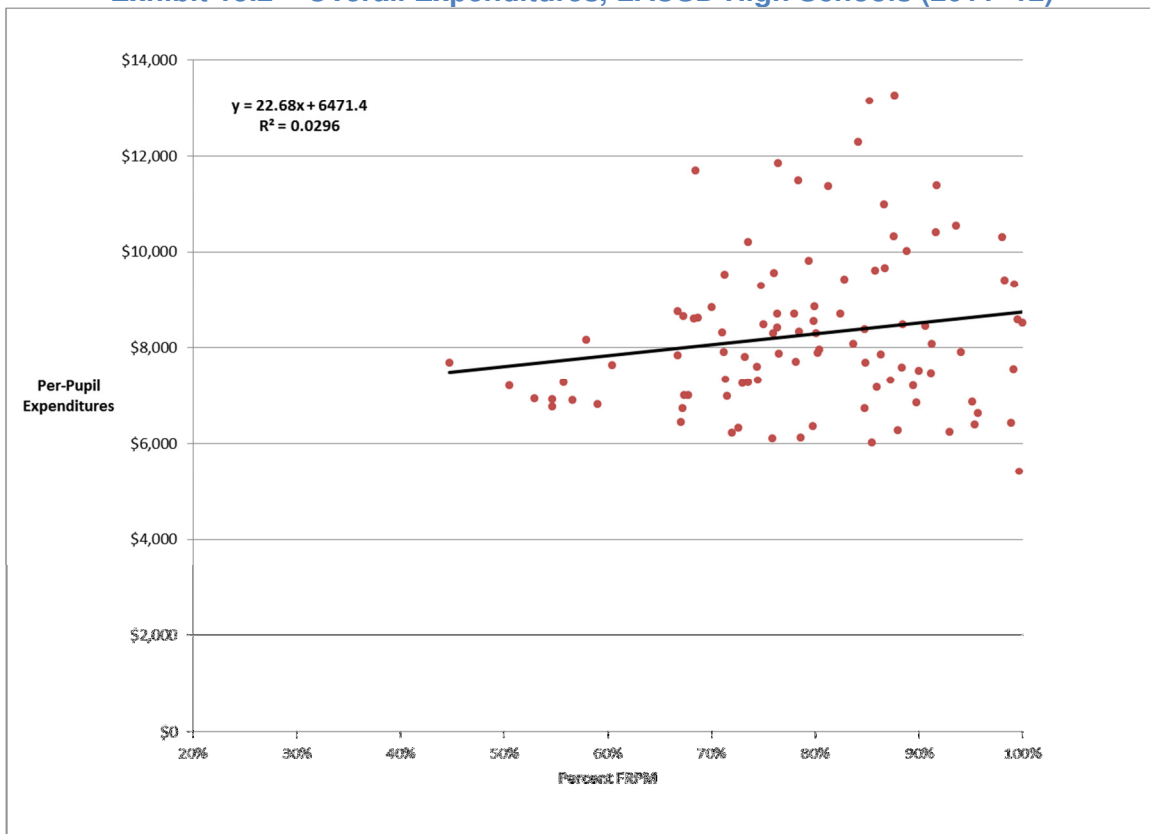


Exhibit 15.2 – Overall Expenditures, LAUSD High Schools (2011–12)



These scatter plot analyses have been repeated for unrestricted and restricted expenditures per pupil and reported in Exhibits 16.1 through 18.4. Decomposing overall per-pupil expenditures into these two categories shows that the slight decrease in the responsiveness of overall spending to poverty at the elementary school level was driven by separate decreases in the relationships between poverty and both restricted and unrestricted expenditures (see Exhibits 16.1 through 16.4).

The increase in progressivity observed in middle schools (in Exhibits 17.1 through 17.4) reflects increases in progressivity in the patterns of variation in both unrestricted and restricted revenues with respect to poverty. In 2008–09, there was a slight negative relationship between expenditures and poverty, but in 2011–12, this had changed to a slight positive relationship.

Exhibit 16.1 – Unrestricted Expenditures, LAUSD Elementary Schools (2008–09)

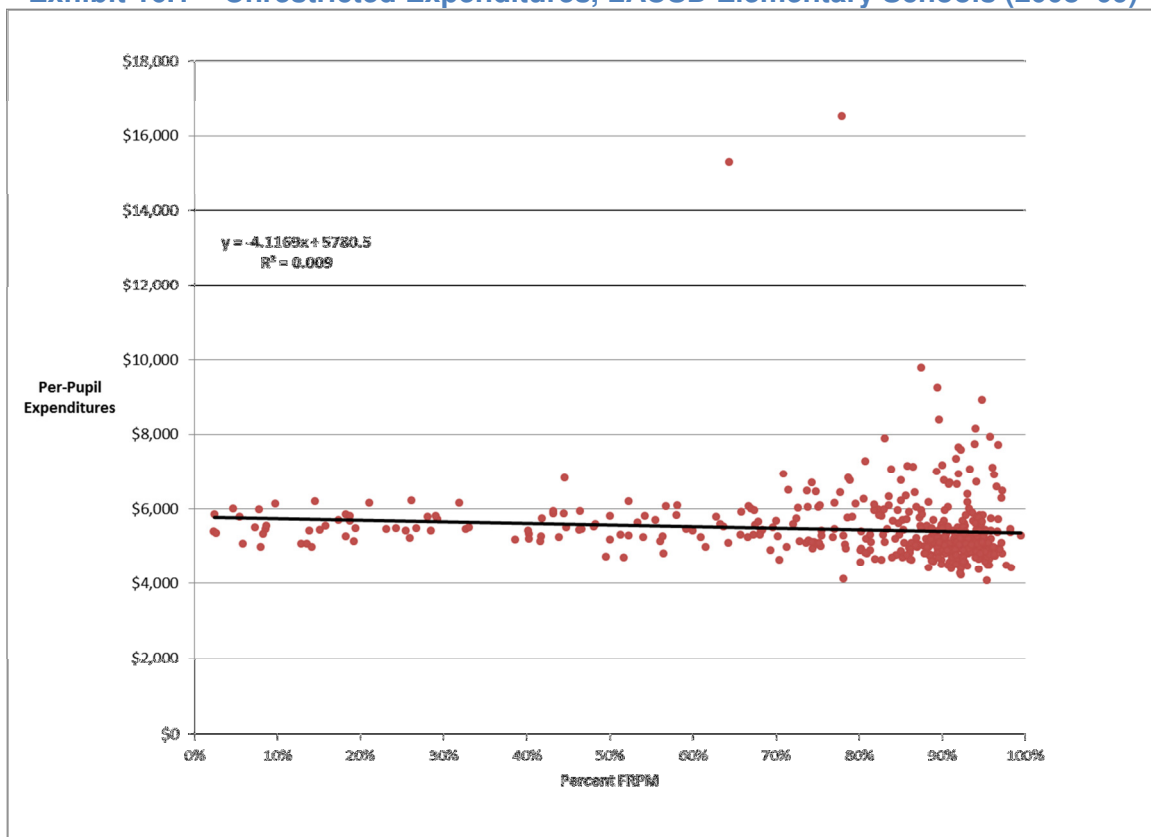


Exhibit 16.2 – Unrestricted Expenditures, LAUSD Elementary Schools (2011–12)

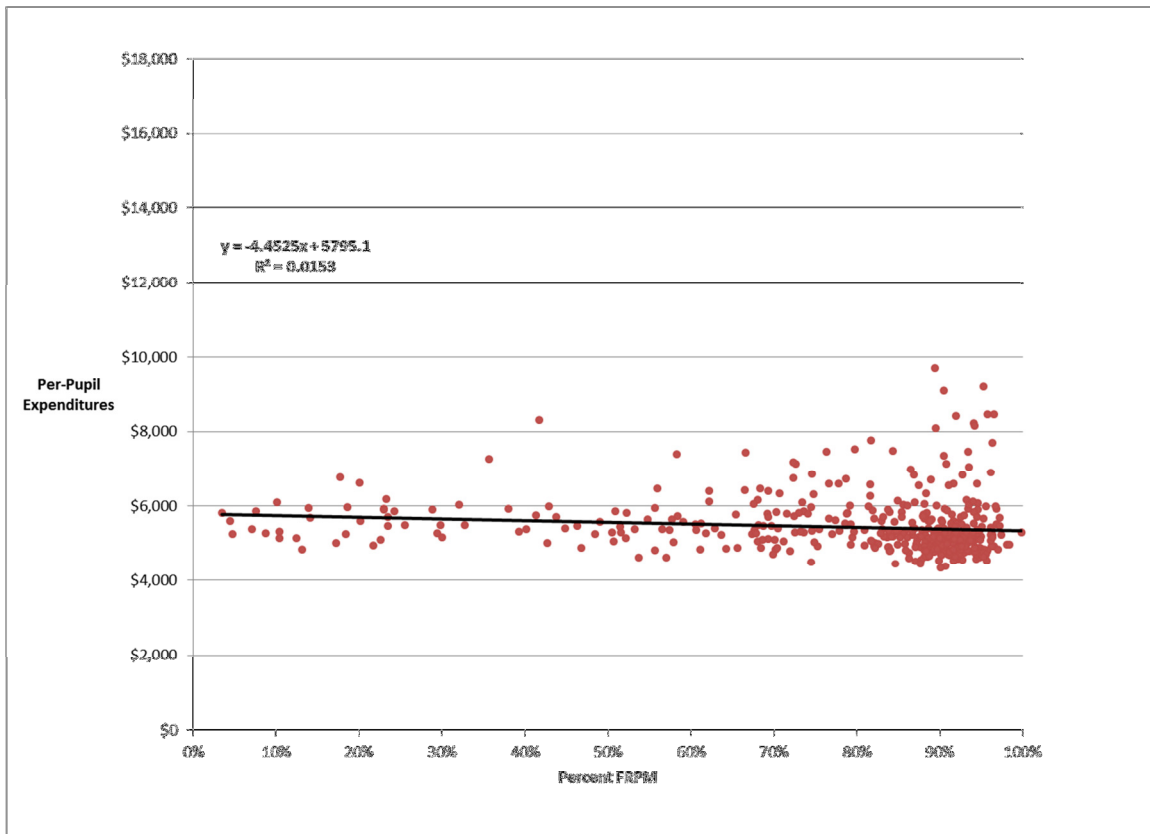


Exhibit 16.3 – Restricted Expenditures, LAUSD Elementary Schools (2008–09)

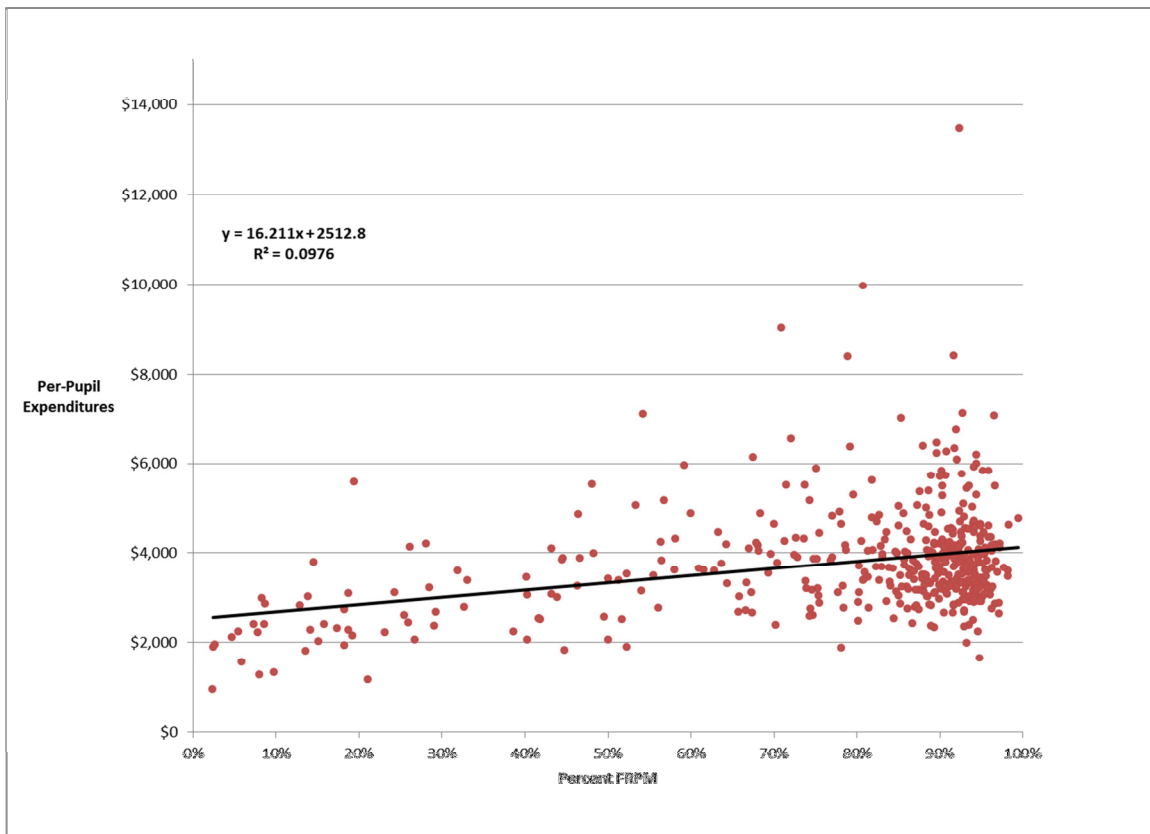


Exhibit 16.4 – Restricted Expenditures, LAUSD Elementary Schools (2011–12)

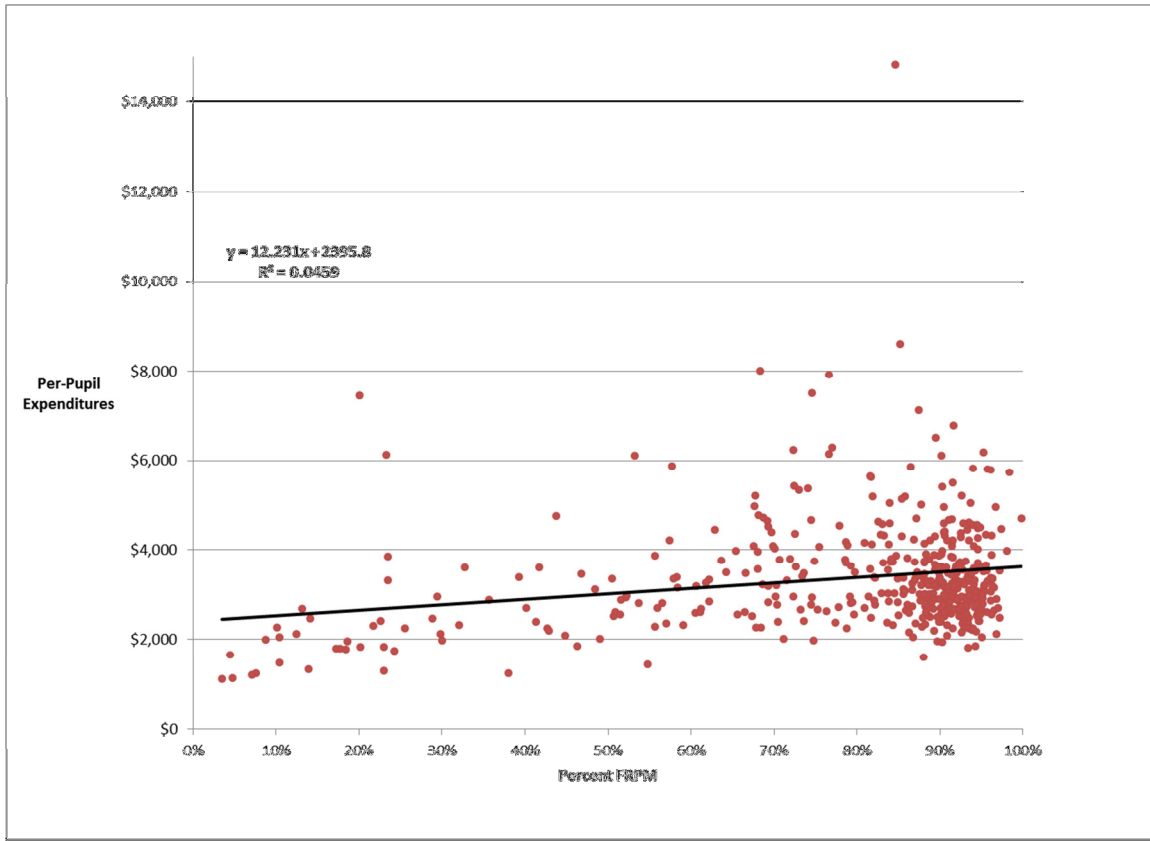


Exhibit 17.1 – Unrestricted Expenditures, LAUSD Middle Schools (2008–09)

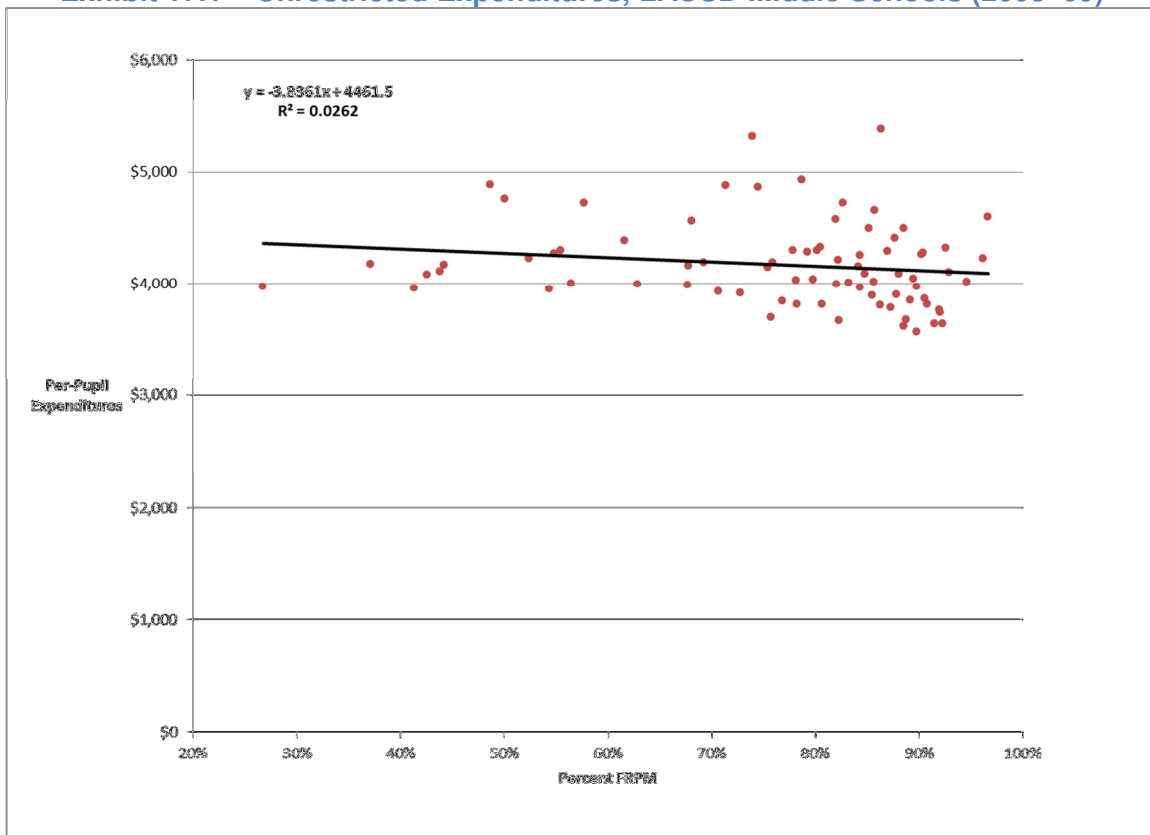


Exhibit 17.2 – Unrestricted Expenditures, LAUSD Middle Schools (2011–12)

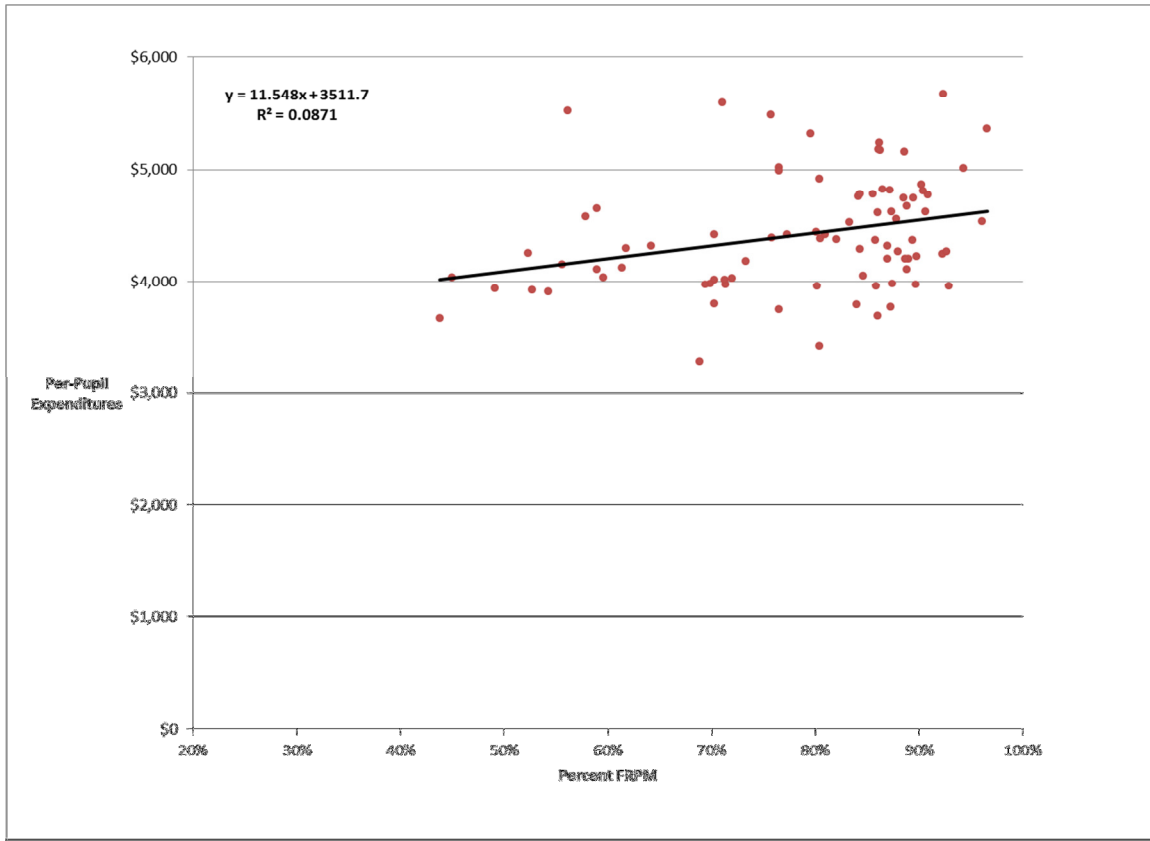


Exhibit 17.3 – Restricted Expenditures, LAUSD Middle Schools (2008–09)

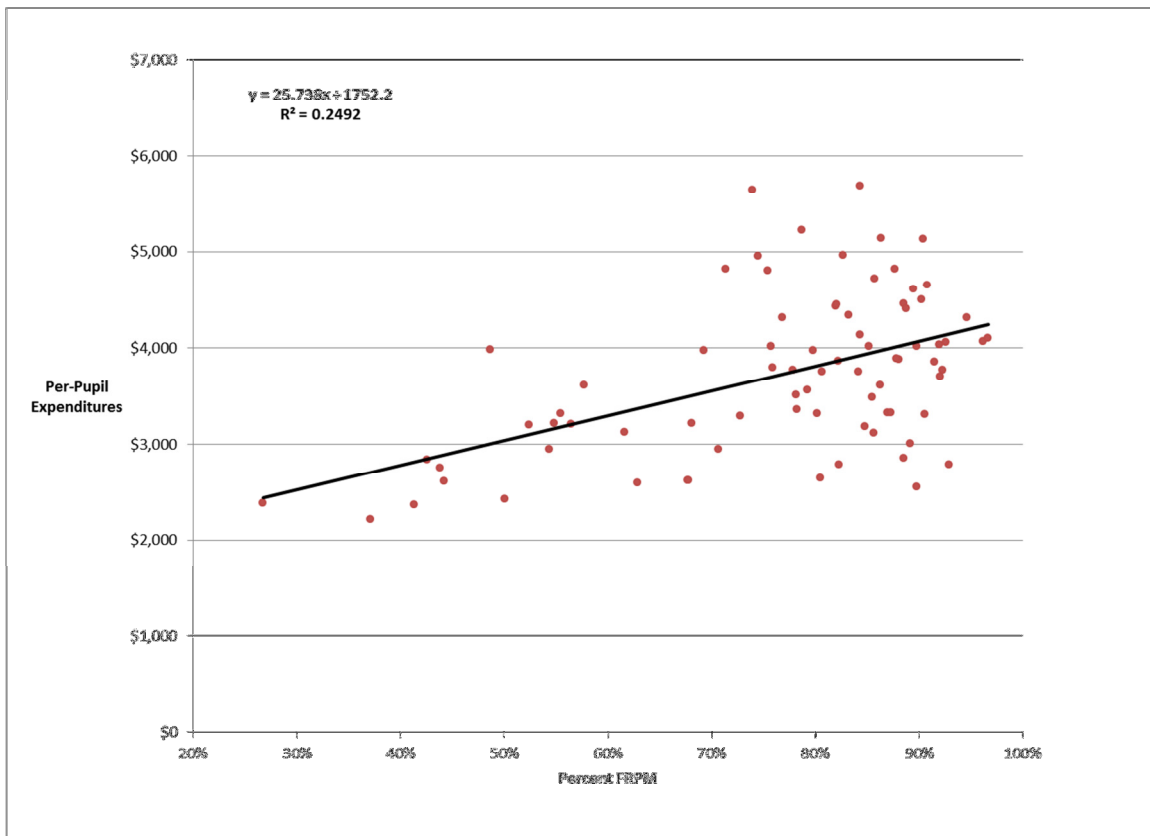


Exhibit 17.4 – Restricted Expenditures, LAUSD Middle Schools (2011–12)

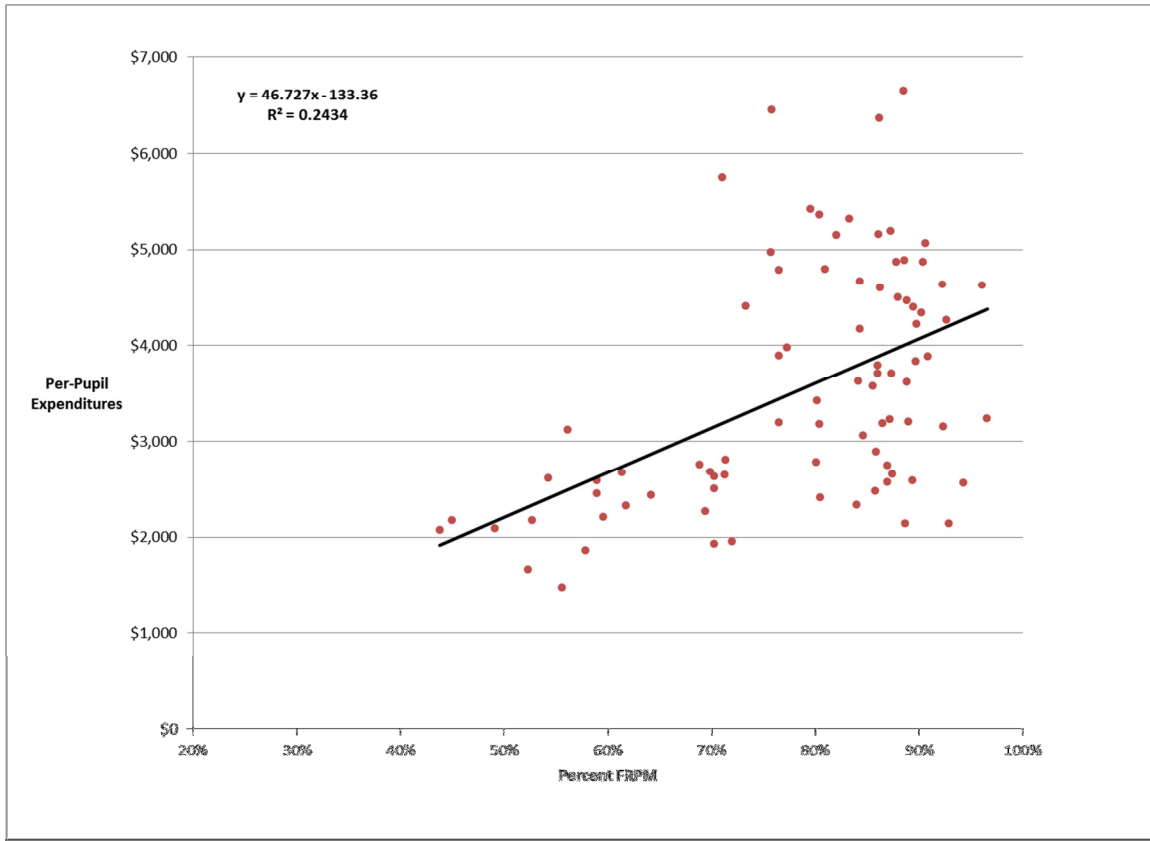


Exhibit 18.1 – Unrestricted Expenditures, LAUSD High Schools (2007–08)

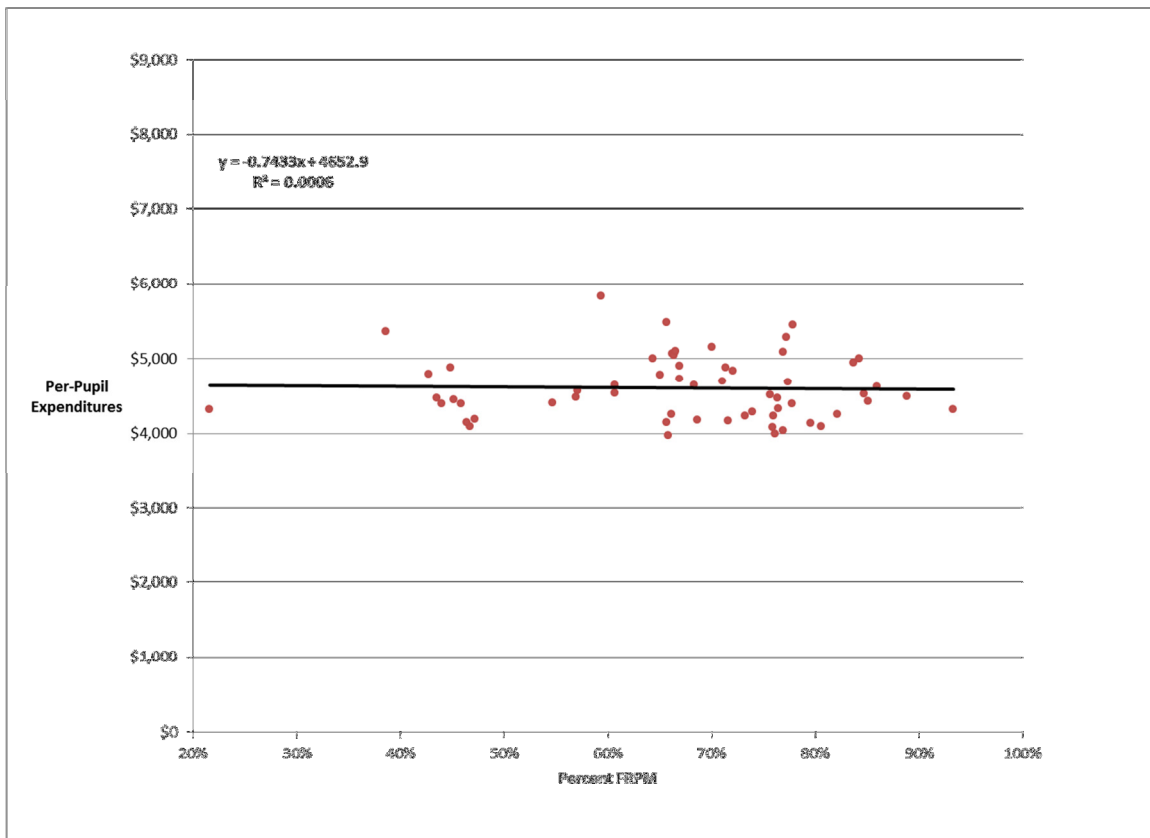


Exhibit 18.2 – Unrestricted Expenditures, by LAUSD High Schools (2011–12)

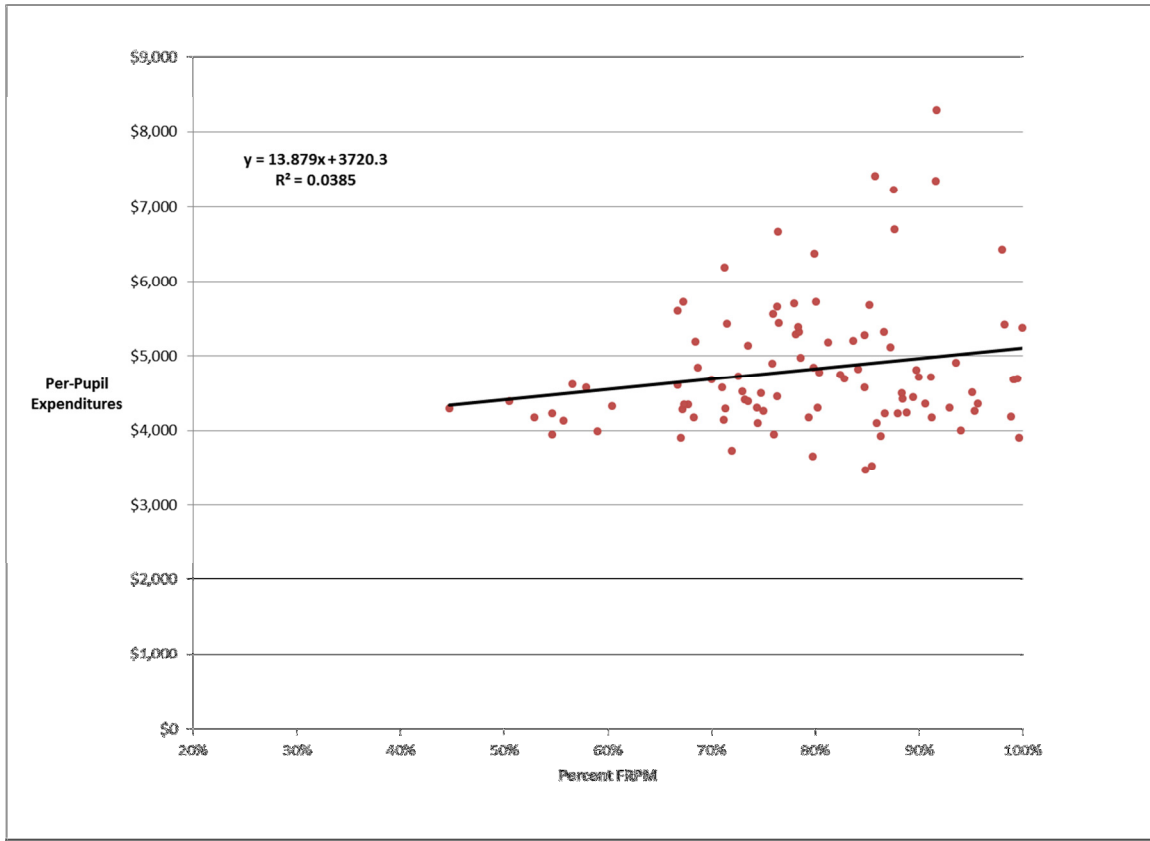


Exhibit 18.3 – Restricted Expenditures, LAUSD High Schools (2007–08)

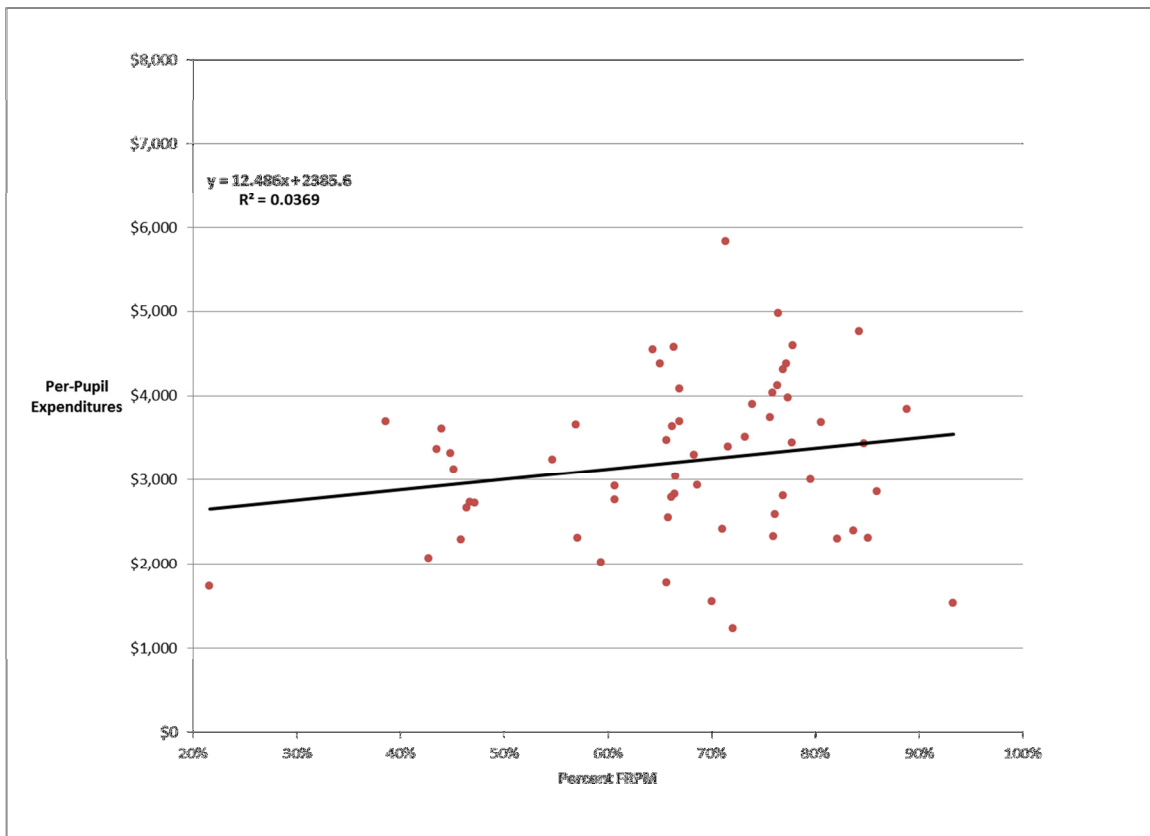
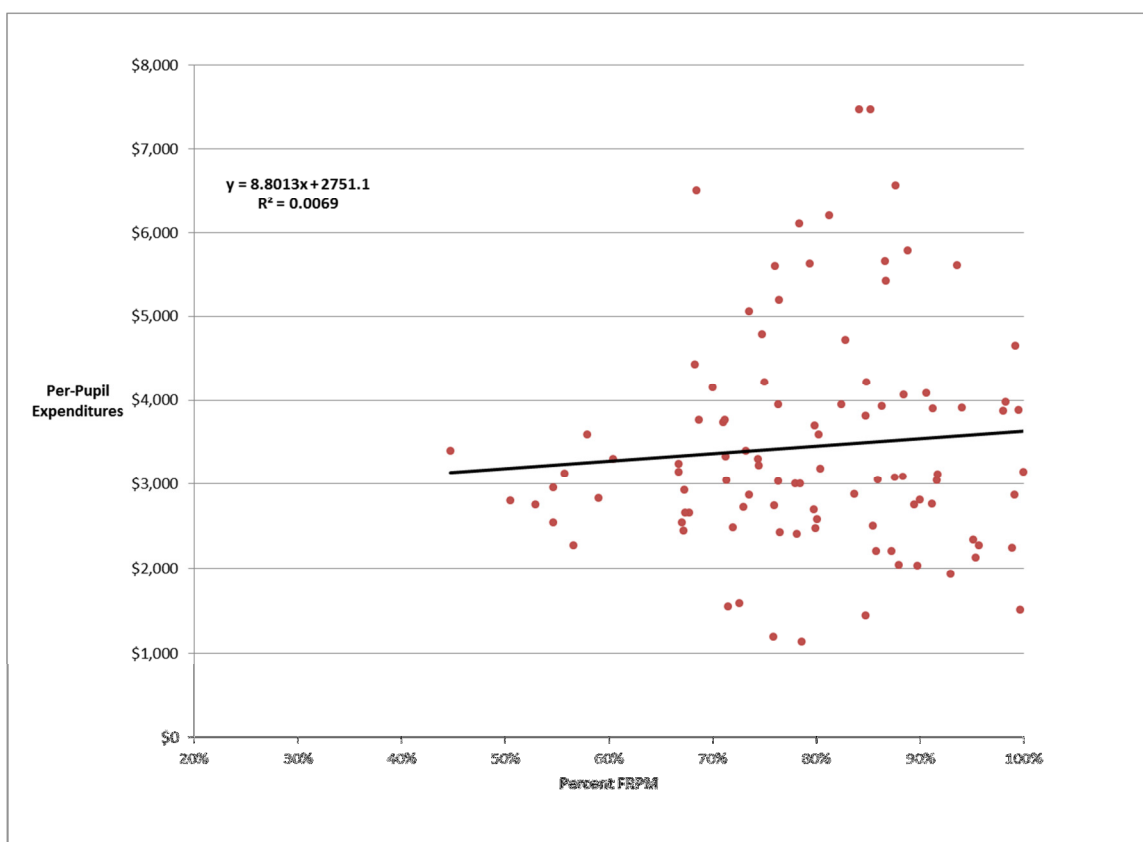


Exhibit 18.4 – Restricted Expenditures, LAUSD High Schools (2011–12)



► TRUSD Results

Scatter plot analysis of elementary school per-pupil expenditure and FRPM suggests that the relationship between these two measures has changed very little since implementation of SSFR.

Exhibits 19.1 and 19.2 contain scatter plots of overall per-pupil expenditure against percent FRPM for 2009–10 and 2011–12, respectively, across elementary schools in TRUSD. The results suggest that the responsiveness of spending to differences in poverty among elementary schools has changed only slightly since the introduction of SSFR. The slope of the fitted line became less steep since the initiation of the SSFR project. For example, in 2009–10 an elementary school with an FRPM rate of 96 percent was predicted to spend \$6,411 per pupil, while a school with an FRPM rate of 77 percent was predicted to spend \$5,682 per pupil.²⁸ In relative terms, this difference is about 13 percent. In contrast, the predicted spending per pupil at schools with 96 and 77 percent poverty in 2011–12 was \$5,968 and \$5,279, respectively, for a relative difference of about 13 percent as well.

Aside from the slight increase in the steepness of the slope, the constant term has decreased from \$2,726 in 2009–10 to \$2,484 in 2011–12, indicating a relative decrease in spending at schools

²⁸ The two FRPM percentages, 96 percent and 77 percent, represent the average FRPM rates in 2011–12 for elementary schools in the lowest and highest poverty tertiles, respectively.

with the lowest poverty levels of about 10 percent. This result suggests, as we saw in the bar charts, that per-pupil expenditures decreased overall for all elementary schools following the introduction of SSFR. This reduction in funds is not unlike what schools throughout California experienced during this time of economic crisis and across-the-board budget cuts.

Between the two years, the R-squared statistic decreased slightly, suggesting that there is no meaningful difference in the proportion of variance explained by FRPM between the two years. The similarity in the R-squared statistics may suggest that the introduction of SSFR has not made TRUSD elementary schools any less (or more) susceptible to unexpected fluctuations related to student poverty.

Exhibits 19.3 and 19.4 show the scatter plots of unrestricted per-pupil expenditure against FRPM rates for TRUSD elementary schools. Compared to 2009–10, the slope of the fitted line became less steep in 2011–12. The R-squared statistic increased slightly, meaning that the proportion of variance in unrestricted expenditures explained by FRPM has increased slightly. On the other hand, exhibits 19.5 and 19.6 suggest the opposite is true for restricted expenditures. The slope of the fitted line became slightly steeper between 2009–10 and 2011–12, while the R-squared statistic decreased. Thus, the decrease in the responsiveness to poverty for overall expenditures seen between Exhibits 19.1 and 19.2 is likely driven by the decrease in the progressivity in unrestricted expenditures.

Exhibit 19.1 – Overall Expenditures, TRUSD Elementary Schools (2009–10)

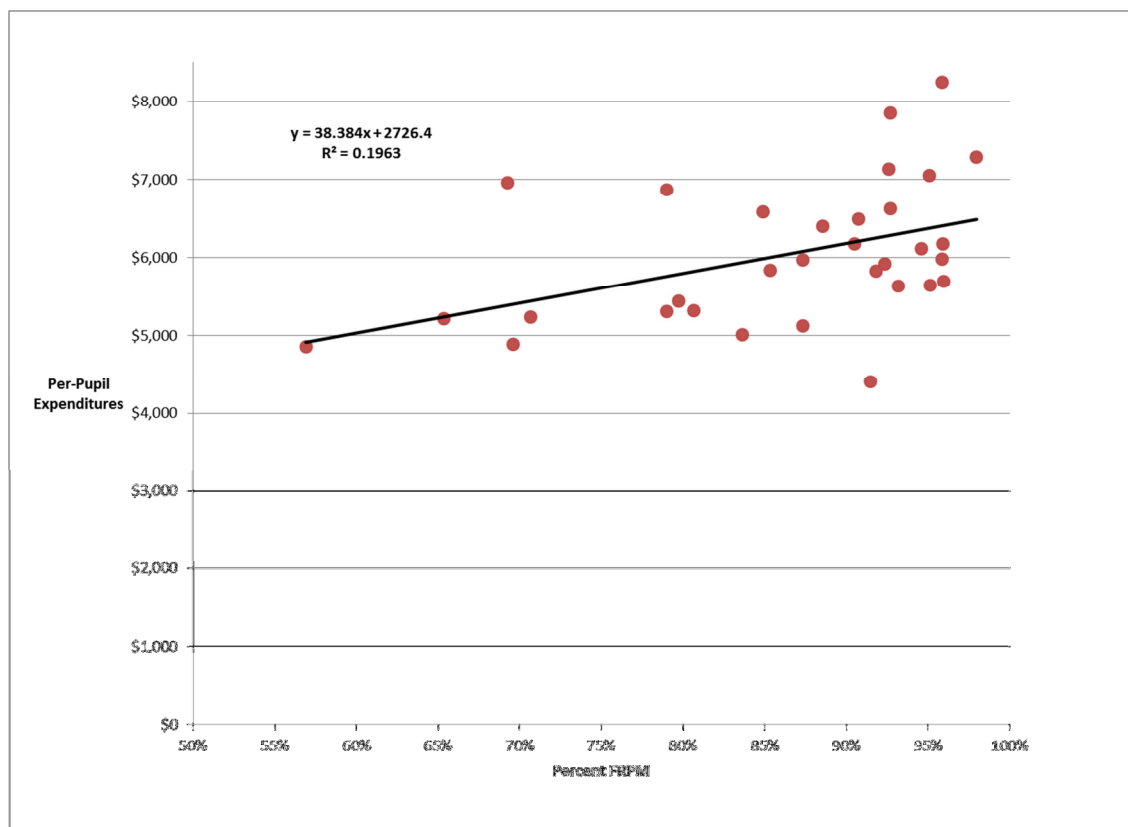


Exhibit 19.2 – Overall Expenditures, TRUSD Elementary Schools (2011–12)

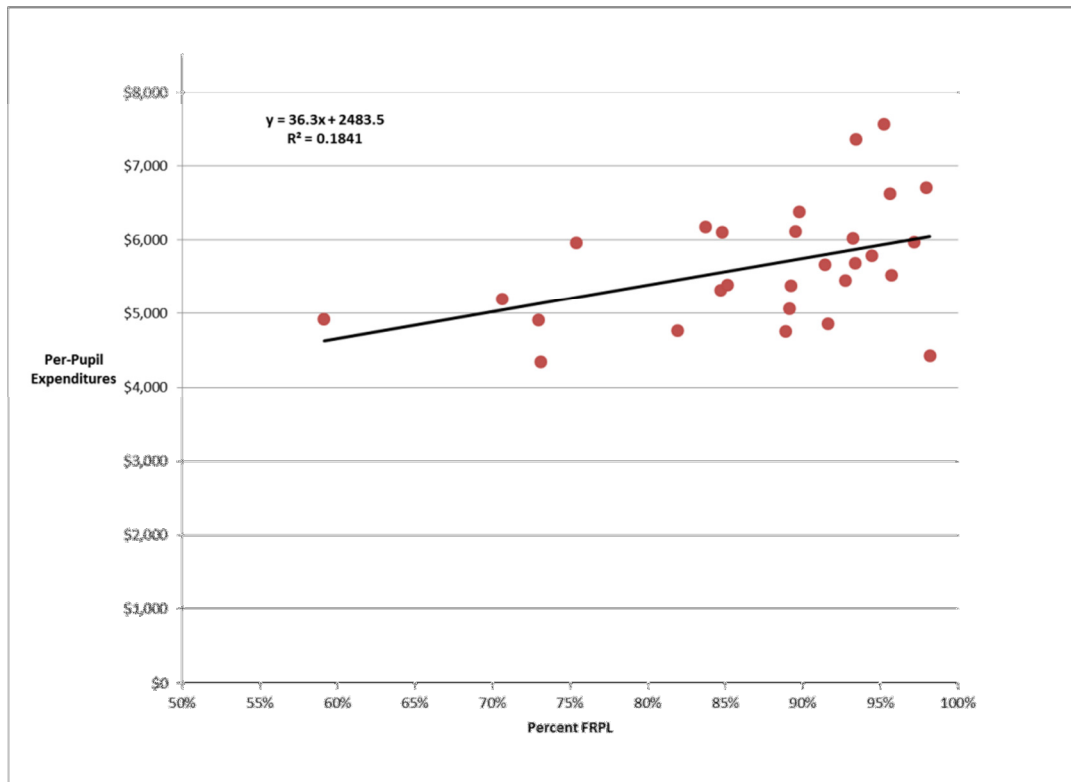


Exhibit 19.3 – Unrestricted Expenditures, TRUSD Elementary Schools (2009–10)

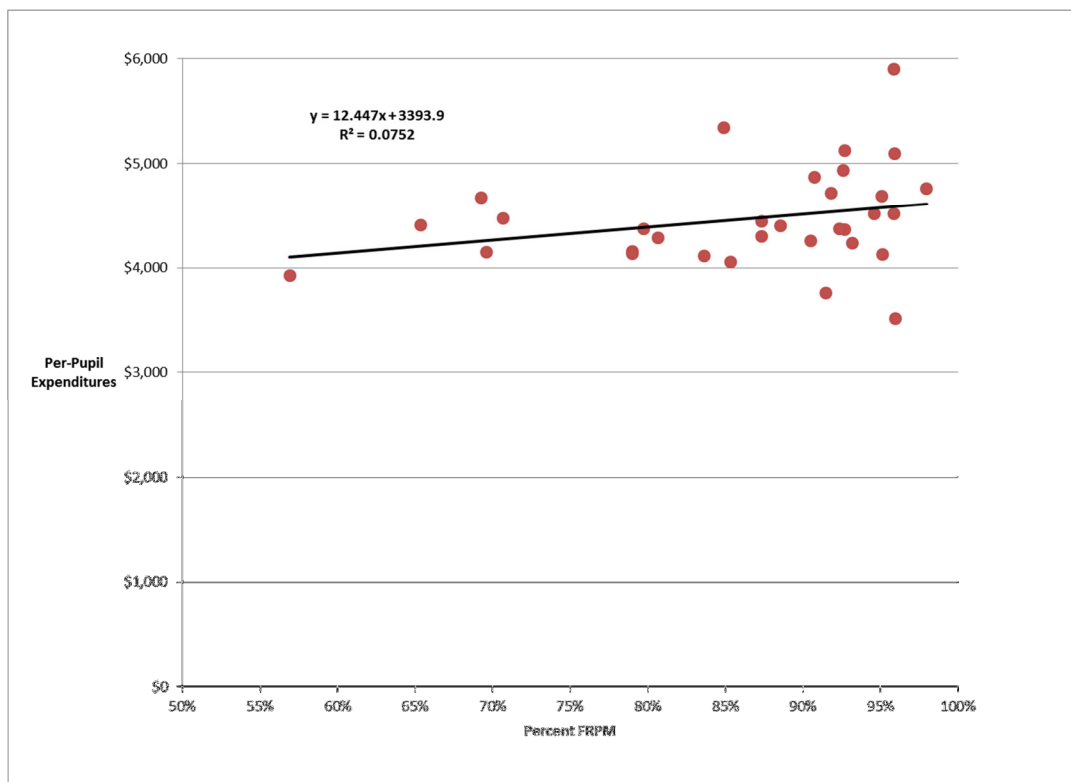


Exhibit 19.4 – Unrestricted Expenditures, TRUSD Elementary Schools (2011–12)

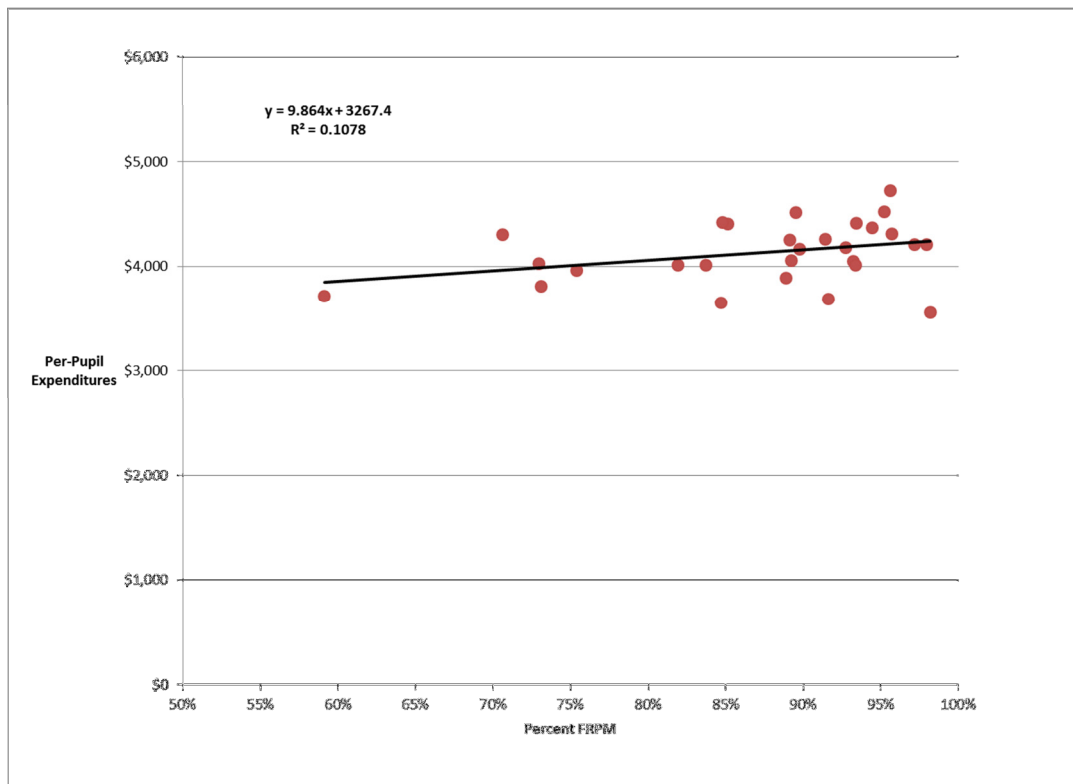


Exhibit 19.5 – Restricted Expenditures, TRUSD Elementary Schools (2009–10)

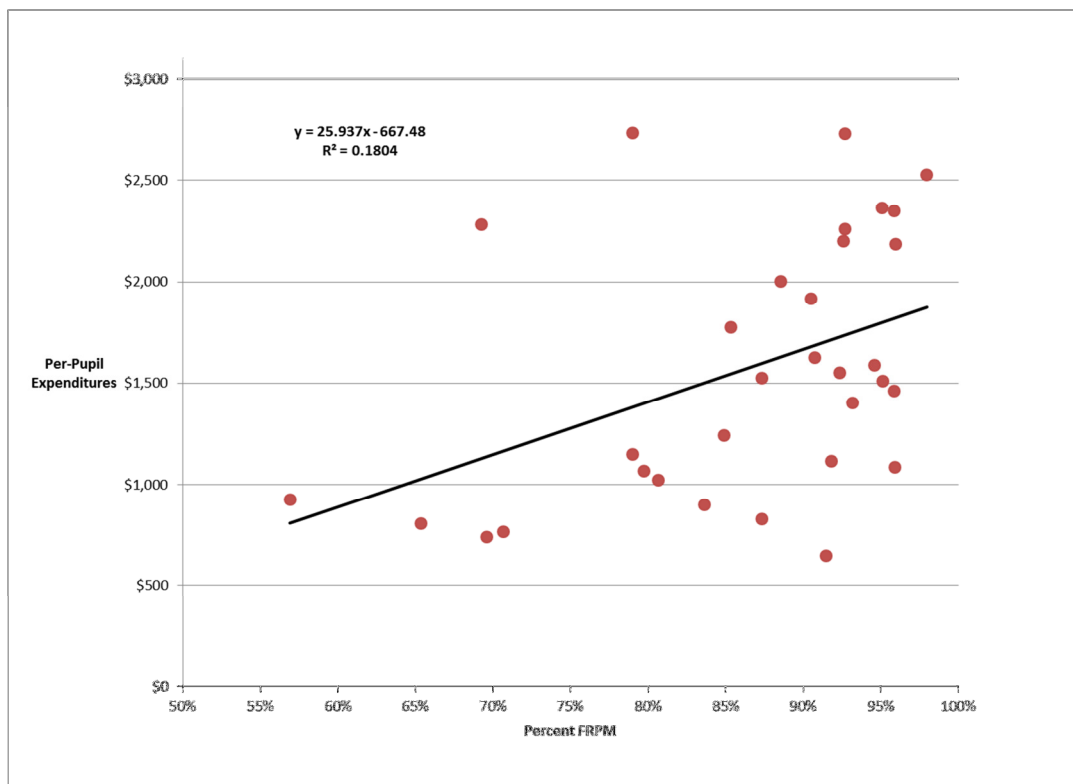
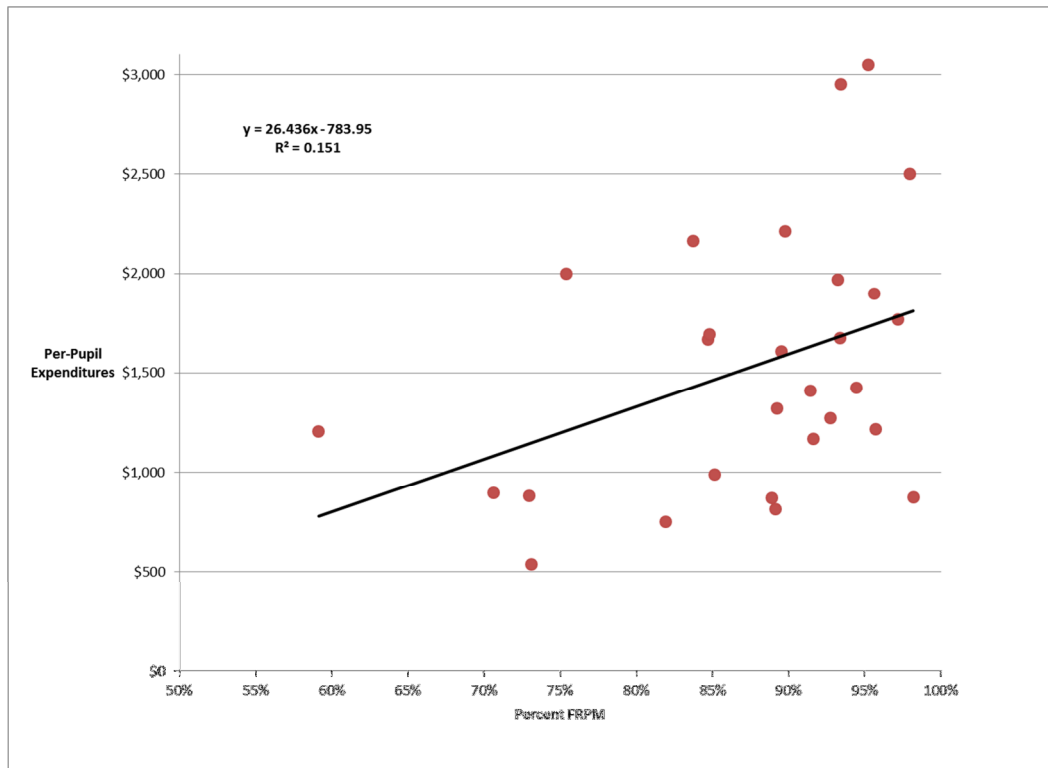


Exhibit 19.6 – Restricted Expenditures, TRUSD Elementary Schools (2011–12)



Implicit Weight Analysis of Expenditures

► Methodology

The descriptive analysis presents a basic story of the relationship between expenditures and poverty by relying on average per-pupil expenditures within FRPM categories (quartiles or tertiles) and scatter plots. To develop a more sophisticated understanding of how expenditures vary by FRPM, we used regression analysis, which allowed us to estimate the relationship between FRPM and per-pupil expenditures while controlling for the influence of other cost factors. In this particular regression analysis, we control for school size (enrollment) to account for the extent to which economies of scale played a role in the allocation of resources to schools.^{29,30} Due to the consolidation of elementary and middle schools in TRUSD, many elementary schools serve students in grades 6–8. As a result, the regressions for TRUSD also

²⁹ Scale of operations is a key factor that determines the cost of delivering education. Specifically, very small schools often face higher costs for achieving the same outcomes because of the diseconomies associated with the small scale of operations.

³⁰ We also experimented with more inclusive regressions that controlled for ELL percentage, but the model was unable to accommodate this measure because of its high correlation with FRPM percentage, and the inclusion of ELL percentage in the models was not feasible. Specifically, including ELL percentage along with FRPM percentage in the regression model resulted in multicollinearity, severely affecting our ability to isolate the separate impacts of poverty and ELL status on per-pupil expenditures.

control for the percentage of students enrolled in middle school grades. The basic model used is as follows:³¹

$$\text{School-Level Per-Pupil Expenditures} = f(\text{FRPM Percentage}, \text{School Enrollment})$$

The model that we ran allows us to examine whether schools that receive dollars via the allocation mechanisms developed under BSA/SSFR exhibited a significantly different relationship between spending and poverty compared to their peers, which were provided resources according to the traditional staffing model. Specifically, the model estimates whether there is a difference in the responsiveness of per-pupil spending to poverty (equity) for the participant BSA/SSFR (treatment) schools versus the non-participant (control) schools.³²

All regressions have been run separately by schooling level to account for the different cost structures associated with the use of self-contained versus departmentalized classes by elementary versus high schools, respectively. We estimated the relationships between per-pupil expenditures and two key cost factors (FRPM and enrollment) during a period spanning both before and after the implementation of the BSA and SSFR initiatives (2006–07 to 2011–12 in LAUSD, and 2008–09 to 2011–12 in TRUSD). We used the magnitude of the estimated relationship between per-pupil expenditures and FRPM percentages to derive implicit FRPM weights to gauge the level of equity both before and after the initiatives were introduced. We define the implicit FRPM weight as follows:

Implicit FRPM Weight—A value representing the relative per-pupil expenditures of a school with 100 percent FRPM to that of a school with 0 percent FRPM, holding enrollment constant.

For example, an implicit FRPM weight of 1.20 indicates that a school in which all students are eligible for FRPM spends about 20 percent more per pupil than a school of identical size with no students eligible for FRPM. In effect, the implicit funding weight indicates the relative difference in expenditures, on average, generated by a student eligible for FRPM. That is, a weight of 1.20 indicates that, on average, 20 percent more is spent on an FRPM student relative to a non-FRPM student.

To more easily interpret the results, it is helpful to show them graphically by charting examples of estimated spending/poverty profiles. The two profiles in Exhibit 20 illustrate what profiles for schools participating in BSA/SSFR and non-participant schools might look like. Each profile depicts how expected per-pupil expenditure varies across school-level percent FRPM, holding enrollment constant.³³ The intercepts where the profiles meet the y-axis represent the general level of per-pupil expenditure, which the model allows to vary from year to year and between the BSA/SSFR and non-participant schools. The slopes of the profiles show how responsive per-

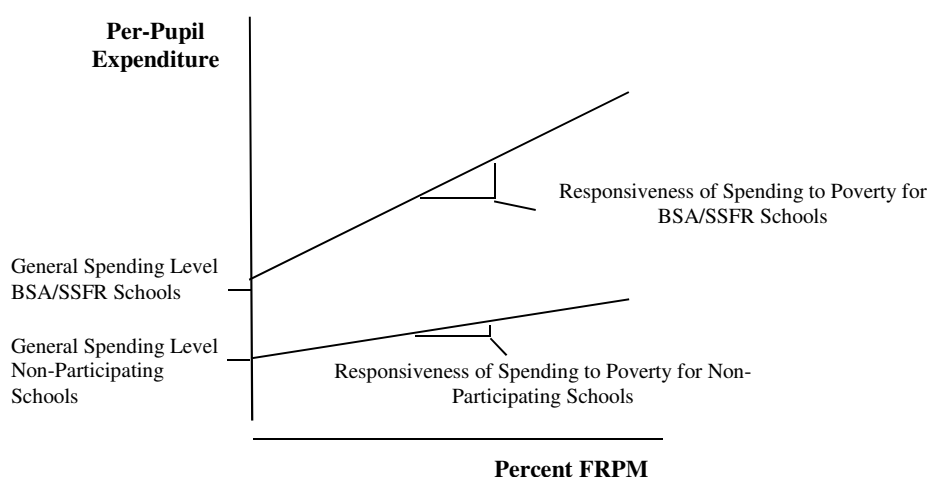
³¹ A more technical discussion of the regression procedure used can be found in the *SSFR Technical Report on Resource Allocation and Student Outcomes*.

³² The model used is similar to what is referred to as a *comparative interrupted time series* approach (see Shadish, Cook and Campbell, 2002). While we have implemented the model in the hope of minimizing any internal threats to the validity, this examination should still be considered exploratory, and any estimated spending differences between the participating BSA/SSFR schools and non-participating schools should not be construed as solely attributable to implementation of these programs.

³³ Specifically, for all of the spending/poverty profiles presented below enrollment is held constant at the sample average of the respective schooling level.

pupil expenditure is to poverty, which the model allows to differ between the BSA/SSFR and non-participant schools in the post-implementation years.³⁴ In turn, profiles with steeper slopes indicate higher levels of equity. Below, we present similar charts of the estimated spending/poverty profiles for specific years that graphically depict the differential responsiveness of per-pupil expenditure to poverty between BSA/SSFR schools and non-participant schools.

Exhibit 20 – Estimated Overall Expenditure Profiles for LAUSD Elementary Schools (2008–09 and 2011–12)



► LAUSD Results

Regression analysis of per-pupil expenditures suggests that there have been no systematic improvements in equity among schools participating in the BSA initiative.

The exhibits in the following section depict the responsiveness of school-level, per-pupil expenditures to student poverty. More precisely, each chart contains two profiles—one that shows how predicted per-pupil expenditures across *all* schools (both BSA and non-participating schools) varied by FRPM level in the year immediately prior to the implementation of the BSA initiative (the baseline year), and another that shows this relationship among schools that participated in BSA in the year immediately following the BSA initiative.

In the chart legend, we include the calculated implicit FRPM weight for each year. We also include asterisks denoting whether the underlying estimated relationship between per-pupil expenditures and FRPM rates were statistically significant. For the pre-implementation period, we test whether there is a systematic relationship between per-pupil expenditures and poverty. Specifically, we test whether the estimated coefficient for the period prior to BSA implementation is statistically different from zero, and whether the underlying estimated

³⁴ Specifically, the model estimates a common slope for both the participating BSA/SSFR schools and non-participant schools in the period prior to implementation and a differential slope for BSA/SSFR schools in the post-implementation period.

relationship between per-pupil expenditures and FRPM rates after BSA was implemented is significantly different from that of the pre-implementation period.

Elementary Schools

Exhibits 21.1 through 21.3 show the overall, unrestricted, and restricted per-pupil expenditure profiles for all elementary schools in the “baseline” year just prior to implementation (2008–09) and for the BSA schools after implementation (2009–10).³⁵ For overall and restricted expenditures, there appears to be a positive and statistically significant systematic relationship between percent FRPM and spending in the baseline year. For these two groups of expenditures, the implicit weights were 1.24 and 1.87, respectively. For unrestricted expenditures in the baseline year, on the other hand, there appears to be a negative and statistically significant relationship between percent FRPM and spending. These results estimate that in the baseline year, approximately 4 percent less in unrestricted dollars was spent on the average FRPM-eligible elementary student compared to the average student that was not eligible for FRPM.

The estimated slopes used to generate the elementary post-implementation BSA expenditure profiles for all three expenditure types are not statistically different from those associated with the corresponding baseline estimates. Another noticeable finding is that for overall and unrestricted expenditures, predicted per-pupil spending at all levels decreased by over \$1,000 per pupil. This was likely driven by the fiscal crisis that LAUSD faced during this time period.

³⁵ Note that the model estimates a common pre-implementation “baseline” spending/poverty profile for both participant (BSA) and non-participant schools in the period before BSA was implemented, and a different profile for BSA schools in the post-implementation period.

**Exhibit 21.1 – Estimated Overall Expenditure Profiles for LAUSD Elementary Schools
(2008–09 and 2011–12)**

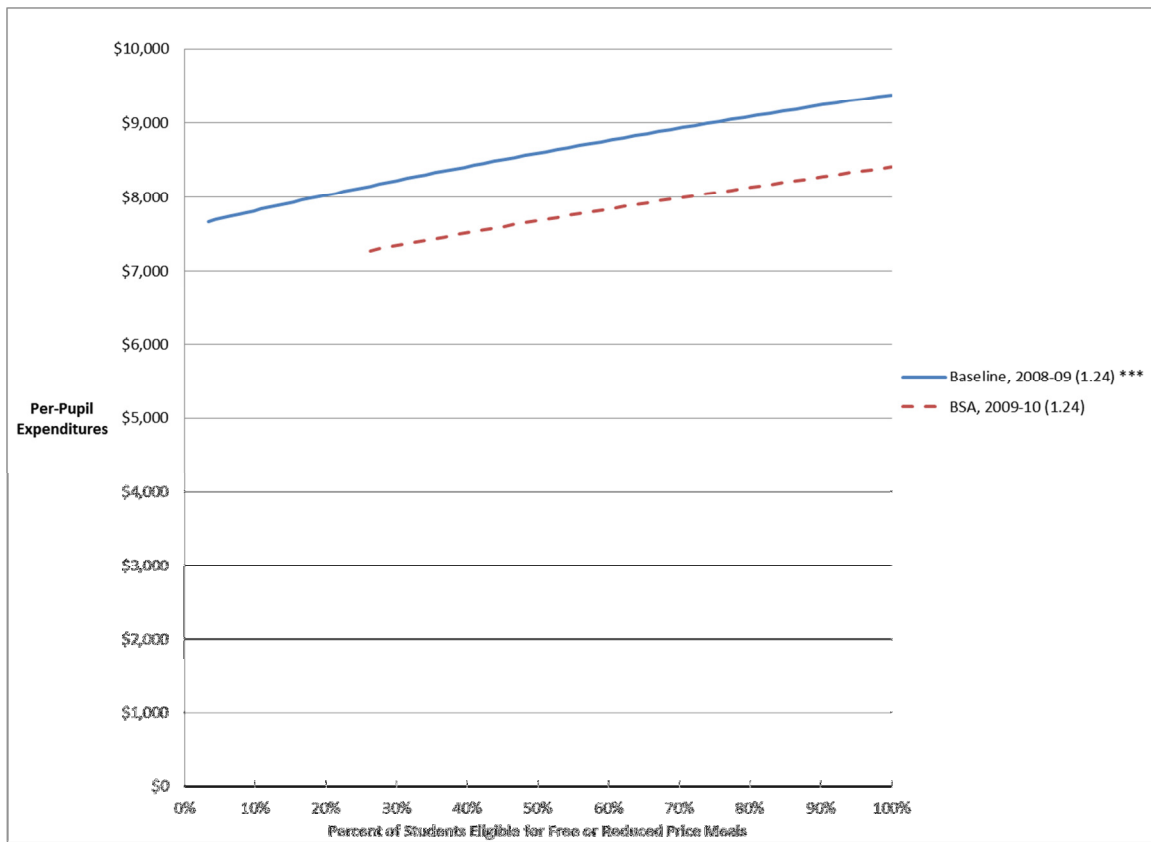


Exhibit 21.2 – Estimated Unrestricted Expenditure Profiles for LAUSD Elementary Schools

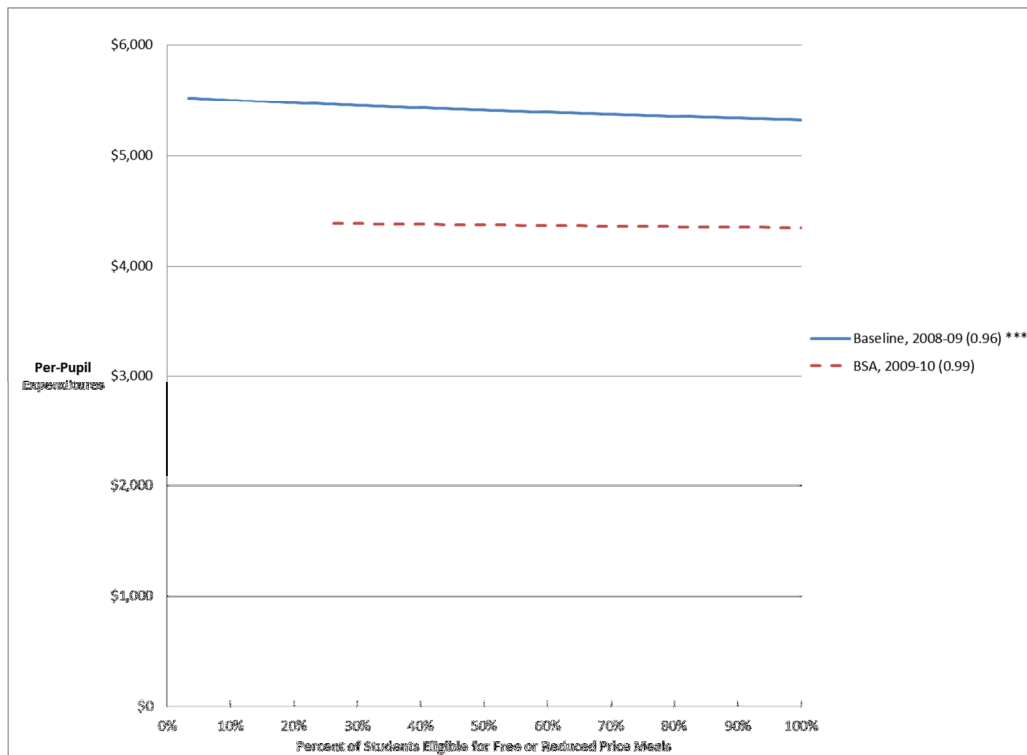
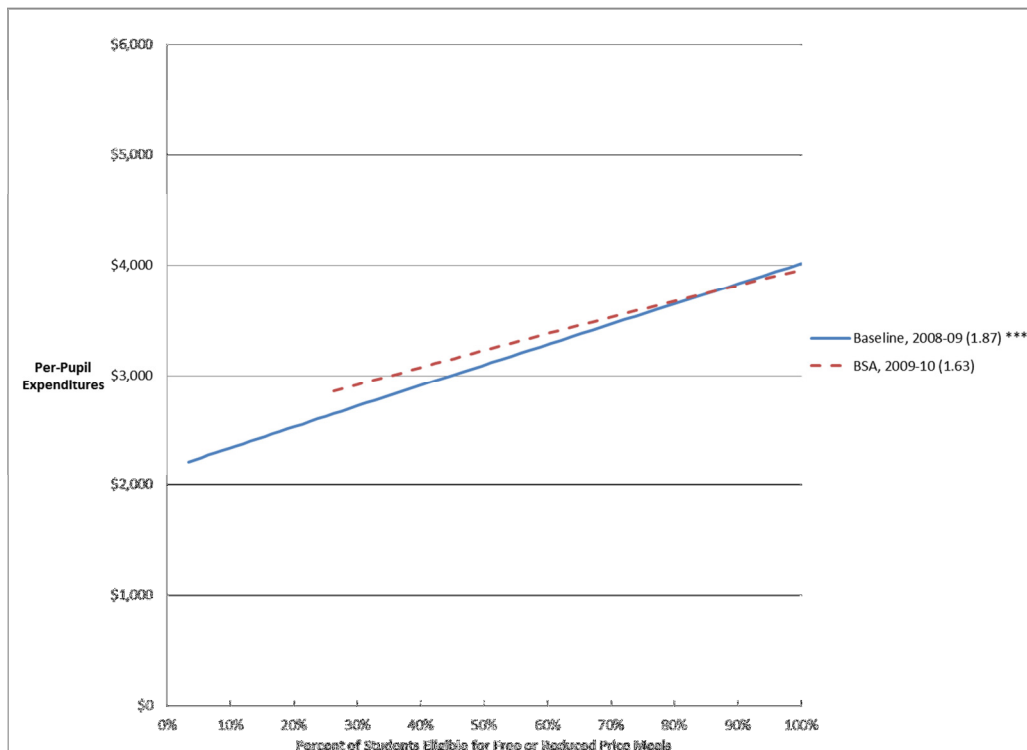


Exhibit 21.3 – Estimated Restricted Expenditure Profiles for LAUSD Elementary Schools



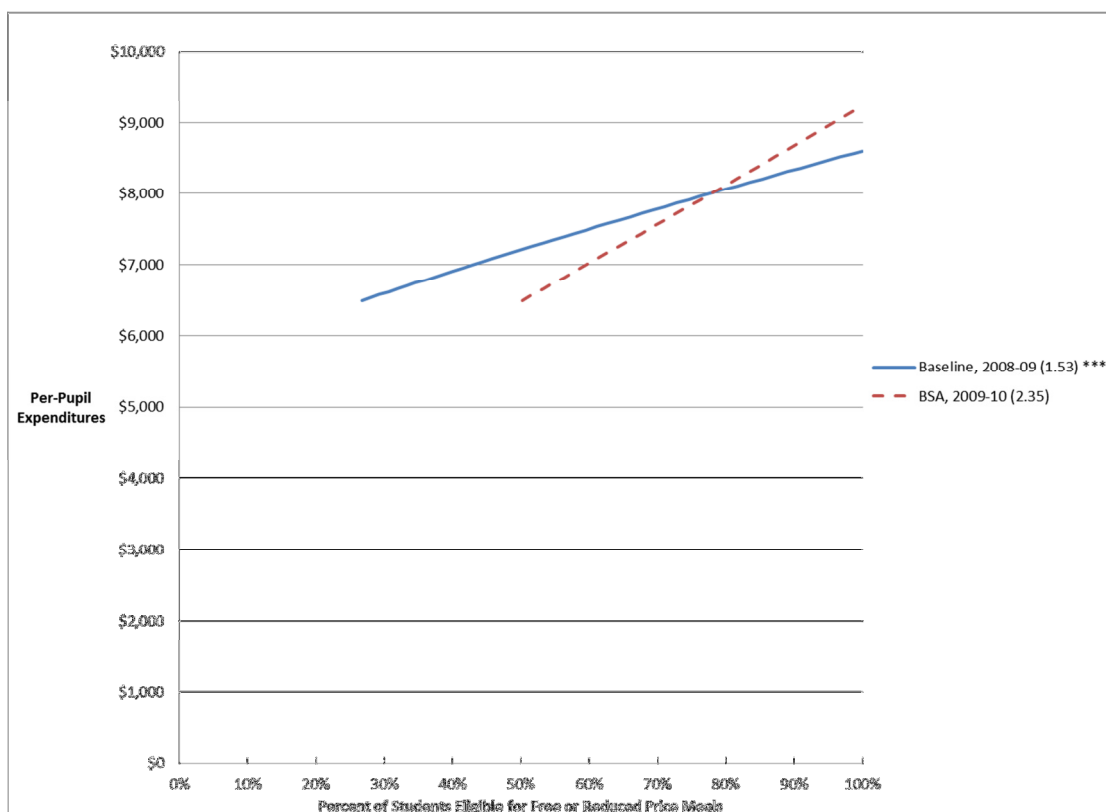
Note: The baseline test is whether the coefficient used to generate the profile is significantly different from 0. The BSA test is whether the coefficient used to generate the profile is significantly different from that of the baseline. ***, **, and * indicate statistical significance at the 1-, 5-, and 10-percent levels, respectively.

Middle Schools

Exhibits 22.1 through 22.3 show the overall, unrestricted, and restricted per-pupil expenditure profiles for all middle schools in the “baseline” year just prior to implementation (2008–09) and for the BSA schools after implementation (2009–10). Similar to elementary schools, for overall and restricted expenditures, there appears to be a positive and statistically significant systematic relationship between percent FRPM and spending in the baseline year. For these two groups of expenditures, the implicit weights were 1.53 and 2.59, respectively. For unrestricted expenditures, on the other hand, there appears to be no systematic relationship between FRPM levels and spending.

The estimated coefficients used to generate the middle school BSA expenditure profiles for all three expenditure types are not statistically different from the corresponding baseline estimates. Nevertheless, in relative terms, the implicit weights for BSA schools in 2009–10 are larger than those in the baseline year for all three types of expenditures. For example, the implicit weight for restricted expenditures is nearly twice as large for BSA schools in 2009–10 compared to the weight in the baseline year. Similar to the elementary school results, there appear to be decreases in predicted overall and unrestricted spending. However, unlike the previous results, where there was a general downward shift in the expenditure profile, here there is a tilt in the profile: the predicted amount of overall per-pupil spending only declines among BSA schools with an FRPM rate less than 80 percent. BSA schools in which more than 80 percent of their students were eligible for FRPM were predicted to spend more in 2009–10 than they did in the baseline year.

Exhibit 22.1 – Estimated Overall Expenditure Profiles for LAUSD Middle Schools



Note: The baseline test is whether the coefficient used to generate the profile is significantly different from 0. The BSA test is whether the coefficient used to generate the profile is significantly different from that of the baseline. ***, **, and * indicate statistical significance at the 1-, 5-, and 10-percent levels, respectively.

Exhibit 22.2 – Estimated Unrestricted Expenditure Profiles for LAUSD Middle Schools

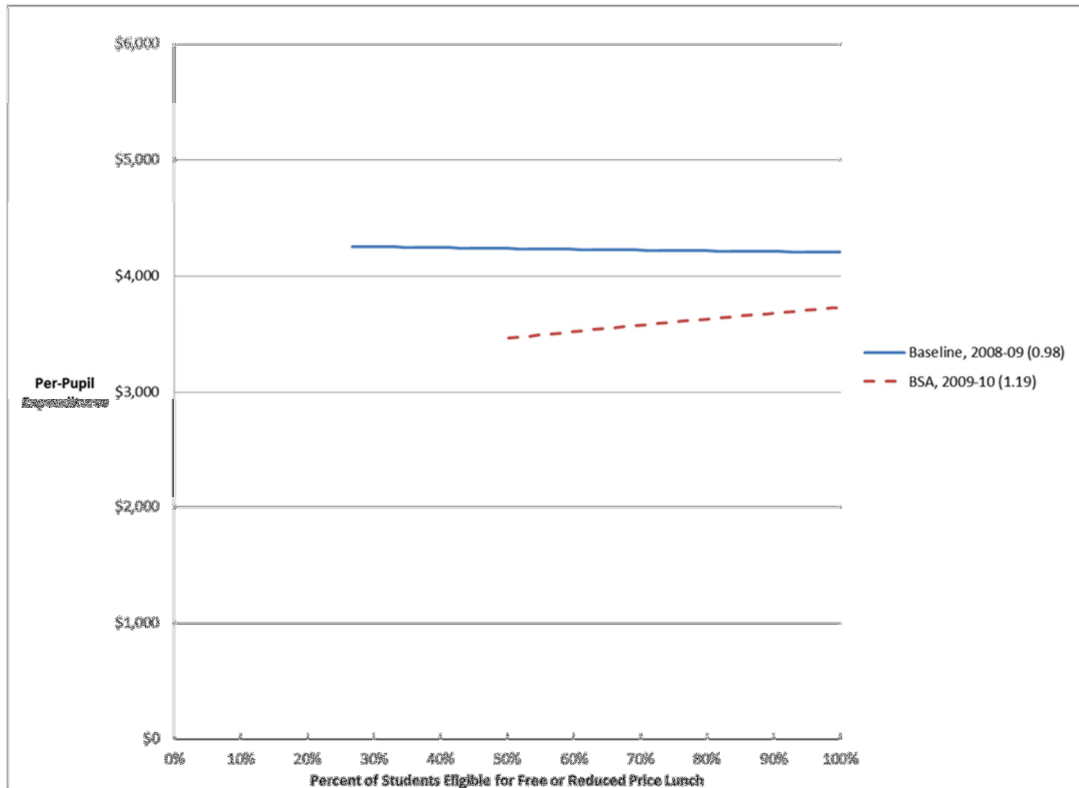
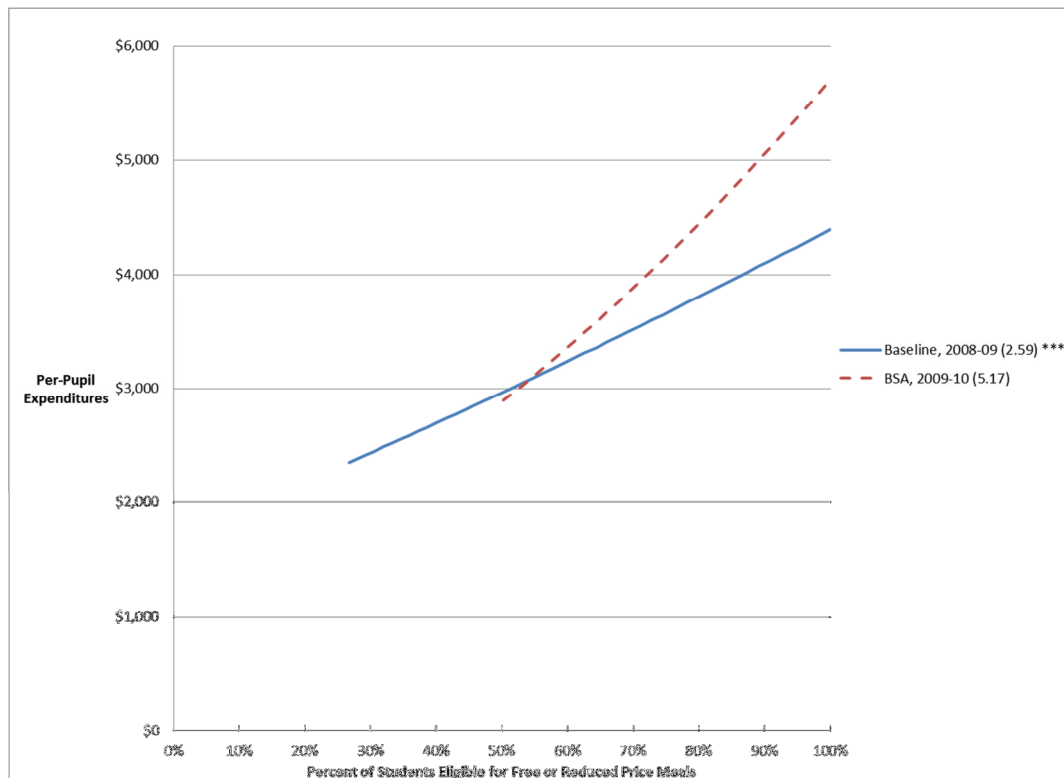


Exhibit 22.3 – Estimated Restricted Expenditure Profiles for LAUSD Middle Schools



Note: The baseline test is whether the coefficient used to generate the profile is significantly different from 0. The BSA test is whether the coefficient used to generate the profile is significantly different from that of the baseline. ***, **, and * indicate statistical significance at the 1-, 5-, and 10-percent levels, respectively.

High Schools

Exhibits 23.1 through 23.3 show the overall, unrestricted, and restricted per-pupil expenditure profiles for all high schools in the “baseline” year just prior to implementation (2008–09) and for the BSA schools after implementation (2009–10). Similar to the other two schooling levels, there appears to be a positive and statistically significant systematic relationship between percent FRPM and spending in the baseline year for overall and restricted expenditures. For these two groups of expenditures, the implicit weights were 1.49 and 2.43, respectively. For unrestricted expenditures, on the other hand, there appears to be no systematic relationship between FRPM levels and spending.

The expenditure profiles for high schools for all three expenditure types are not statistically different from the baseline regression profiles. Similar to the findings for elementary schools, predicted overall and unrestricted spending levels for BSA schools in 2009–10 declined noticeably relative to the baseline year, with the corresponding profiles exhibiting a general downward shift.

Exhibit 23.1 – Estimated Overall Expenditure Profiles for LAUSD High Schools

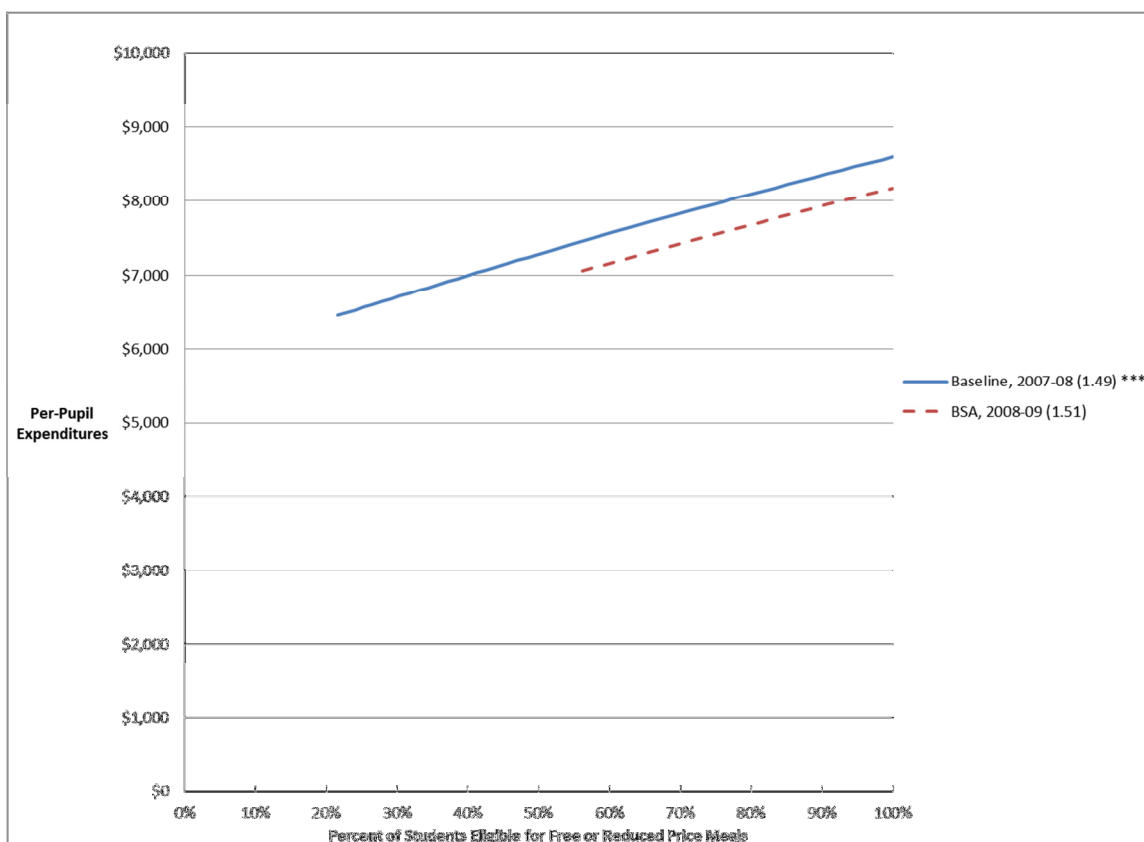


Exhibit 23.2 – Estimated Unrestricted Expenditure Profiles for LAUSD High Schools

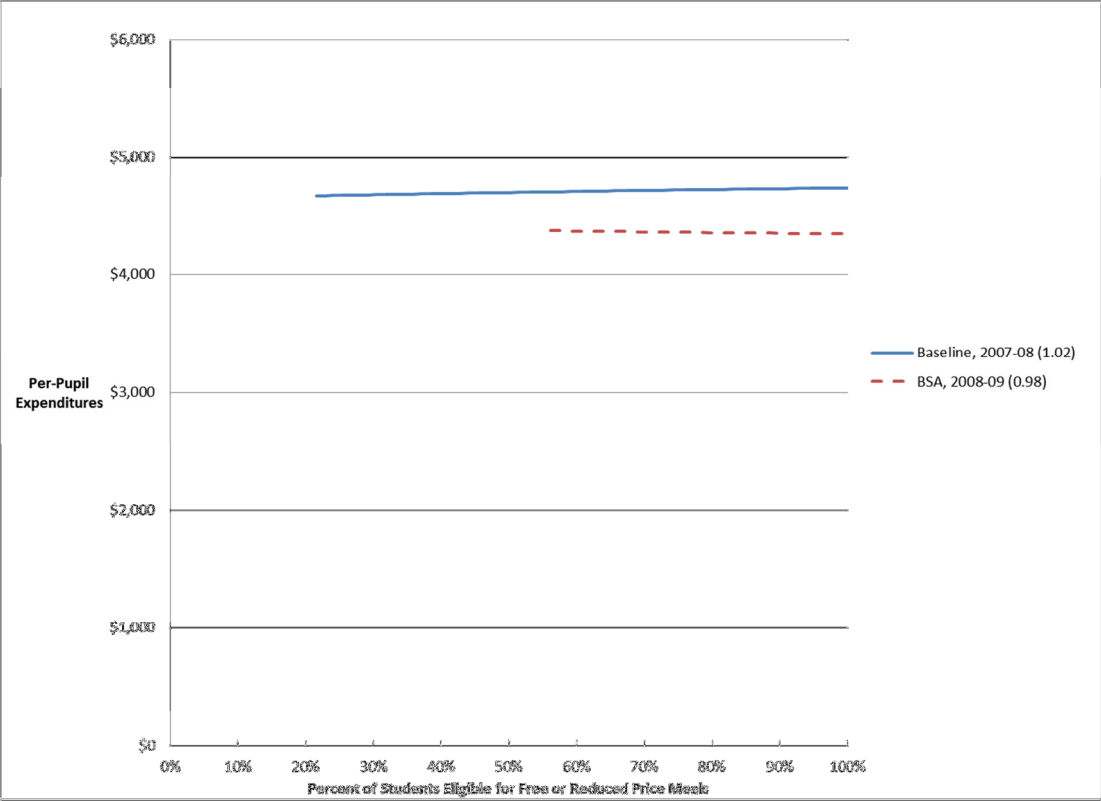
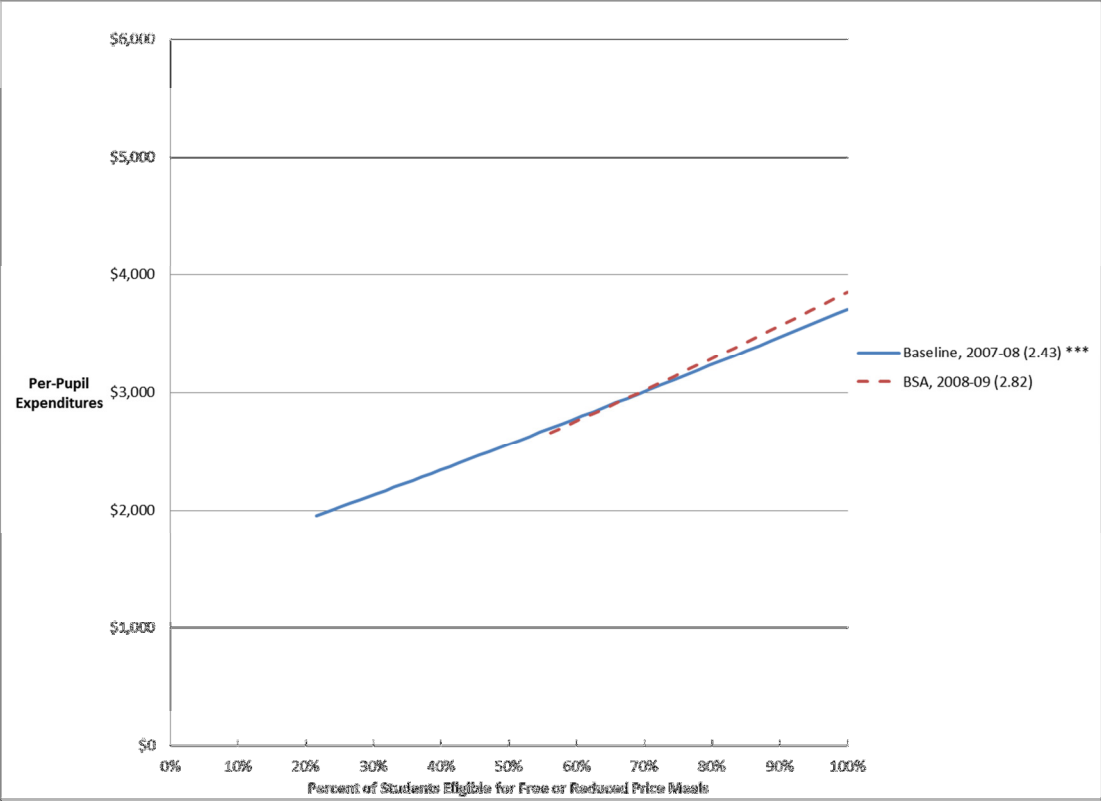


Exhibit 23.3 – Estimated Restricted Expenditure Profiles for LAUSD High Schools



Note: The baseline test is whether the coefficient used to generate the profile is significantly different from 0. The BSA test is whether the coefficient used to generate the profile is significantly different from that of the baseline. ***, **, and * indicate statistical significance at the 1-, 5-, and 10-percent levels, respectively.

► TRUSD Results

Regression analysis of per-pupil expenditures suggests that there have been no significant systematic improvements in equity among elementary schools participating in SSFR.

The exhibits in the following section depict the responsiveness of TRUSD school-level, per-pupil expenditures to student poverty before and after SSFR was implemented. Similar to the presentation of the LAUSD analysis results, each chart contains two profiles—one that shows how predicted per-pupil expenditures across *all* schools (both SSFR and non-participating schools) varied by percent FRPM in the year immediately prior to the implementation of the SSFR, and another that shows this relationship among schools that participated in SSFR in the year immediately following implementation. Again, the chart legend includes the calculated implicit FRPM weight for each year and asterisks denoting whether the underlying estimated relationship between per-pupil expenditures and FRPM rates before and after implementation is statistically significant.³⁶

Elementary Schools

Exhibits 24.1 through 24.3 show the overall, unrestricted, and restricted per-pupil expenditure profiles for all elementary schools in the “baseline” year just prior to implementation (2008–09) and for the SSFR schools after implementation (2009–10).³⁷ For overall and restricted expenditures, there appears to be a positive relationship between percent FRPM and spending in the baseline year, but only the relationship with restricted spending proves to be statistically significant at the conventional five percent level.³⁸ For these two groups of expenditures, the implicit weights were 1.48 and 6.93, respectively. For unrestricted expenditures, on the other hand, there appears to be a negative but not statistically significant relationship between percent FRPM and spending prior to SSFR implementation.

The estimated spending/poverty profiles for 2010–11 became steeper for all three expenditure groups. However, the coefficients for these never prove to be statistically different from the corresponding baseline estimates at the conventional 5-percent significance level. However, it should be noted that the estimated profile for unrestricted expenditure did become positively sloped in the post-implementation period and was significantly different from the 2009–10 baseline at the 10-percent significance level. Also noteworthy was the increase in the general level of restricted expenditure for participating SSFR schools noted by an upward shift in the profile.

³⁶ Specifically, we test for whether there is a systematic relationship between per-pupil expenditures and poverty prior to implementation of SSFR—that is, whether the estimated coefficient is statistically different from zero. For the period following the introduction of SSFR, we test whether the underlying estimated relationship between per-pupil expenditures and FRPM rates is significantly different from the pre-implementation period.

³⁷ Again, we remind the reader that the model estimates a common pre-implementation “baseline” spending/poverty profile for both participant (SSFR) and non-participant schools in the period before SSFR was implemented, and a different profile for SSFR schools in the post-implementation period.

³⁸ We note that the coefficient for overall spending was significant at the 10-percent level.

Exhibit 24.1 – Estimated Overall Expenditure Profiles for Elementary Schools

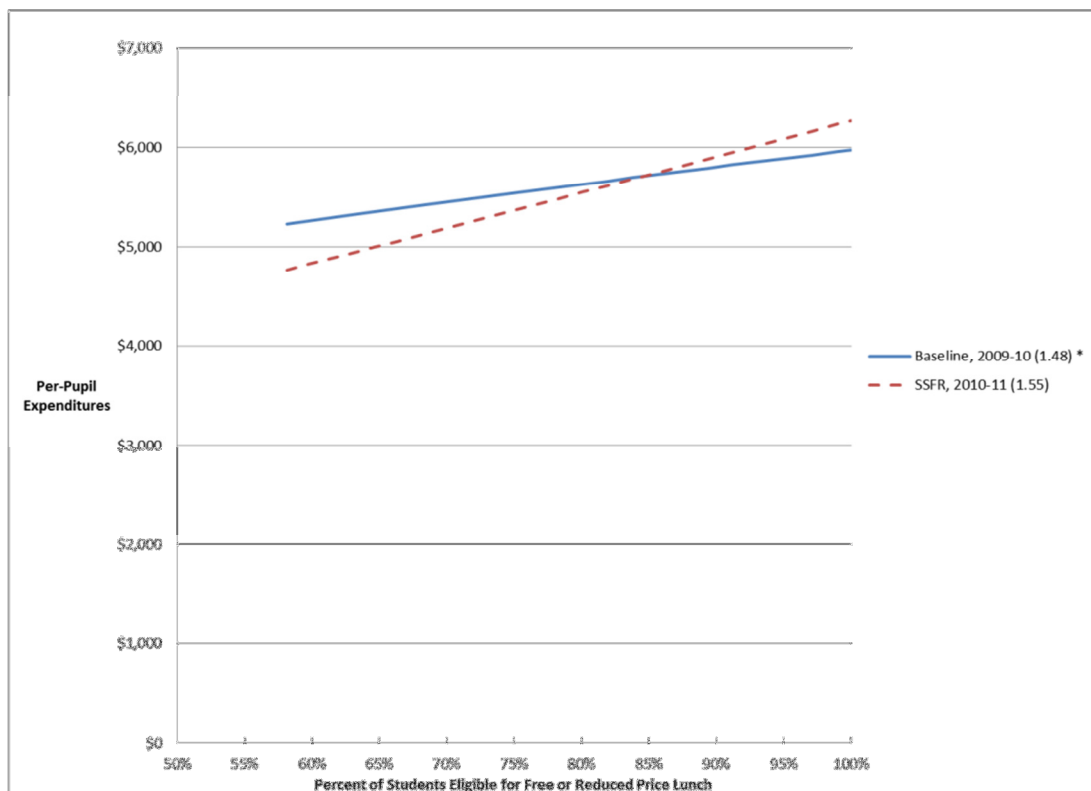
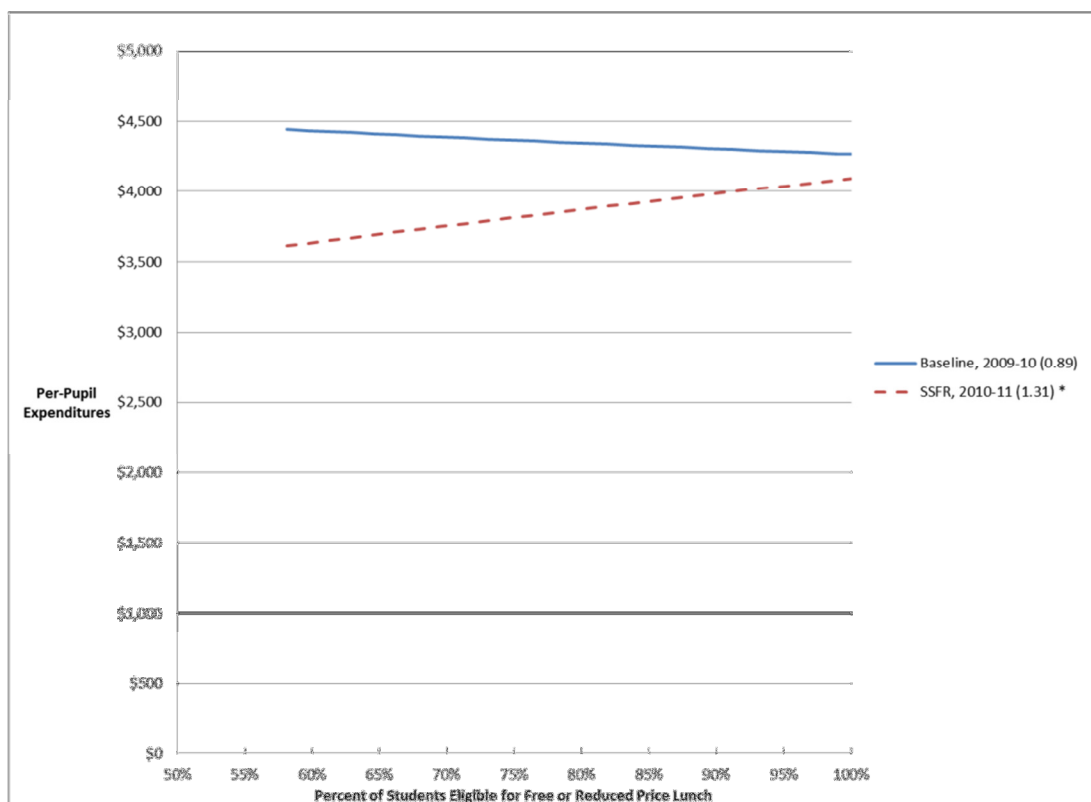
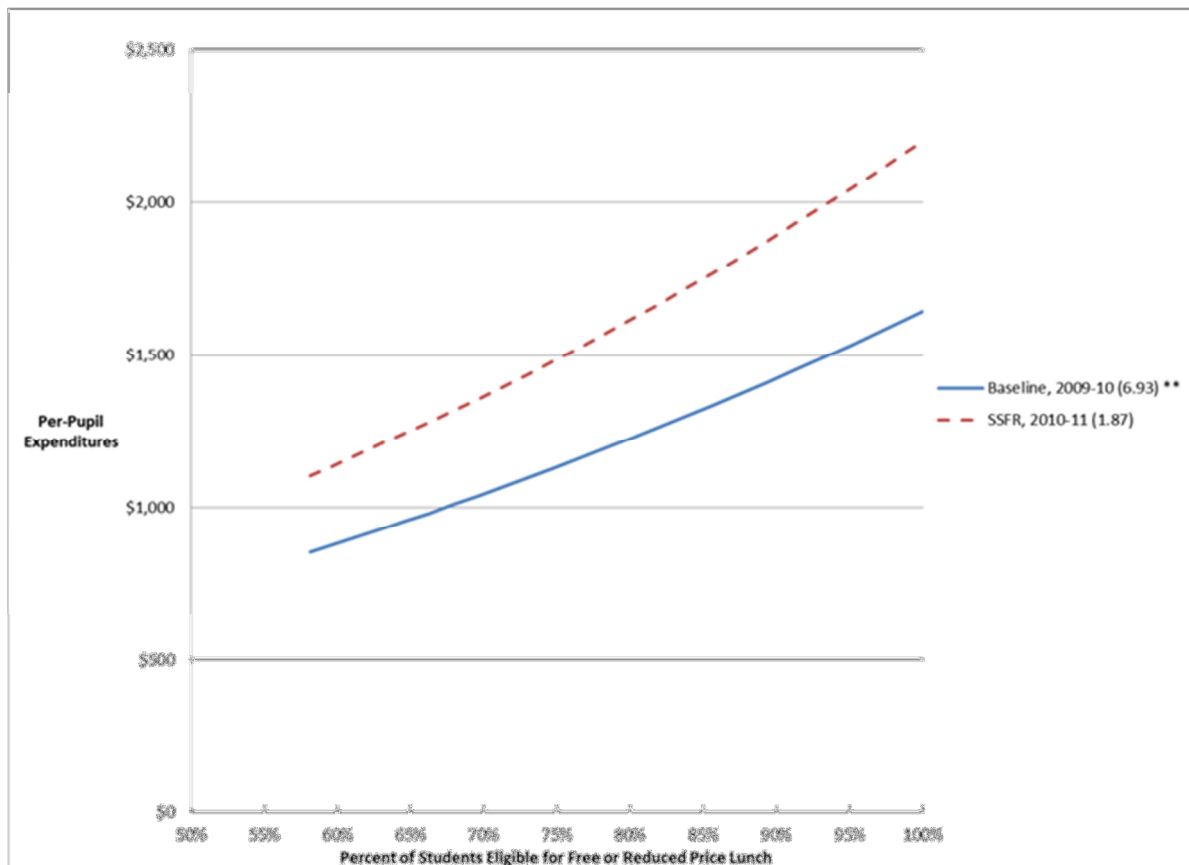


Exhibit 24.2 – Estimated Unrestricted Expenditure Profiles for Elementary Schools



Note: The baseline test is whether the coefficient used to generate the profile is significantly different from 0. The SSFR test is whether the coefficient used to generate the profile is significantly different from that of the baseline. ***, **, and * indicate statistical significance at the 1-, 5-, and 10-percent levels, respectively.

Exhibit 24.3 – Estimated Restricted Expenditure Profiles for Elementary Schools



Note: The baseline test is whether the coefficient used to generate the profile is significantly different from 0. The SSFR test is whether the coefficient used to generate the profile is significantly different from that of the baseline. ***, **, and * indicate statistical significance at the 1-, 5-, and 10-percent levels, respectively.

Analysis of CST Scores

► Methodology

The theory of action underlying SSFR posits that the introduction of site-level autonomy will give school leaders the flexibility necessary to put in place programmatic features that could improve student outcomes (including, but not limited to, achievement on state standardized tests), and that the implementation of the weighted student formula might reduce achievement disparities between low and high poverty schools through the targeting of resources at those schools with the greatest levels of need. Therefore, we also examined school-level scores on the California Standards Test (CST) English Language Arts (ELA) exam in order to assess how the relationship between student ELA achievement and poverty changed over time at schools that did and did not implement the SSFR/BSA initiative.³⁹

³⁹ Similar to the message above pertaining to the expenditure analysis, we again remind the reader that while we have implemented the model in the hope of minimizing any internal threats to the validity, this examination should still be considered exploratory, and any estimated student achievement differences between the participating BSA/SSFR schools and non-participating schools should not be construed as solely attributable to implementation of these programs.

Similar to the expenditure analysis, we use regression analysis, which allows us to estimate the differential relationship between CST scores and percent FRPM for BSA/SSFR schools versus non-participant schools, while controlling for the influence of other factors, such as the percentage of students at a school who were English language learners (ELL). In addition, all regressions are again run separately by schooling level (elementary, middle, and high school) to parallel the expenditure analysis. In the next section, we briefly present results of this analysis for elementary, middle, and high schools in LAUSD and elementary schools in TRUSD. The basic model used is as follows:⁴⁰

$$ELA\ Score\ on\ the\ CST = f(FRPM\ Percentage, ELL\ Percentage)$$

As with the expenditure analysis, the TRUSD elementary school analysis also controls for the percentage of students enrolled in middle school grades 6–8.

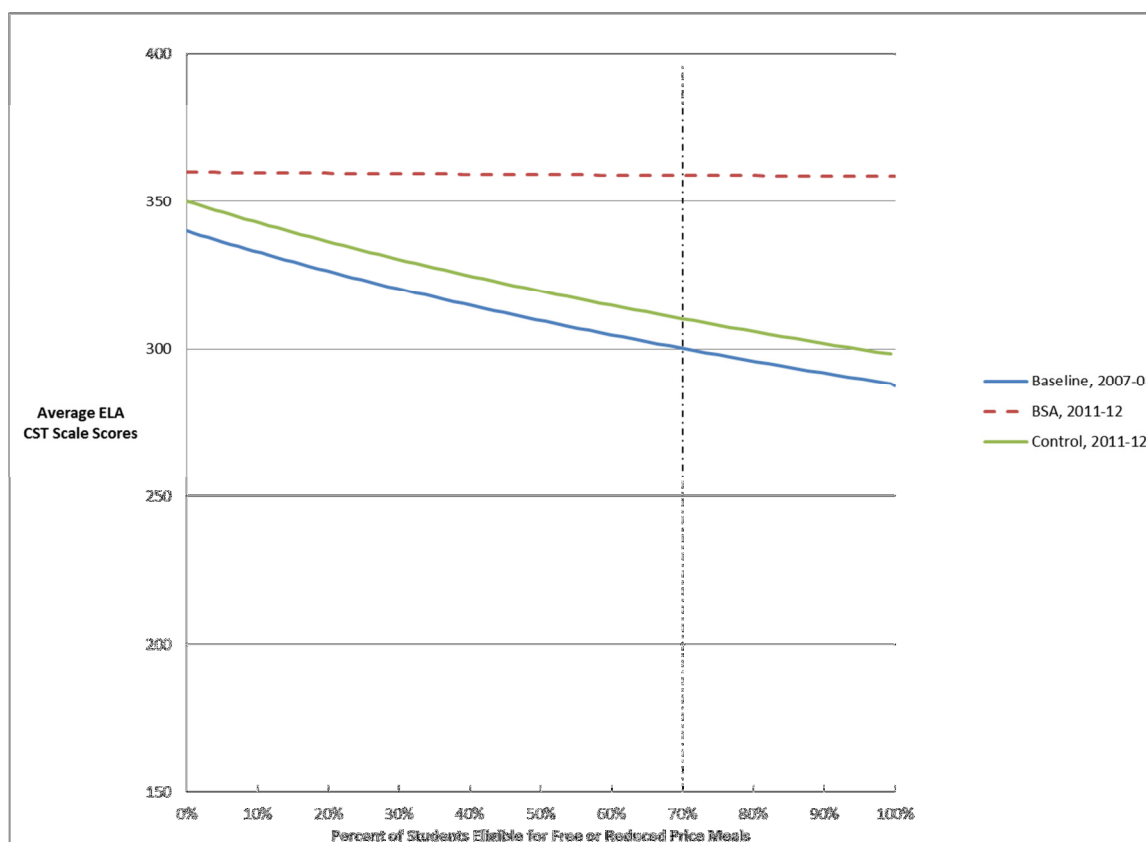
To help the reader interpret the results that follow, Exhibit 25 presents a hypothetical example that illustrates how the relationship between CST scores and FRPM levels might change if student outcomes improved at schools that did implement the BSA/SSFR initiative. The hypothetical profiles in the exhibit show how the predicted school-level average ELA CST score vary across percentage of students eligible for FRPM, holding the school's ELL rate constant.⁴¹ We plot this relationship for all schools in the year immediately prior to the implementation of BSA/SSFR, for schools that participate in BSA/SSFR in the most recent year (2011–12), and for schools that did not participate in BSA/SSFR in the most recent year. Negatively sloped profiles indicate a negative relationship between achievement and poverty. A flatter slope in the plotted profile would suggest a weaker relationship between poverty and achievement, which would imply a reduction in achievement disparities across poverty.

In the hypothetical example, we see a noticeable negative relationship between a school's average ELA CST score and percent FRPM in the baseline year (2008–09). In this case, a school serving a population in which 100 percent of its students are eligible for FRPM is predicted to have an average achievement score that is about 20 points lower than a school serving a population in which 70 percent of its students are eligible for FRPM. In contrast, a few years after the hypothetical program implementation (2011–12), the example shows a general increase in achievement for non-participating (control) schools, denoted by an upward shift in the estimated profile for this group. However, among schools that participated in BSA/SSFR, the estimated profile has not only shifted up but has also become flat, meaning that there appears to be no systematic relationship between percent FRPM and average ELA CST score for this group. That is, schools with high poverty levels scored just as high on average as schools with low poverty levels. Note that the general level of achievement for the program schools in 2011–12, regardless of poverty level, is higher than in the baseline year (note the increase in the point where the profile intersects the y-axis). This example illustrates what the SSFR theory of action posits, which is that the introduction of need-based funding and site-level autonomy will raise the general level and decrease the gap in student outcomes such as achievement.

⁴⁰ A more technical discussion of the regression procedure used can be found in the *SSFR Technical Report on Resource Allocation and Student Outcomes*.

⁴¹ For all of the achievement/poverty profiles presented, the ELL rate is held constant at the sample average of the respective schooling level.

Exhibit 25 – Hypothetical Example of Estimated CST English Language Arts Achievement Profiles



► LAUSD Results

Regression analysis of per-pupil expenditures suggests that there have been no systematic improvements in ELA achievement among schools participating in the BSA initiative.

Exhibits in the following section show the relationship between school average ELA achievement and student poverty in the baseline year (2008–09 for elementary and middle schools and 2007–08 for high schools) and the most recent year (2011–12). Each chart contains three profiles—one that shows how predicted school average ELA CST scores across *all* schools (both BSA and non-participating schools) varied by FRPM level in the year immediately prior to the implementation of the BSA initiative (the baseline year), another that shows this relationship among schools that participated in BSA in the most recent year (2011–12) after BSA implementation, and a final profile for the non-participating (control) schools in the most recent year.

The chart legends provide asterisks denoting whether the underlying estimated relationship between ELA achievement and FRPM rates was statistically significant. For the pre-implementation period, we test whether the estimated coefficient for the period prior to BSA implementation is statistically different from zero. For the post-implementation period, we test whether the underlying estimated ELA achievement/poverty relationships for the BSA schools

and non-participant schools are significantly different from that of the pre-implementation period, respectively.

Elementary Schools

For the baseline year (2008–09), there is a statistically significant and negative relationship between a school’s average ELA scale score and its poverty level. A school serving a population in which 100 percent of its students are eligible for FRPM is predicted to have an average score more than 9 scale score points lower than a school serving a population in which 79 percent of its students are FRPM-eligible.⁴² For LAUSD elementary schools, 23 scale score points represents a standard deviation in school-level ELA scores. The predicted score of a school with 100 percent poverty, therefore, is about 0.4 of a standard deviation below the predicted score of a school with 79 percent poverty. Among schools that participated in BSA, the relationship between ELA scores and poverty in 2011–12 is not statistically different from the pattern estimated in the baseline year. Additionally, it appears that schools that did not participate in BSA have higher average ELA scores across all poverty levels in 2011–12 compared to schools that did participate in BSA, but this difference is not statistically significant.

Middle Schools

Similar to elementary schools, there is a statistically significant and negative relationship between a school’s average ELA scale score and its poverty level in the baseline year. A school serving a population in which 100 percent of its students are eligible for FRPM is predicted to have an average score that is about 11 scale score points lower than a school serving a population in which 77 percent of its students are FRPM-eligible. For LAUSD elementary schools, 21 scale score points represents a standard deviation in school-level ELA scores. The predicted score of a school with 100 percent poverty, therefore, is more than .5 of a standard deviation below the predicted score of a school with 77 percent poverty. Similar to the results observed at the elementary school level, there is no statistical difference between the baseline achievement/poverty relationship and that of either the BSA schools or non-participant schools in 2011–12.

High Schools

At the high school level, there is a negative relationship between average ELA CST scores and poverty for the baseline year, but unlike the elementary and middle schools, it is not statistically significant. It appears that in 2011–12, schools that did not participate in BSA had higher average ELA scores across all poverty levels compared to schools that did participate in BSA, but this difference was not statistically significant. Among BSA schools in 2011–12, the achievement/poverty relationship is noticeably flatter than it is in the baseline year, which would suggest that the achievement gap across poverty has improved, but the coefficient used to generate this profile is not statistically significant from that of the baseline.

⁴² This is the average FRPM percentage for elementary schools in LAUSD in the baseline year (see the *SSFR Technical Report on Resource Allocation and Student Outcomes*).

Exhibit 26.1 – Estimated CST English Language Arts Achievement Profiles for LAUSD Elementary Schools

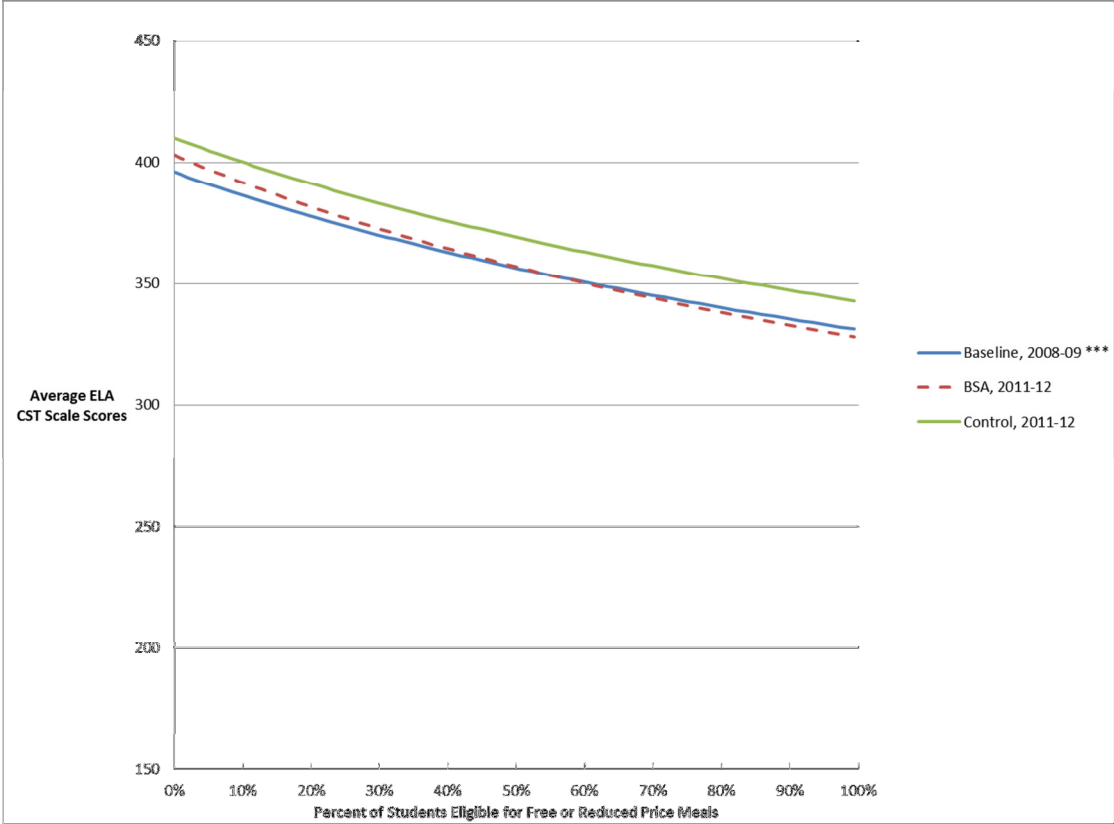


Exhibit 26.2 – Estimated CST English Language Arts Achievement Profiles for LAUSD Middle Schools

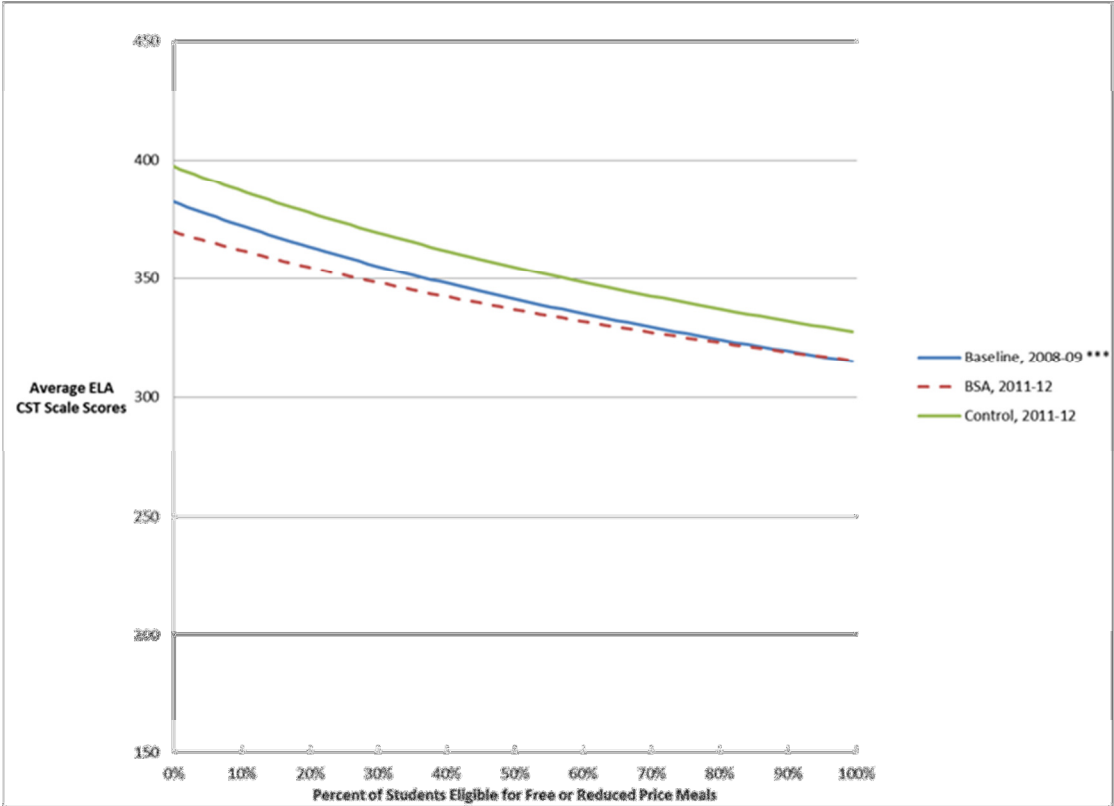
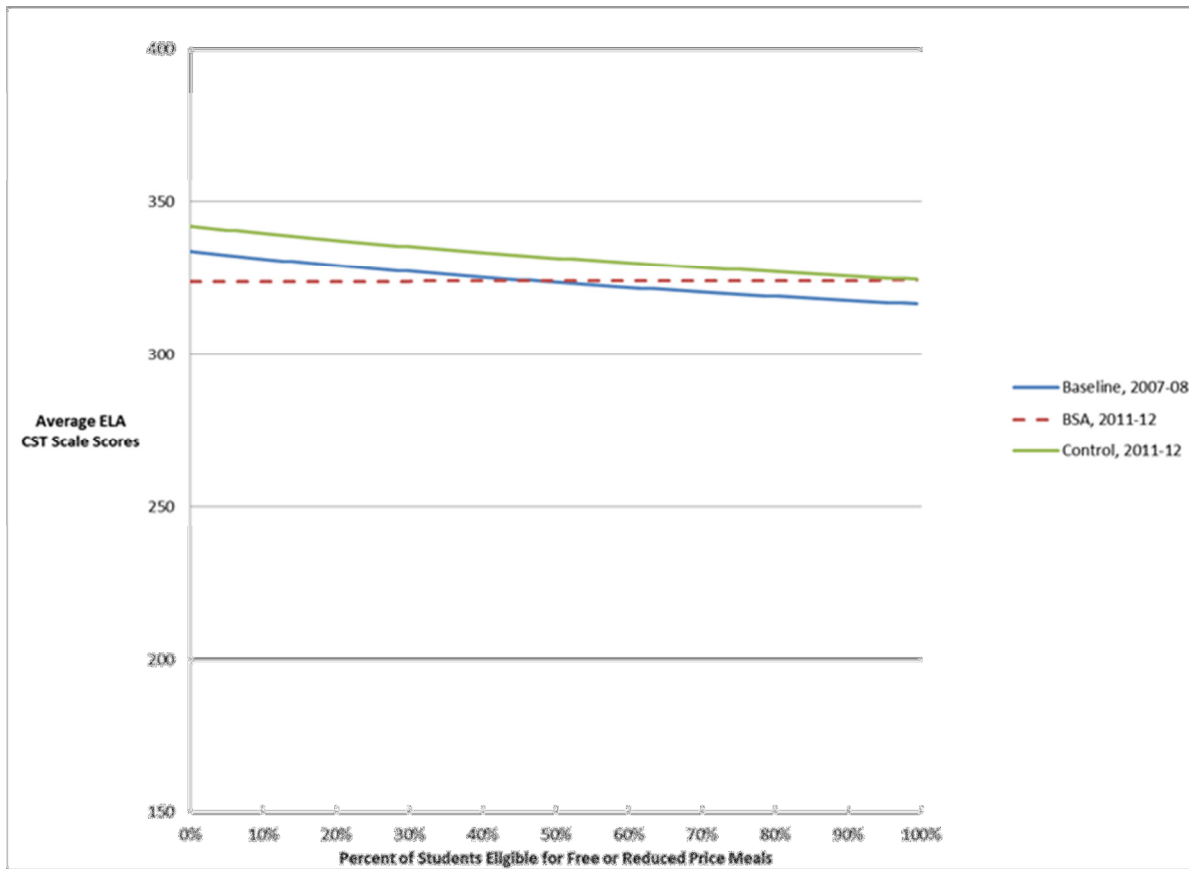


Exhibit 26.3 – Estimated CST English Language Arts Achievement Profiles for LAUSD High Schools



► TRUSD Results

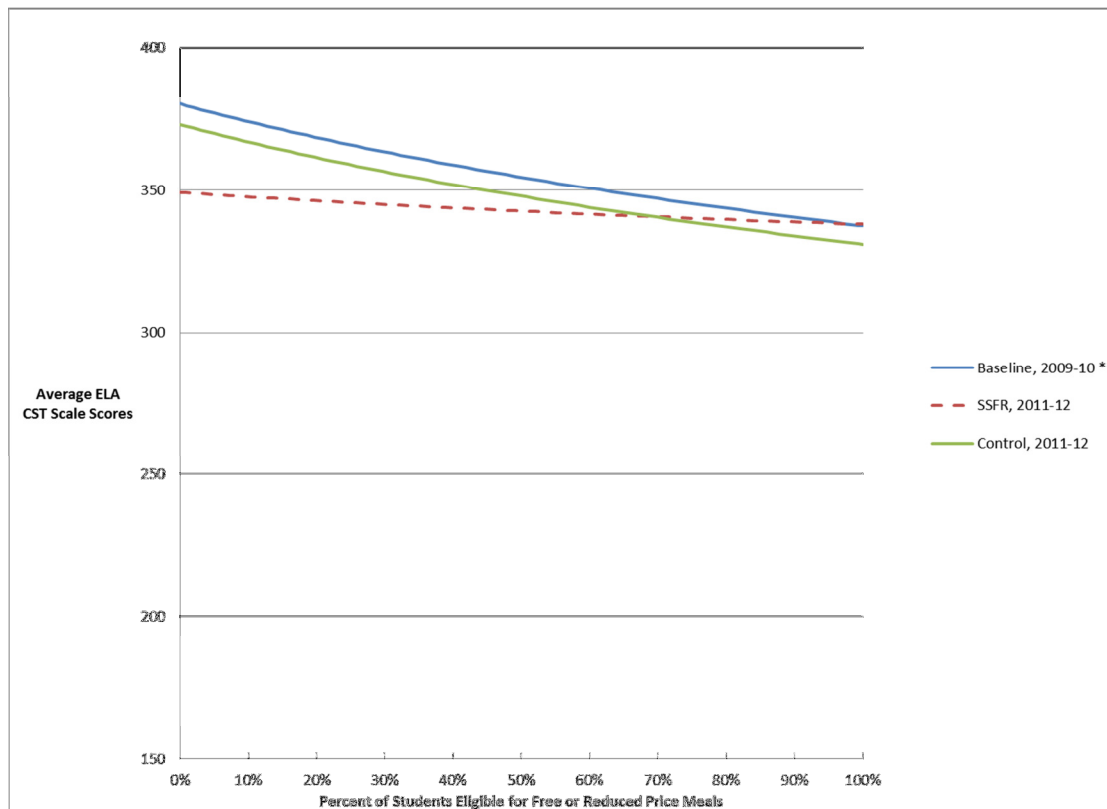
Elementary Schools

Due to the lack of historical data and the small number of middle and high schools, we are only able to produce this analysis for elementary schools in TRUSD. For the baseline year, there is a statistically significant and negative relationship between a school's average ELA scale score and its poverty level. A school serving a population in which 100 percent of its students are eligible for FRPM is predicted to have an average score that is just below 10 scale score points lower than a school serving a population in which 80 percent⁴³ of its students are FRPM-eligible. For TRUSD elementary schools, 10 scale score points represents a standard deviation in school-level ELA scores. The predicted score of a school with 100 percent poverty, therefore, is almost one standard deviation below the predicted score of a school with 80 percent poverty. Among schools that participated in SSFR in 2011–12, the relationship between ELA scores and poverty becomes weaker (i.e., the slope of the line has become less steep). In fact, for schools above 65

⁴³ This is the average FRPM percentage for elementary schools in TRUSD in the baseline year (see the *SSFR Technical Report on Resource Allocation and Student Outcomes*).

percent poverty, SSFR schools are predicted to have higher scale scores than schools that did not participate in SSFR. Moreover, as seen previously in the scatter plots, all but one elementary school in TRUSD has an FRPM rate above 65 percent. However, the estimated achievement/poverty relationship for SSFR schools in 2011–12 does not appear to be significant.

Exhibit 27 – Estimated CST English Language Arts Achievement Profiles for TRUSD Elementary Schools



Analysis Conclusions

Results from the bar chart analysis in LAUSD suggest that, generally, there was not a strong systematic relationship between overall expenditures and poverty over the study period. Schools in higher poverty quartiles did not consistently spend more or less than schools in lower poverty quartiles. This pattern also held for both unrestricted and restricted expenditures. On the other hand, the scatter plots show that there was a general positive relationship between overall expenditures and poverty. Moreover, for middle and high schools, the slope of the fitted line representing the predicted relationship between expenditures and poverty grew steeper in 2011–12—that is, expenditures became more responsive to a school’s poverty level in the period in which BSA was implemented. This was due, in part, to an observed change in the relationship between unrestricted expenditures and poverty from negative to positive after BSA was implemented. Results from the more rigorous regression analysis show, however, that although the relationship between expenditures and poverty often became more progressive among

schools that implemented BSA in particular, the results were never statistically significant. Likewise, among schools that participated in BSA, the post-implementation relationship between ELA achievement on the CST and poverty never differed significantly from the pre-implementation period. However, at the high school level, the estimated achievement profile in the post-implementation period did become noticeably flatter.

The findings from the analysis in LAUSD do not necessarily imply that the policies and practices surrounding the BSA initiative are ineffective. The BSA initiative was only recently implemented, and more than half of participating schools have taken part in the program for two years or a less. It is likely that this is an insufficient period of time to study the effects of these policies, and in particular their effects on student outcomes. Moreover, during this period, the state of California experienced a significant fiscal crisis, and, as a result, LAUSD did not fully implement the per-pupil budgeting initiative. Thus, the funding mechanism in place during the BSA initiative was still heavily tied to allocations based on staffing models, rather than a weighted student formula.

The TRUSD bar chart analysis show that almost all schools, regardless of FRPM rates, saw their per-pupil expenditures decrease around 2009–10, probably due to the fiscal crisis. Relatively speaking, overall spending was largely driven by the unrestricted expenditures and the unsystematic relationship between the two. Likewise, in the scatter plot analysis of elementary schools, we see there was little to no change in the relationship between expenditures and FRPM rates in the year before SSFR (2008–09) and the most recent year (2011–12). We do observe that restricted expenditures are more positively correlated with poverty than unrestricted expenditures. The regression analysis—our more rigorous analysis of expenditures—seems to confirm that restricted and, to a lesser degree, overall expenditures had a positive, statistically significant relationship with poverty before SSFR, and that the relationship was not significantly different in the first year of implementation. Finally, the analysis of CST ELA scores seemed to show that for elementary schools, SSFR may have reduced the achievement gap between high and low-poverty schools just two years after implementation. Even though this result was not statistically significant, it does suggest that SSFR may have the potential to improve student outcomes in future years.

Attitudes and Perspectives of School and Central Office Staff: Analysis of Surveys and Interview Data

Proposed Year 3 Activity: During 2013, we will analyze the 2011–12 surveys of school-based staff (teachers, principals, and school site councils), and we will conduct site-based interviews of principals and central office staff in both districts regarding SSFR implementation. These activities support efforts to document the SSFR model and change in our partner districts.

Benchmark met.

We completed surveys and interviews for the 2011–12 and 2012–13 school years during the spring, summer, and fall of 2012. The data and findings from the surveys and interviews will be shared with the districts shortly, and the narrative reports summarizing all of the findings will also be shared with the districts. We implemented the surveys in spring 2012 and conducted interviews with central office staff and principals to identify the successes and challenges of the implementation in the 2011–12 and 2012–13 school years.⁴⁴

Survey and Interview Analysis Introduction

As previously described in this final report, AIR and PLP formed a partnership in 2009–10 with TRUSD and LAUSD—to both implement and evaluate a student need-based formula coupled with comprehensive budgeting and governance reforms that attempt to create the conditions for informed and more equitable distribution of resources. While TRUSD implemented the SSFR model directly, LAUSD implemented its own version of comprehensive reform called Budgeting for Student Achievement. The Strategic School Funding for Results project (SSFR) was designed to (1) develop and implement more equitable strategies for allocating resources within each district; (2) make budget and resource allocation decisions more transparent; (3) link those strategies to policies and processes designed to encourage autonomy, innovation, and efficiency; and (4) strengthen accountability for improving student outcomes.

There are four core elements underlying the SSFR program: equity, autonomy linked to accountability, transparency, and culture of innovation and efficiency. The primary goals are:

- ***Achieving equity through the implementation of a student need-based funding model***, and the development and implementation of policies, processes, and tools that support allocating dollars, rather than staff, to schools based on the needs of the students they serve.
- ***Increasing school autonomy linked to accountability*** by offering schools discretion over how funding is used at their school site and holding schools accountable for results (student outcomes).
- ***Increasing transparency*** by simplifying and clarifying central office practices in allocating funding to schools, increasing the participation of a wide range of stakeholders in the design of the processes, improving stakeholder access to information about the

⁴⁴ For more detailed technical information about the data collection and analysis of the survey and interview data, see the *SSFR Technical Report on Attitudes and Perspectives of Principals, Teachers, and School Site Councils: Twin Rivers Unified School District* and the *SSFR Technical Report on Attitudes and Perspectives of Principals, Teachers, and School Site Councils: Los Angeles Unified School District*.

patterns of resource allocation and student outcomes within the revenue allocation and site budgeting tools, and simplifying the structures that support resource allocation decisions.

- ***Promoting a culture of innovation and efficiency.*** As schools are granted significant levels of flexibility over resources, SSFR encourages a culture of school innovation to improve performance and attract students and families; provides a structured, site-based budgeting tool in the context of a fixed revenue constraint; and encourages school leaders to operate efficiently to produce the best possible results for students.

This segment of the final report presents information on the attitudes and perspectives of district leaders, site principals, and school community members on the implementation of the SSFR model in both districts. We have collected data on stakeholders' attitudes and perspectives through surveys and interviews in order to better understand how the comprehensive reform is being implemented and what key lessons can be learned for districts attempting to implement such reforms in the future.

Methods and Data

Data collection consisted of interviews with central office staff and principals, as well as surveys of principals, teachers, and school site council members. Central office staff members from both districts were interviewed because they are the primary drivers of changes to budgeting practice at the district levels and because they guided principals' implementation of SSFR at their school sites. Principals were both interviewed and surveyed in each year of the project due to their significant role in the implementation of the reform. Increasing school site autonomy over dollars shifts a significant level of responsibility to principals with respect to designing programs and planning and building budgets that produce results for students with limited district prescription. Teachers and school-site council members (SSCs) were also crucial partners in the implementation of SSFR and they provided important perspectives about district staff and principals' progress toward SSFR's key goals and making changes to the school site budgeting process. SSCs play a particularly significant role in California schools' budgeting process given their state and federally mandated responsibility for approving the principal's proposed budget for categorical funding. SSC members include a non-representative sample of school staff, parents, students (in high school only), and community members.

► Interviews

Interviews were conducted in the spring of 2012 with 25 central office leadership and staff from TRUSD and LAUSD, including the superintendents of each district, chief budgeting officers, SSFR and BSA project leadership, staff within the budgeting division, and PLP staff members who were embedded in each district to provide implementation and technical support. Thirteen principals were also interviewed as part of this year's data collection. In TRUSD, 8 interviews out of a total pool of principals in 54 schools were completed including two members from each of the three cohorts of schools that were organized for the purpose of implementation (the cohorts are described later in this report). In LAUSD, 5 principals were interviewed across separate BSA implementation models out of a total pool of 141 principals that participated in the program. Interviews were approximately 60 minutes in length and followed a semi-structured interview protocol that asked participants about the districts' progress across key goals, major

successes, challenges, and lessons learned. A smaller set of interviews was conducted in the previous year (summer 2011) with key central office staff and PLP staff who were directly involved in SSFR implementation activities. Principals were not included in these interviews and thus reports of progress in implementation are only from the district perspective in that year. A final and unique set of 10 exit interviews were conducted with 10 TRUSD central office staff in 2012–13, due to a significant shift in leadership and in the implementation of SSFR.

► Surveys

Surveys were administered during 2011 and the spring of 2012 to principals, teachers, and SSCs in both districts. Stakeholders were asked to report on their perspectives of key SSFR components, including equity in resource allocation, autonomy and accountability, budget transparency, and ability to innovate. In some instances, AIR both designed and administered the surveys; in others, a series of SSFR-specific questions were added to existing district survey data collections. Because of this, surveys that were administered with identical or similar questions across years cannot always be compared because stakeholder groupings (such as cohorts in TRUSD or pilot schools in LAUSD) were not uniformly identified across surveys and across years.

► Study Limitations

It is important to note that this evaluation relies on district leaders, principals, and school community members' *perspectives* of key SSFR components and *perceptions* of progress that can be attributed to the implementation of SSFR. Findings should be interpreted with this in mind. The findings in each component are strengthened given the broad range of perspectives collected—all levels of stakeholders that are affected by resource allocation practice were either interviewed, surveyed, or both.

The following sections are summaries of the findings from both surveys and interviews, reported first for TRUSD and then for LAUSD.

► Prior-Year Data Collections

Given that the implementation and evaluation of this project was conducted over four years (fall 2009 through summer 2013), there are several data collections from past years that document progress toward implementation in each year. In 2011, eight interviews were conducted with four central office staff members from each district. With respect to interviews, 53 questions were asked in both 2011 and 2012 across issues of equity, transparency, autonomy, and efficiency. Surveys were conducted in multiple years and results reported in 2010–11 and 2011–12 progress reports.⁴⁵ Where applicable, we will share the findings from each of the data collections from past years.

Given that both districts tailored key SSFR principles to fit the needs of their district and participating schools, recounting the stories of each district separately will provide a deeper

⁴⁵ See http://www.schoolfundingforresults.org/LAUSD_SSFR%20implementation%20report_2010-11_FINAL.pdf; http://www.schoolfundingforresults.org/TRUSD_SSFR%20implementation%20report_2010-11_FINAL.pdf; <http://www.schoolfundingforresults.org/reports/LAUSDInterviewSummaries2010.pdf> ; and <http://www.schoolfundingforresults.org/reports/TRUSDInterviewSummaries2010.pdf>

understanding of the unique implementation of both districts' per-pupil budgeting programs. The structure of both TRUSD and LAUSD findings is as follows: a general overview of the SSFR reform in TRUSD and of BSA in LAUSD; a section that details stakeholders' perspectives gathered from interviews and surveys across the key SSFR components (equity, transparency, stakeholder engagement, autonomy linked to accountability, and innovation and efficiency); and a final section that explores the major implications of this study's findings on the continued implementation of this reform in each school district.

Summary of the Analysis of the 2012 Surveys and Interviews by District

The following is a summary, by district, of our key findings from the surveys of teachers, principals, and school site councils (SSCs) and the interviews conducted with central office staff during the spring and summer of 2011.

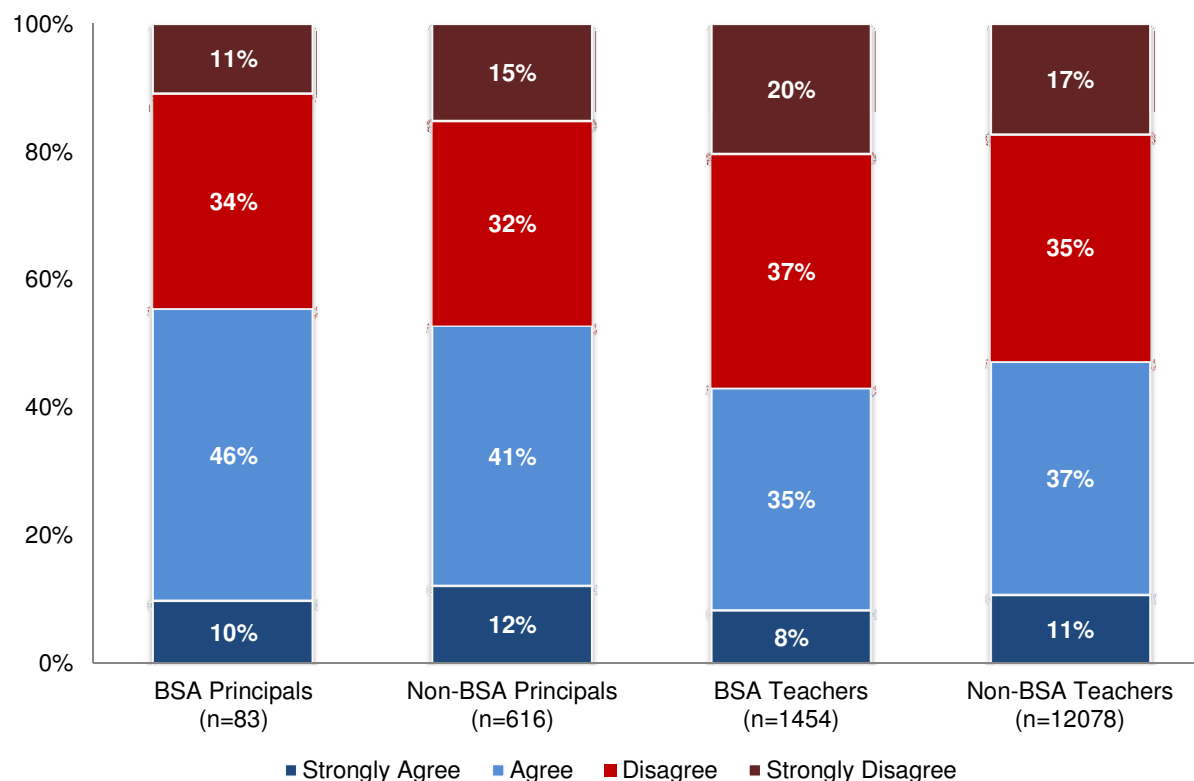
For Los Angeles Unified School District (LAUSD), we found the following:

► On Equity:

- **Central office staff members reported that they believe budget constraints have prevented the district from moving towards a more equitable model.** LAUSD has only been able to move 140 of the almost 900 schools to a per-pupil funding model without assigning weights for student characteristics with general purpose dollars, such as low-income family or English learner status.
- **Principals and teachers believe funds are distributed inequitably in LAUSD.** Across the surveys in both 2011 and 2012, a substantial percentage of principals and teachers perceived resources to be inequitably distributed across schools. In 2011, our findings indicated that principals in the Budgeting for Student Achievement (BSA)/SSFR pilot schools may have been more aware of the inequities than principals in non-pilot schools.⁴⁶ In 2012, both pilot and non-pilot principals were equally aware of the inequities in allocating resources to schools in the district.

⁴⁶ BSA is the name that LAUSD has given to the SSFR reform. Subsequent references in this report will use the acronym BSA/SSFR to refer to this reform as they are intended to be one and the same.

Exhibit 28. Most Principals and Teachers Do Not Believe Funds Are Equitably Allocated to Schools in the Los Angeles Unified School District



- **Teachers are divided on whether funds are equitable distributed, with 53 percent of teachers reporting that funds are inequitably distributed in 2012.** A higher proportion of teachers in 2011 reported that resources are distributed equitably in the district, indicating that some teachers shifted their perception of equity in the district.

► **On Transparency:**

- **In both the 2011 and 2012 surveys, across pilot and non-pilot schools, principals and teachers reported understanding how resources are allocated to their schools.** The vast majority of principals reported understanding the resource allocation process, with 91 percent reporting understanding in 2012 and 93 percent in 2011. A majority of teachers (75 percent in 2012 and 70 percent in 2011) also reported understanding resource allocation in LAUSD.
- **Teachers and SSC members reported understanding how resources are allocated to schools and that they had an opportunity to provide input into developing school budgets.** In both years, the majority of teachers (e.g., 68 percent in 2012) and SSC members (e.g., 87 percent in 2012) reported understanding how resources were allocated to their schools.

- Interviews in 2012 with central office staff and principals support the findings above: nearly all of the respondents reported an increase in transparency and an associated increase in understanding how resources are distributed to schools.

► **On Autonomy:**

- Central office staff reported that the district has increased autonomy over funds for BSA schools, but that both funding constraints and state and federal legislation significantly limit the autonomy of school sites.
- All four principals interviewed in the fall of 2012 reported that flexibility in their budgets has not changed during their participation in the BSA program. They did report having some discretion over their school budget, and they reported using the flexibility they do have to invest in programs like arts education. In the 2012 survey, both BSA and non-BSA principals reported having discretion over how dollars in their school budgets are spent.
- In both the 2011 and 2012 surveys, the majority of principals (83 percent in 2012) and teachers (71 percent in 2012) felt they had discretion over how school funds were spent and autonomy to meet the instructional needs of their students. Pilot principals reported greater autonomy over their school budget (84 percent) and instructional program (86 percent) than their non-pilot peers (81 percent and 78 percent respectively). The majority of both groups (75 percent) also reported that they have district support for developing their school budget.

► **On Stakeholder Engagement:**

- Nearly all the central office staff we interviewed reported that stakeholder engagement varies on a school-by-school basis. The degree to which the community is involved in the planning/budgeting process is contingent on the relationship between the principal and the community.
- SSC members reported strong stakeholder engagement. Results from the 2012 survey indicated that SSC members believe that they influence the school budget (96 percent), that parents and community members have input on the budget (88 percent), and that the school community's priorities are reflected in the school site plan (87 percent). The majority of both BSA (89 percent) and non-BSA SSC members (87 percent) also reported that principals in their schools value SSC's members input.

► **On Innovation and Efficiency:**

- Almost all central office staff reported a rise in efficiency in BSA schools, though innovation has been limited by the level of available funds schools have to serve their students.
- All four BSA principals reported that the limited fiscal autonomy they do have has allowed them to try new things at their school site. Some examples of innovative practices include using technology to develop new student-centric styles of teaching, building in more staff development hours to develop individual student learning plans for

each student in an LAUSD magnet school, and providing performance arts internships for students with professional artists.

► **Successes, Challenges, and Lessons Learned in LAUSD**

Based on the data we gathered through our interviews of central office and school site staff and the analysis of our principal, teacher, and SSC surveys in LAUSD, we identified the following successes, challenges, and lessons learned during the course of the project.

Successes achieved by BSA/SSFR during 2010–11:

- An expansion in the number of pilot schools being supported under BSA/SSFR
- An increase in flexibility at the school site over the use of categorical resources
- An increase in budget transparency
- Progress towards changing the district's planning and budgeting calendar
- Providing initial planning and budget-related trainings to BSA pilot principals

Successes achieved by BSA/SSFR during 2011–12 and 2012–13:

- Continued expansion of the number of pilot schools being supported under BSA/SSFR
- Continued progress towards implementing a new district planning and budgeting calendar
- Providing continued trainings to the schools related to the use of BSA budgeting tools

Challenges and lessons learned in 2010–11:

- Leadership and staffing are critical.
- It is imperative to have a clear message and consistent communication with the central office staff, and with principals, teachers, SSCs, and community stakeholders outside the central office, about the BSA/SSFR reform to facilitate understanding and buy-in.
- Adequate support and training of both central office and school staff are needed to build capacity and buy-in for BSA/SSFR implementation and ownership over the BSA/SSFR approach.
- Well-developed tools are critical to facilitate budgeting and planning in the BSA/SSFR model, and shifting from the old system to a new, pupil-based budget system is more complicated than district officials had anticipated.

Challenges and lessons learned in 2011–12 and 2012–13:

- Leadership must be engaged and committed to implementing reform.
- BSA is connected to almost all departments in the district. This requires significant work across departments and with stakeholders at all levels.
- Messaging from central office on BSA reform needs to be consistent. LAUSD changed the timeline for rolling out the reform to all schools in the district and this change caused a lot of confusion in the district.
- Scale (large size of the school district) and magnitude matter when implementing a reform like BSA/SSFR.
- Limited funds create significant barriers to the implementation of a student need-based funding model.

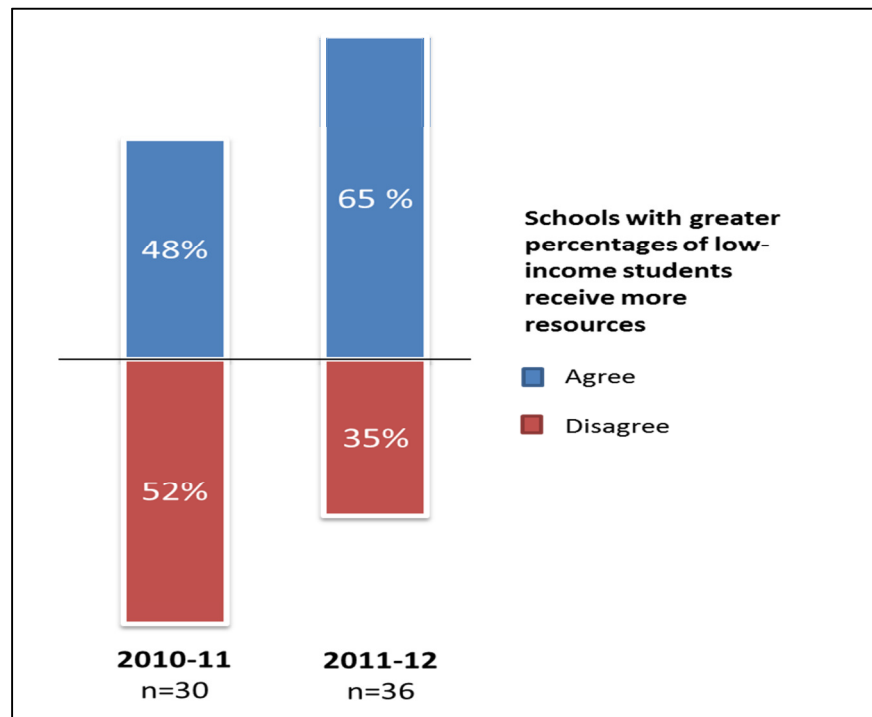
- Not all school sites in the district have the capacity to implement BSA. District staff need to build capacity in school sites before expanding the program.
- Involving principals, teachers, and parents early in the process and using them as champions is critical to the implementation of BSA and expansion to more school sites in the district.
- Building relationships with key stakeholders that are involved in the initiative is crucial.

For Twin Rivers Unified School District (TRUSD), we found the following:

► **On Equity:**

- **TRUSD central office staff reported that the district did not make significant progress toward improving equity.** Findings from interviews in 2012–13 with key staff members at TRUSD indicated that several limitations inhibited significant progress on redistributing dollars in a more equitable way. The major limitation *all* central office staff raised is the district’s current fiscal condition due to significant statewide funding reductions to education.
- **However, central office staff members reported that a deeper understanding of costs is setting the district up for more equitable distribution of resources.** Four of the eight central office staff interviewed in the fall of 2012 reported that the district developed a better understanding of how dollars were flowing to schools and students through SSFR. This deeper understanding allowed central office staff to perceive equity as both associated with the distribution of dollars (i.e., targeting additional money to students with higher needs) and distribution of central office staff time and resources (i.e., allocating equal amounts of central office staff time and resources on a per-pupil basis).
- **TRUSD principals are divided on whether funds are allocated equitably in TRUSD.** Findings from the surveys demonstrate that a slight majority of principals (53 percent) believe funds were not distributed equitably in 2011–12. In contrast, the same pool of respondents had a more positive perspective in 2010–11, when the vast majority (87 percent) expressed that funds were distributed to schools equitably. Principals were also surveyed about whether they believe schools with higher proportions of disadvantaged student populations (i.e., students from low-income families and English learners) received more resources than their lower need counterparts in the district. Overall, the majority of principals (65 percent) do believe low-income schools receive more resources. Furthermore, a greater percent of principals agree with this in 2011–12 than in 2010–11, indicating a shift in principals’ perceptions of the district’s progress on improving equity (see Exhibit 29).

Exhibit 29. Principals' Perception Shifts on TRUSD Targeting of Funds to Low-Income Schools



- **School-level stakeholders are also divided on their perceptions of equity in the district.** The 2012 survey results show that only 54 percent of teachers believe resources are equitably allocated to schools in the districts. On the other hand, the majority of SSC members believe funds are equitable distributed by the district.

► On Transparency:

- **The majority of the stakeholders interviewed in 2012 reported that SSFR has significantly increased budgeting transparency in TRUSD.** The majority of central office staff interviewed (8 out of 10) reported that the district has increased transparency in resource allocation due to SSFR, while only two staff members believe the district already was transparent in practice prior to the implementation of SSFR. Central office staff reported numerous benefits due to an improvement in transparency: (1) increased stakeholder capacity to question and be engaged in the resource allocation process at all levels, (2) improved communications between central office staff and principals in the budget and school-site development and implementation process, and (3) enabled sharing of successful strategies and expertise across principals and school sites.
- **The vast majority of principals reported having an understanding of resource allocation practice in the district.** Survey results indicate that the majority of principals (87 percent) understand how the district allocates resources to their schools. The results

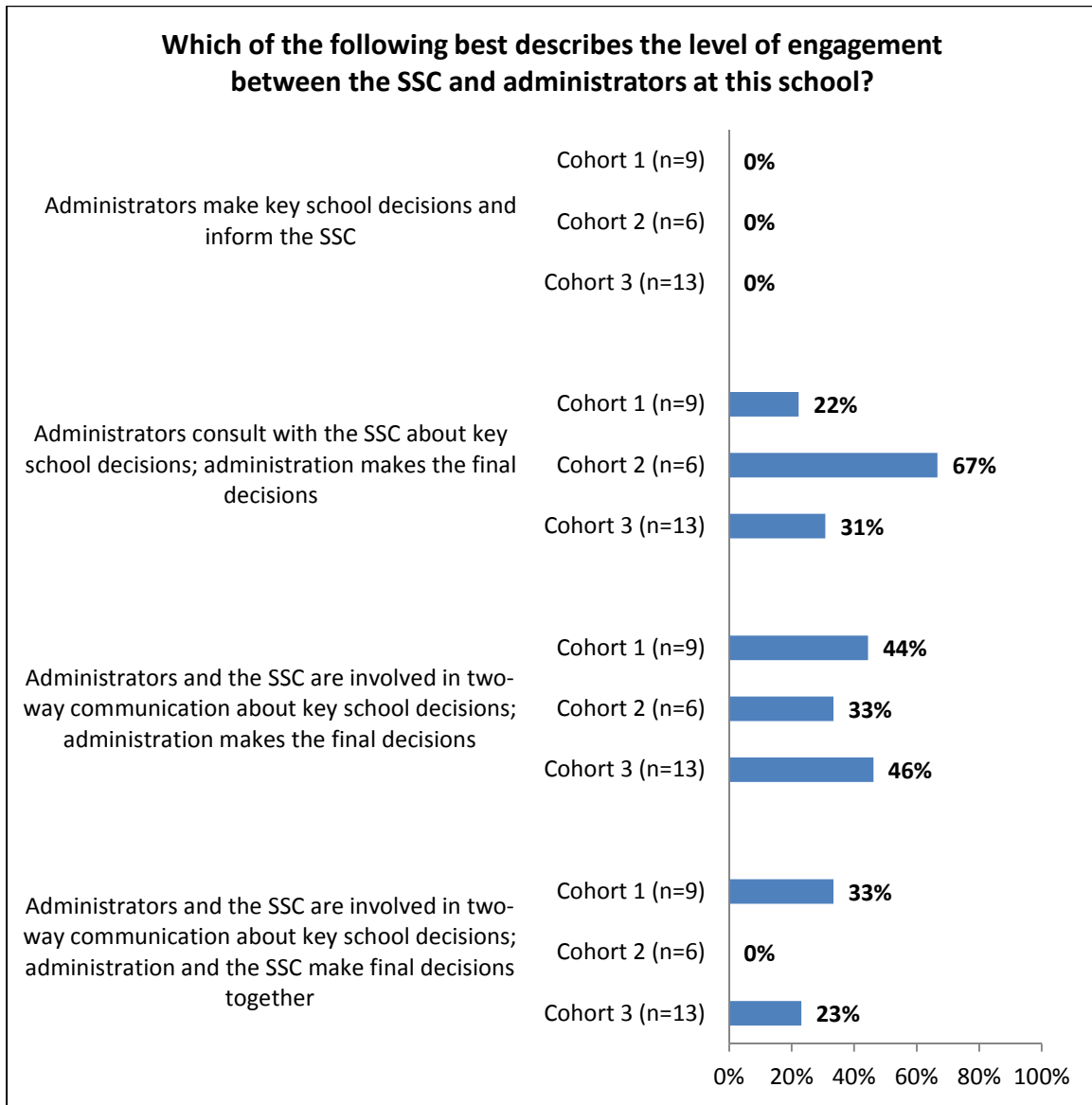
do not vary significantly by cohort,⁴⁷ indicating that the district is making progress in building understanding for all principals—not just those principals involved in SSFR over the past few years. Furthermore, a higher percentage of principals reported understanding how resources are allocated to their schools in 2012 than in 2011 (87 percent versus 83 percent, respectively), indicating that training and continued transparency efforts are likely working successfully in the district.

► **On Stakeholder Engagement:**

- **Almost all central office staff interviewed in the fall of 2012 reported that stakeholder engagement at the site level has increased and become more meaningful.**
- **Principals interviewed believe increased stakeholder engagement due to SSFR results in school plans that better reflect the needs of students and increased accountability for dollars spent at the site level.** The 2012 survey results indicate similar trends of increased stakeholder engagement at the school site. The majority of principals in Cohorts 1 and 2 indicated that the school administrators and the SSC are involved in two-way communication about key school decisions with the administration making the final decisions. Most Cohort 2 principals reported having a slightly different approach, indicating that school administrators solicit SSC feedback as the school administrators make key decisions themselves.

⁴⁷ See the earlier discussion that explains the cohorts of schools for Twin Rivers under the *Overview of Implementation on Twin Rivers Unified School District* (p. 33 of this report). Cohort 1 schools were first to implement SSFR, followed by cohorts 2 and 3.

Exhibit 30. Principals Report Working Collaboratively With SSC Members



- **School site council members reported strong stakeholder engagement in the budgeting and school site processes.** In 2012, the vast majority (88 percent) of SSC members believed they influenced the school budget, 94 percent believed principals provide SSC members with adequate support and information for the SSC to make budget recommendations, and most also believed that the school community's priorities are reflected in the school site plan.
- **Only half (50 percent) of all teachers believe they have the opportunity to provide input into developing and spending the budget at schools.**

► **On Autonomy and Accountability:**

- **Central office staff members reported an increase in school-site autonomy over categorical funds.** The majority of central office staff interviewed report increases in autonomy over spending at the school site. While central office staff members believe giving principals more funding flexibility is important, five respondents also raised the importance of providing flexibility around staffing. They emphasized that in order to have real flexibility over their budgets, schools must have control over hiring and must overcome policy barriers related to tenure, seniority-based layoffs, and other laws that restrict personnel choices. Half of the central office staff interviewed also reported that autonomy over funding allowed schools to serve their student populations better.
- **The majority of principals reported that they have discretion over their budgets and autonomy over their instructional program.** In the 2012 survey, 92 percent of principals reported having discretion over how dollars are spent on their school budgets across all cohorts. This is an improvement from the previous year, when all Cohort 1 principals reported having autonomy over budgets but only 81 percent of Cohorts 2 and 3 (non-pilot schools at the time of the survey) reported having autonomy over budget. More than two thirds of principals (71 percent) in 2011–12 believed they have the discretion to implement the school’s instructional program, compared to just 40 percent of principals surveyed in 2010–11 who reported having discretion over their instructional program.

► **On Innovation and Efficiency:**

- **The central office staff members we interviewed in the fall of 2012 were divided as to whether SSFR led to increased innovation or efficiency.** There were conflicting statements about whether SSFR led to more innovation and efficiency, with three central office staff saying increased innovation and efficiency had not yet occurred due to budget constraints and four others reporting that it is happening in some schools.
- **Central office staff members we interviewed reported that fiscal constraints have made it difficult for school sites to use increased flexibility to implement new, innovative programs.**
- **Principals and teachers believe they do not have the resources to try new things in their schools.** Just over half (55 percent) of principals reported that they have sufficient resources to try new things. Though the current level of resources seem to be insufficient to allow trying new things, all Cohort 1 and 2 principals interviewed did report that fiscal autonomy has allowed them to try new things at their school site. Almost two thirds of teachers (64 percent) reported that they do not have the resources to try new things in their classroom.

► Successes, Challenges, and Lessons Learned in TRUSD

Based on the data we gathered through our interviews of central office and school site staff and the analysis of our principal, teacher, and SSC surveys, we identified the following successes, challenges, and lessons learned during the course of the project.

Successes achieved by SSFR during 2010–11:

- Expanding the number of pilot schools 2010–11
- Gaining buy-in and engagement from pilot principals and district staff
- Gathering the necessary data and using the Targeted Revenue Model (TRM) tool to determine allocations for pilot schools
- Increasing flexibility over existing categorical resources
- Making strides towards changing the site planning process, increasing budget transparency, and creating a customer service culture

Successes achieved by SSFR during 2011–12 and 2012–13:

- Expanding SSFR to all schools in the district
- Training all principals in using PBAR
- Creating and implementing a new site planning process, including a new calendar that streamlined work between central office budget staff and site leaders

Challenges and lessons learned in 2010–11:

- Executive-level definitions of roles and responsibilities for SSFR implementation is needed to facilitate staff buy-in, and accountability measures need to be put in place for implementation.
- Communication across a wide range of stakeholders is critical.
- Increased budget flexibility and autonomy must be paired with information and support.

Challenges and lessons learned in 2011–12 and 2012–13:

- The benefits of SSFR implementation were not clear to all stakeholders. Developing clarity around the key benefits each group could reasonably expect from SSFR implementation is critical.
- Developing buy-in at all levels beyond that of executive-level leadership early in the process is essential for preventing resistance and successfully implementing SSFR.
- Communication and involvement across all departments within the central office, particularly the Education Services department, is necessary for successful implementation of SSFR.
- At the site level, administrators other than the principal should be involved in learning the SSFR processes and tools to ensure better long-term implementation.
- SSFR calls for meaningful parent engagement, though involving parents in the school site budgeting process is challenging because not all see the value of providing direct input in the school site plan and budget.

- SSFR implementation requires a significant amount of staff time at all levels. All stakeholders should be informed about the time commitment required prior to the adoption and implementation of SSFR. Allowing enough time for SSFR implementation is also critical.
- Political transition, including a change in superintendent and governing board members, created significant instability for SSFR implementation. Governing board members should be informed about the reform.

► **Termination of the SSFR Project in TRUSD**

Based on a variety of political circumstances unrelated to the SSFR project, the new TRUSD leadership (installed in the summer and fall of 2012) decided to end SSFR in December 2012. Most (9 out of 10) interviewees (central office staff) believed SSFR was gradually progressing toward meeting its goals. Interviewees reported the primary reason for ending the project was the political transition occurring in the district with a shift in superintendent and governing board members. Based on our interviews, it seemed apparent to members of the research team that SSFR was not ended on the merits of the project. However, two of the interviewees did express that one other factor that contributed to the termination of the SSFR project was the additional time required on the part of school site staff to implement SSFR. Nevertheless, no specific evidence on this issue was presented to support this contention.

III. Major Findings of This Study

When the AIR/PLP team embarked on the SSFR project with our partner districts, we recognized that by its very description and definition, SSFR is more than just a formula for allocating resources from central offices to schools. SSFR is indeed a core reform strategy that has implications for all aspects of the finance and governance of schools, and we have attempted to make it much more than a return to the old site-based budgeting approaches of the 1990s.

Implementing something like SSFR, with its many facets, is difficult work that can be sidetracked at many points along the way. We have confronted a national economic crisis that has limited the overall flexibility of districts to make major changes in the way they allocate resources to schools. California was particularly hard hit by the economic downturn, and schools are just striving to survive in this kind of environment, which makes it difficult to think much about being innovative in the way instructional programs are delivered to students.

Our work has been carried out within a state (California) that is known for its highly complex and restrictive funding system, which consists of more categorical programs than perhaps any other state around the country (see Timar, 2006). Each categorical program requires some administrative structures to monitor compliance and limits the ability of schools to direct resources to meet the specific needs of their student populations. Nevertheless, districts and schools were able to identify some pockets of flexibility to pursue instructional change.

The project has confronted sudden and unexpected changes in leadership within our partner districts. Because of the importance of leadership to the success of SSFR implementation, these changes in all three of our partner districts presented unique challenges. We were well prepared and had lead time in one of our districts (LAUSD) and were able to negotiate some continuation of activity on the project, although we were somewhat limited in terms of what could be accomplished.

In another case (TRUSD), the retirement of the superintendent, stimulated by unforeseen political events, changed the landscape of the district and the project was essentially shut down within the first half of the last school year of the project. Moreover, the district was never able to fully embrace the tools required to achieve the kind of equity in allocating resources that was originally desired and intended as part of the project. Nevertheless, we were able to identify some real positive changes among principal attitudes and perspectives which indicated that they had embraced some of the important changes associated with implementation of SSFR, despite the political struggles in the district that were working in the opposite direction.

In the last case (Pasadena Unified), the sudden departure of the superintendent during the first year of the SSFR project made our efforts to implement a new resource allocation and budgeting approach untenable, and the AIR/PLP team determined that it was not a good use of project funds to continue our investment of time and effort in the face of a new superintendent who would perhaps be wanting to move in a different direction.

With all of this as a backdrop, we have not observed the dramatic changes in the equity of resource allocation or the improvements in student outcomes that would have been desirable as a result of implementation of SSFR. From one perspective, this is perhaps not surprising given the economic and political conditions that prevailed over the past few years. Changing the culture of

a district to improve equity, transparency, accountability, and efficiency requires a complex array of training and support activities, and it works against many of the intergovernmental structures that influence the finance and governance of local schools and districts. It requires the commitment of leadership to a new paradigm and a willingness to focus all of their energies toward the goal. This kind of change must be a central and core reform strategy, with all key stakeholders—from the central office to the school sites themselves—working in a collaborative relationship and moving in the same direction. For a change like this to fully take hold in the schools requires sufficient time and commitment on the part of central office leaders so that school leaders believe the change is more or less permanent and worth responding to. School leaders have to be convinced that a new way of doing business has been adopted and that the new sets of incentives and flexibility define the environment within which they operate. We anticipated that it takes time for school leaders to accept the opportunities they have been given because they know that a change in leadership can cause a sudden change in direction and that their efforts will be all for naught.

It is difficult, to say the least, to implement this kind of sweeping change in a catastrophic economic environment. Nevertheless, the roots of change have been planted in at least one of our partner districts (LAUSD) in a way that will prepare it for the future, as California moves toward implementation of a more equitable funding formula that embeds a greater degree of flexibility for districts in allocating resources (see <http://www.edsource.org/today/2013/michael-kirst-father-of-new-school-funding-formula-looks-back-and-at-the-work-ahead/33408>).⁴⁸

⁴⁸ As this final report is being written, the Governor of California has signed into law a new Local Control Funding Formula in California that distributes dollars to local school districts based on pupil needs and provides increased flexibility as to how dollars are utilized. It also expects districts to distribute dollars to schools to ensure that high-need students in all of the schools within a district receive access to the additional resources proportional to the way these same students generate revenues for the districts in which the schools are located.

SECTION B: BUDGET

Exhibit B-1 provides an updated report on the actual and projected spending for the SSFR project for each of the three years of the IES project. We have reported actual spending for Year 1 (August 2010 through July 2011). For Year 2 (August 2011 through July 2012), we have reported a combination of actual spending (August 2011 through May 2012) plus projected spending for the months of June and July 2012. In year 3 (August 2012 through July 2013), we are reporting projected spending.

Exhibit B-1. Actual and Projected Spending for the Project by Year

	Year 1	Year 2	Year 3	
	Actual Spending (2010–11 school year)	Actual Spending (2011–12 school year)	Actual Spending plus projections (2012–13 school year)	Total Allocations
Original Spending plan				
AIR	\$362,000.00	\$413,000.00	\$386,000.00	\$1,161,000.00
Pivot Learning Partners	\$166,000.00	\$167,000.00	\$167,000.00	\$500,000.00
Total	\$528,000.00	\$580,000.00	\$553,000.00	\$1,661,000.00
Revised Spending Plan				
AIR	\$491,690.64	\$259,830.45	\$409,478.47	\$1,160,999.56
Pivot Learning Partners	\$82,126.86	\$236,454.93	\$181,418.65	\$500,000.44
Total	\$573,817.50	\$496,285.38	\$590,897.12	\$1,661,000.00
Differences in Spending Year				
AIR	\$129,691.08	-\$153,169.55	\$23,478.47	\$0
Pivot Learning Partners	-\$83,873.14	\$69,454.49	\$14,418.65	\$0
Total	\$45,817.94	-\$83,715.06	\$37,897.12	\$0

SECTION C: ADDITIONAL INFORMATION

Publications, Conference Papers, and Presentations

The project has produced a number of reports, including analyses of resource allocation and descriptions of interviews with central office and school leaders that focused on their perspectives about equity, transparency, and school autonomy (key goals of the project). We have also listed all of the project-related presentations done by members of the AIR/Pivot team in various venues. For more details on specific publications and presentations, utilize the following link to our reports and presentations on our project website, which was launched in winter 2011: <http://www.schoolfundingforresults.org/reports.php>

Among our presentations are appearances at the meetings of *Policy Analysis for California Education (PACE)*, the *Colorado School Finance Partnership*, the annual conference (2013) for the *Association for Education Finance and Policy* in New Orleans, the graduate school at the University of Pennsylvania, the Council for Great City Schools, the Bay Area Business Council Education Committee in San Francisco, and the Bill and Melinda Gates Foundation.

SSFR Website

The AIR and Pivot Learning Partners team will continue to provide updates and share tools and materials emerging from this work through the SSFR project website, which can be found at www.schoolfundingforresults.org. For additional information, you may also contact one of the two co-principal investigators or the project director leading the Pivot Learning team:

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<u>Dr. Jesse D. Levin,</u> SSFR Director of Research Senior Research Economist Education Program American Institutes for Research 2800 Campus Drive, Suite 200 San Mateo, California 94403 Phone: 650-843-8270 Email: jlevin@air.org	<u>Mr. Steve Jubb,</u> SSFR Director of Implementation, Pivot Team Director of Innovation & District Redesign Pivot Learning Partners 731 Market Street, Suite 400 San Francisco, CA 94103-2009 Phone: (415) 644-3420 Email: sjubb@pivotlearningpartners.org

The SSFR project website also incorporates feature articles on topics related to resource allocation in schools and school districts, with special attention to topics relevant to the goals of SSFR. These include:

More than the Math: Realities of a Weighted Student Formula in Twin Rivers: SSFR team member Cristin Quealy recently shared her perspective on the development and implementation of a school-level weighted student funding formula in the Silicon Valley Community Foundation blog, Thoughts on Public Education (Top-Ed). Drawing on her first-hand experiences and insight from working with Twin Rivers to implement SSFR, Cristin describes how the district is moving toward greater equity, transparency, autonomy, and accountability.

KQED's Forum Highlights SSFR in Twin Rivers USD: Mahala Archer, SSFR project manager in Twin Rivers USD, was interviewed on KQED's Forum along with Michael Kirst, President of the State Board of Education, and Eric Heins, Vice President of the California Teachers Association. The segment focused on Governor Brown's proposal for a state-level weighted pupil funding system, and Archer discussed how the SSFR initiative in Twin Rivers

USD is applying a similar weighted pupil funding system at the district level.

LAUSD Superintendent Discusses Labor Reforms: In an op-ed for the Los Angeles Times, Superintendent John Deasy outlined what he believes are vital changes that need to be made in the district's labor contract, which is currently under negotiation. Deasy's proposals to reform human resource management and increase school autonomy promote conditions under which the district could fully leverage the potential gains in equity and efficiency that SSFR aims to bring to school resource allocation.

Twin Rivers USD Featured on The California Report: The school finance reform effort currently underway in Twin Rivers USD—one of the SSFR partner districts—was recently covered in the Governing California series of The California Report. The reporter describes the frustrations and limitations faced by schools and districts due to the complex web of regulations that make up California's education finance system. In the Twin Rivers pilot program, principals, teachers, and parents have significant power to decide how to allocate school resources, allowing them the freedom to build more coherent and effective programs for their students.

SSFR Attends Equity and Excellence Commission: Jason Willis (CFO, Stockton Unified School District), a consultant to the SSFR project, testified at a town hall meeting in San Jose, CA, hosted by the U.S. Department of Education's Equity and Excellence Commission. Established in August 2010, the Equity and Excellence Commission is charged with collecting public input and analyzing information about inequality of educational opportunities with an emphasis on finance systems. The commission will make recommendations for ways that school finance systems can be restructured and federal policies can be made to reduce disparities in meaningful educational opportunity.

SSFR in the Media: In Thoughts on Public Education, a blog sponsored by the Silicon Valley Education Foundation, John Fensterwald recently reported on SSFR. Numerous questions and comments from readers followed the post. Fensterwald subsequently invited Steve Jubb (Director of Innovation & District Redesign at Pivot Learning Partners) to further explain the initiative and to address some of the comments and questions posed by readers.

Technologies

The AIR/PLP team has completed the development of Excel and web-based tools (software applications) to support resource allocation decisions within local education agencies. All of these tools were described earlier in this report.

- ***The Targeted Revenue Model (TRM)***. The TRM tool is an Excel-based tool for dividing resources between the central office and school sites and allocating specific revenues to schools based on student need.
- ***Planning Budgeting and Allocation of Resources (PBAR) tool***. The PBAR tool is a web-based application that is designed to be used by school leaders to guide the process of resource allocation within schools. The PBAR tool utilized in TRUSD is being provided as a deliverable on a disk, along with installation instructions, to IES. The tools developed by LAUSD for site-based budgeting may be found at <http://bsa.lausd.net/>.⁴⁹
- ***District Budget and Outcome Management (DBOM) tool***. We have completed development of an Excel-based model for carrying out analyses of school-level simulations, and analyses of variations in spending and student outcomes across high- and low-need schools where need is defined by the percent of students from low-income families or English Language Learners.

⁴⁹ The tools may be found at <http://bsa.lausd.net/resources/tools>. The training materials can be found at <http://bsa.lausd.net/trainings>. Information on best practices can be found at <http://bsa.lausd.net/resources/bestpractices>

Participants and Other Collaborating Organizations

The following section provides a list of all of the individuals at AIR who have worked on the project, our collaborators (Pivot Learning Partners) on the project, and the other organizations (our partner school districts) who have been engaged in the project during the course of the past two years.

District Partners:

LAUSD: Los Angeles Unified School District
TRUSD: Twin Rivers Unified School District
PUSD: Pasadena Unified School District (Note: Pasadena Unified School District is no longer an official SSFR district site being supported for implementation under the IES grant, as of March 2011.)

This symbol in front of the names below means the individual was working on the SSFR project during the 2012–13 school year.

American Institutes for Research:

Project Leadership

#Dr. Jay G. Chambers, SSFR Principal Investigator
#Dr. Jesse D. Levin, Director of Research

Other Project Staff

#Dr. Diana Epstein, Research Analyst, Data collection, Analysis, and Documentation Tasks
Dr. Iliana Brodziak de los Reyes, Research Analyst, Resource Allocation Tasks
#Charles Blankenship, Research Associate and Programmer
Caitlin O’Neil, Project Research Assistant, Dissemination and Analysis Tasks
Karen Manship, Project Manager and Task Leader, Surveys and Documentation
Lisa Cruz, Co-Project Manager and Research Assistant, Analysis Tasks
#Kevin Lane, Project Research Assistant, Dissemination and Analysis Tasks
#Nick Mills, Research Associate, Data collection, Analysis, and Resource Allocation Tasks
#Antonia Wang, Research Associate, Data collection, Analysis, and Documentation Tasks
#Jeimee Estrada, Researcher, Data collection, Analysis, and Documentation Tasks
#Dr. Clarisse Haxton, Research Analyst, Data collection, Analysis and Documentation Tasks

Pivot Learning Partners

Project Leadership

#Merrill Vargo, SSFR Co-Principal Investigator
#Steve Jubb, SSFR Project Director for Implementation

Other Project Staff

James R. Brown, SSFR Project Senior Advisor
#Jim Hollis, Director of Technology
Amy Dabrowski, SSFR Project Manager
#Brentt Brown, Director of Program Development
#Beth Bayouth (Marco), Communications Lead for LAUSD
#Denise Petrulis, Technology Lead for LAUSD
#Cristin Quealy, Implementation Lead for TRUSD
#Jee Song, Project Assistant
#Katie Fleming
#Veronica Ensign
Aaron Sokol, Project Consultant
Allison Carter, SSFR Project Manager
Karin Kusuda, Senior Manager, Communications and Implementation (LAUSD)
Jeannette Soriano, Manager, School Site Stakeholder Engagement, (LAUSD)
Dorothy Harper, District Lead, Pasadena Unified School District (PUSD)*
Ray Tolleson, District Lead, Twin Rivers Unified School District (TRUSD)

District Project Managers, Superintendent, and Other Key Staff

Los Angeles Unified School District

Ramon Cortines, Former Superintendent (left in April 2011)
#John Deasy, Superintendent
#Matt Hill, Chief Strategy Officer, Superintendent's Office
#William Bass, Budgeting for Student Achievement (BSA is what SSFR is referred to as in LAUSD), Policy Development Advisor
Barbara Tobias, Data Director, Fiscal Services
Saman Bravo, Program Associate
Megan Reilly, Chief Financial Officer
Tony Atienza, Deputy Budget Director
Carmen Silva, Supervisor of the Fiscal Specialists
Maria Casillas, Chief of School, Family, and Parent Community Services Division
Cheryl Simpson, Fiscal Resources & Training Manager

Twin Rivers Unified School District

Frank Porter, District Superintendent (retired, as of June 30, 2011)
#Mahala Archer, SSFR project manager
Ziggy Robeson, Assistant Superintendent
#Rob Ball, Chief Financial Officer
#Kate Ingersol, Budget Director
#Barbara Mitchell, Director of Categorical Programs
Rusty Clark, Network Executive
Kathryn Josephsen, Network Executive

Uve Dahmen, Director of Assessment and Accountability
Sylvia Hanna and Stephanie Tarrell, Network Coordinators
Niamh Conner, Coordinator
Chris Arnold, Data Coordinator

Pasadena Unified School District

Edwin Diaz, District Superintendent
Dierk Esseln, Budget Director
John Pappalardo, Chief Financial Officer
Kalia Waits-Smith, SSFR Project Manager
Meg Abrahamson, Director of Categorical Funding
Gary Carnow, Director of Technology

Project Consultants

#Jason Willis, Assistant Superintendent of Educational Accountability and Community Development, San Jose Unified School District

Project Advisory Group

Susanna Cooper, Principal Consultant for CA Senate Pro Tempore Darrell Steinberg
Stephen Frank, Director of Rethinking School and School System Resources, Education Resource Strategies
Ken Hall, Founder and Chairman Emeritus, School Services of California, Inc. & Founding Director, USC School Business Management Program
Henry M. Levin, William H Kilpatrick Professor of Economics & Education, Teachers College, Columbia University
Rick Miller, Senior Partner, California Education Partners & Partner, Capitol Impact LLC

Final Questions

Responses to the Final Questions, as requested in the documents describing the final report, are below.

Question 1 — Utilizing your evaluation results, draw conclusions about the success of the project and its impact. Describe any unanticipated outcomes or benefits from your project and any barriers you may have encountered.

The response to this question is addressed under the section entitled Overall Summary – The Major Findings of this Study.

Question 2 — What would you recommend as advice to other educators that are interested in your project? How did your original ideas change as a result of conducting this project?

With the complexities involved with this project, we look back at our work and realize that, in the words of one of the staff members with one of our district partners, we were attempting “to build the plane while flying it.” While we came into the project with a vision of SSFR, I don’t think we anticipated all of the potential complexities and we were trying to build and adapt tools as we went along in the process. We were “learning by doing” and we learned a great deal, by virtue of a user-centered design process, about how to adapt the tools and processes to district needs. This process has occurred throughout the project and even right up to the end of the work as we reflect on our experience.

Question 3 — If applicable, describe your plans for continuing the project (sustainability; capacity building) and/or disseminating the project results.

LAUSD is continuing the development of its tools and processes around SSFR, or Budgeting for Student Achievement (BSA) as they refer to it. The district is continuing to enhance the tools and consider expanding the number of schools participating in the BSA approach.

TRUSD has terminated the project since the retirement of the original superintendent, Frank Porter, who initiated the effort. TRUSD has been through substantial political turmoil over the past 12 months, which has resulted in the appointment of two new superintendents since the retirement of Frank Porter, the election of a new school board, and significant turnover among high-level staff in the central office. Some of the schools have obtained their planning materials created during the project for use in future planning activities.

Each of the two partner organizations have developed their own independent approaches to supporting SSFR-like models for implementation in other districts. Pivot Learning Partners has focused attention on implementation and process components of SSFR and

has developed more streamlined version of the site budgeting tool with a greater focus on helping sites develop their Site Plans for Student Achievement in California.

AIR has made independent investments in the development of the next generation of SSFR under the name Invest for Student Success (ISS). The AIR team is building on the implementation processes developed during the SSFR project, and is beginning to enhance and redesign the suite of three tools developed as part of SSFR. It has redesigned the site-based budgeting tool (the PBAR) developed under the SSFR project into a Strategic Planner (SP) tool that incorporates a comprehensive program design component and uses entirely new programming code to support this web-based tool. AIR is also in the process of rethinking the Targeted Revenue Model (TRM) to develop a more industrial strength version of the tool under the name Revenue Allocator (RA) tool. Finally, AIR is adding features to the District Budget and Outcome Management (DBOM) tool, developed during the last year of the SSFR project, to create the Performance Evaluator (PE) tool that will retain many of the features of the original DBOM tool. We are beginning to develop a marketing plan around the ISS approach as a comprehensive set of tools and processes for supporting the finance and governance of schools within local education agencies.

Question 4 — Report on any statutory reporting requirements for this grant program. (To answer this question, do two things. First, note how many annual reports you have submitted and when you turned them in. Then list all of your publications and products, even if you reference them in Questions 1-3.)

2011 annual report was submitted on May 16, 2011

2012 annual report was submitted on August 6, 2012 (revised)

Complete List of Publications and Products

Title	Date
<u>Strategic School Funding for Results (SSFR): A Presentation prepared for the Association for Education Finance and Policy (PDF)</u>	14-Mar-13
<u>Strategic School Funding for Results (SSFR) Using technology tools for distributing funds and allocating resources to generate better results for children (PDF)</u>	18-Nov-11
<u>Strategic School Funding for Results (SSFR): First Year Findings and Lessons from Implementing a Per-Pupil Funding System in Two California Districts (PDF) made at the University of Pennsylvania Graduate School of Education</u>	14-Nov-11
<u>Approaches to District Financial Analysis (PDF) GATES Foundation Meeting - "Meeting the Growing Demand for School District Financial Analysis"</u>	3-Nov-11
<u>Budgeting for Student Achievement (PDF) Presentation to the Council for Great City Schools</u>	21-Oct-11
<u>Approaches to Adequately and Equitably Funding Our Schools (PDF) Presentation to the Colorado School Finance Partnership</u>	11-Oct-11
<u>Twin Rivers Unified School District (TRUSD) 2010–11 principal, teacher, & school site council (SSC) survey findings (PDF)</u>	10-Oct-11
<u>Los Angeles Unified School District (LAUSD) 2010–11 principal, teacher, & school site council (SSC) survey findings (PDF)</u>	10-Oct-11
<u>Building Purposeful Social Networks: A Mental Model for Effective Stakeholder Engagement (PDF)</u>	26-Aug-11
<u>An Overview of SSFR Implementation - Presentation made at the 2011 Association of Education Finance and Policy annual meeting (PDF)</u>	26-Mar-11
<u>An Overview of SSFR Research - Presentation made at the 2011 Association of Education Finance and Policy annual meeting (PDF)</u>	26-Mar-11
<u>SSFR: Laying the Foundation for Effective Teaching (PDF) Presentation prepared for the Bill and Melinda Gates Foundation</u>	14-Feb-11
<u>SSFR Project Briefing to the Bay Area Business Council (PDF)</u>	27-Jan-11
<u>Project Briefing: Strategic School Funding for Results (SSFR) A Presentation prepared for Policy Analysis for California Education (PDF)</u>	19-Nov-10
<u>Strategic School Funding for Results (SSFR): An Overview of the Project in LAUSD (PDF)</u>	27-Apr-10
<u>Perspectives of Central Office Staff, Principals, Teachers, and School Site Councils on Resource Allocation and Budgeting for Student Achievement Implementation in 2010–11 (LAUSD) (PDF)</u>	1-Mar-12
<u>Perspectives of Central Office Staff, Principals, Teachers, and School Site Councils on Resource Allocation and SSFR Implementation in 2010–11 (TRUSD) (PDF)</u>	1-Mar-12
<u>A Case Study Of Title I Comparability in Three California School Districts (PDF)</u>	1-Mar-12
<u>Resource Allocation Analysis Brief #1 - PUSD (PDF)</u>	1-Mar-11
<u>Perspectives of Key Central Office Staff and School Principals Regarding Resource Allocation Policies and Procedures in Los Angeles Unified School District (PDF)</u>	1-Oct-10
<u>Perspectives of Key Central Office Staff and School Principals Regarding Resource Allocation Policies and Procedures in Pasadena Unified School District (PDF)</u>	1-Oct-10
<u>Perspectives of Key Central Office Staff and School Principals Regarding Resource</u>	1-Oct-10

<u>Allocation Policies and Procedures in Twin Rivers Unified School District (PDF)</u>	
<u>Assessing the Distribution of Fiscal and Personnel Resources across Schools in Los Angeles Unified School District (PDF)</u>	1-May-10
<u>Assessing the Distribution of Fiscal and Personnel Resources across Schools in Los Angeles Unified School District (PDF)</u>	1-May-10
<u>Assessing the Distribution of Fiscal and Personnel Resources across Schools in Los Angeles Unified School District (PDF)</u>	1-May-10
<u>Assessing the Distribution of Fiscal and Personnel Resources across Schools in Pasadena Unified School District (PDF)</u>	1-May-10
<u>Assessing the Distribution of Fiscal and Personnel Resources across Schools in Twin Rivers Unified School District (PDF)</u>	1-May-10
The SSFR Technical Report on Resource Allocation and Student Outcomes	(To be posted)
The SSFR Technical Report on Analysis of Attitudes and Perspectives of Principals, Teachers, and School Site Councils	(To be posted)
Strategic School Funding for Results: A Guidebook to Implementing Per-Pupil Budgeting for Practitioners	(To be posted)
Strategic School Funding for Results (SSFR): The District Budget and Outcome Management (DBOM) Tool	(To be posted)
The Targeted Revenue Model (TRM) and Guidebook	(To be posted)
Planning Budgeting and Allocation of Resources (PBAR): a Brief Guidebook	(To be posted)
Disk containing PBAR, TRM, and DBOM	(To be submitted to IES)

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