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# Strategic School Funding for Results

## A Guidebook to Implementing Per-Pupil Budgeting for Practitioners

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**June 2013**

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# 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 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 students they serve.

**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, including a needs assessment, goal setting, and the specification of instructional strategies and resource allocation necessary to achieve the goals within 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 has adopted its own focus and is 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 has acknowledged that the project represents 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](http://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.

## About This Guide

With generous funding from the Hewlett, Ford, and Kabcenell Family foundations and from the U.S. Department of Education's Institute of Education Sciences, American Institutes for Research (AIR) and Pivot Learning Partners (PLP) launched the Strategic School Funding for Results (SSFR) project in three California districts: Los Angeles, Pasadena, and Twin Rivers.

Intended for leaders and practitioners from across the United States who may be considering the implementation of a comprehensive approach to finance reform such as SSFR, this guidebook provides recommended implementation strategies that are based primarily on experiences at the SSFR pilot sites. However, some of the strategies presented here have been fine-tuned or redesigned in response to successes or failures at the test sites. . Additionally, this guide briefly describes three technology tools developed during the SSFR project. Readers should note that these are *examples* of tools that could be built to perform certain functions; districts can build different tools with the same core functionalities.

SSFR is a comprehensive school finance reform initiative that aims to improve student learning by:

- Allocating resources to schools efficiently and equitably
- Increasing school autonomy for financial decision making
- Linking decision-making autonomy to accountability
- Building the capacity of school sites to plan and budget
- Increasing stakeholder engagement
- Realigning district support services to help schools

## How This Guide Is Organized

Chapter 1 is a conceptual framework for the guidebook; it includes a summary of the SSFR project, the problems that SSFR intends to solve, the project's rationale or theory of action, and key programmatic elements. Chapter 2 outlines the work that happens at the central office level to implement SSFR, including strategies for superintendents, assistant superintendents, chief budgeting and financial officers, and other district officials to consider. Chapter 3 gives recommended strategies for principals to involve faculty, staff, and school community members in aligning planning and budgeting to support school success. Chapter 4 guides practitioners through the process of starting an initiative; and Chapter 5 summarizes the strategies and lessons learned.



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# Chapter 1. Background of the Strategic School Funding for Results Project

## An Overview: Per-Pupil Budgeting and Strategic School Funding for Results

Equitably and efficiently allocating resources to schools presents a persistent challenge to districts that are struggling to improve student outcomes and narrow achievement gaps (Chambers, Shambaugh, Levin, Muraki, & Poland, 2008). Research demonstrates that schools serving students who are the neediest rarely receive the additional funding that is truly necessary to address barriers to learning (Roza & Hill, 2004). Furthermore, categorical sources are increasingly being used to support these high-need schools, and the restrictions placed on these funds impede the ability of school leaders to maximize the impact of the resources they have to improve teaching and learning (Timar, 2002).

*High-need populations are comprised of students who cost more to educate equitably. Students eligible for free or reduced-price lunch, students who require special education services, and ELs are the primary referents, but foster youth, students who are gifted and talented, and other student groups can also be considered as high-need populations.*

Since the 1990s, reform-oriented districts have experimented with per-pupil budgeting to address these barriers and have encountered inconsistent results. Weighted student funding distributes funds 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 allocation for each enrolled student and an additional amount for each student who is educationally disadvantaged (e.g., each English

learner (EL), student who is disabled, or student who is eligible for free or reduced-price lunch).

Most districts that transition to weighted student funding simultaneously delegate more budgetary authority to school-level personnel who work most closely with students and who, because of their proximity, have a better understanding of their needs (Snell, 2009). As a result, per-pupil budgeting 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, although some per-pupil budgeting initiatives have successfully addressed inequities in funding, they have not always been able to alter the organizational dynamics in schools.

### The Strategic School Funding for Results Project

In 2009, thanks to generous funding from the Hewlett, Ford, and Kabcenell Family foundations and from the U.S. Department of Education's Institute of Education Sciences, AIR and PLP launched the SSFR project in Los Angeles Unified School District (LAUSD) and Twin Rivers Unified School District (Twin Rivers). SSFR is a comprehensive reform initiative that aims to improve student learning by:

*Weighted student funding, need-based funding, site-based budgeting, and per-pupil budgeting are variants of budgeting processes that differ from traditional methods of making district-to-school allocations. This guidebook will use the term per-pupil budgeting, a term that encompasses the others.*

- Allocating resources to schools more efficiently and equitably
- Increasing school autonomy for financial decision making
- Linking that decision-making autonomy to accountability
- Building the capacity of school sites to plan and budget for student achievement
- Increasing stakeholder engagement in the planning and budgeting process
- Realigning district support services to help schools effectively perform this new role

Thus, SSFR draws on lessons learned from past efforts to implement per-pupil budgeting but reconceptualizes the approach as an integrated collection of policies, procedures, and tools that can be applied to reorganize school finance and governance structures in districts to improve student learning. In contrast to past per-pupil budgeting policies, in which changes in governance were observed on the margins only, the core premise of SSFR is that by introducing a comprehensive approach to both 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, provide a foundation for improving teaching and learning for all students regardless of need (Goertz & Stiefel, 1998; Roza & Hill, 2004).

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

- The SSFR leadership team reflected a collaborative effort between AIR, which has experience bridging rigorous education research, practice, and policy, and PLP, an organization dedicated to helping districts implement improvement initiatives and inform policymakers about what works.
- Throughout the project, the SSFR team has collaborated with the participating districts by building on existing funding, budgeting, and data systems where appropriate and by leveraging existing administrative structures to support SSFR policies.

*SSFR draws on lessons learned from past efforts to implement per-pupil budgeting but reconceptualizes the approach as an integrated collection of policies, procedures, and tools that can be applied to reorganize the school finance and governance structures in districts to improve student learning.*

In other words, the purpose of the SSFR project was to not only 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 better understand the process of implementing such a comprehensive reform effort in a district.

## **The SSFR Model: Problem and Theory of Action**

### **Seven Barriers to Equitable and Efficient District-to-School Funding**

The SSFR model frames the problem with current resource allocation practice as follows: *Inefficient and inequitable funding and governance mechanisms undermine school quality and student learning.* Distributing funds to schools in a way that improves student learning and ensures all students have adequate and equitable educational opportunities has been—and

continues to be—debated among educational policymakers. Moreover, as current federal and state accountability reforms create a strong focus on student outcomes at the school level across the United States, the manner in which schools receive and manage their funding has become increasingly important. However, the policies and the processes surrounding resource allocation and governance in many districts arguably limit the ability of school leaders to improve student learning. Although a comprehensive overview and description of the limiting factors is beyond the scope of this guidebook, these barriers can be generally characterized by seven systemic and interrelated problems.

### **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 opportunities for educational achievement that are truly equal to those of their peers (Hill, Roza, & Harvey, 2008; Roza & Hill, 2004). For example, districts typically use staffing formulas to develop general purpose funding allocations for school budgets (Perry et al., 2006; Rubenstein, Stiefel, & Schwartz, 2006). Districts determine a desired student-to-teacher ratio and then estimate each school's total enrollment 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.

Although schools receive more funding for additional students under a staffing formula, each school's level of student need may not be taken into account. A school with an enrollment of 601 may be allocated an additional teacher compared with a school with an enrollment of 600, but the school with 600 students may serve a population with higher levels of need.

In addition, schools with higher levels of student need may be further shortchanged in this process. Districts budget money to schools based on the number of staff members those schools need. The *budgeting* calculations are made using a district *average* salary. But *actual* school expenditures on staffing vary, because teacher salaries are largely based on education levels and years of experience. Low-poverty schools employ more experienced—and thus more expensive—teachers. As a result, these schools receive more money than they were initially budgeted. On the other hand, high-poverty schools tend to employ less experienced—and thus less expensive—teachers and consequently receive less money. In the Seattle Public Schools, for example, Roza and Hill (2004) estimated that this practice translated into a difference in teacher expenditures between low- and high-poverty schools of approximately \$1,000 per student.

### **School Leaders Have Little Control Over How Funds Are Spent at Their School Sites.**

In most districts, principals have little or no authority over key inputs into the education system, including how teachers are selected and assigned, the specific configuration of the nonteaching staff, the structure of the school day, how much time they allocate to professional development activities, or the selection of instructional materials. Central district offices make most of these decisions.

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

**There Is Little Shared Accountability for Improving Student Learning.** In state and federal accountability frameworks, schools are generally held accountable for making progress on goals aimed at improving student outcomes. Yet many decisions surrounding resource allocation—that is, choices that may ultimately influence student success—are made at the central office level. Although schools are held accountable for making progress toward these goals, central office and state leaders who make important decisions that potentially affect a school’s ability to achieve these goals do not face the same level of scrutiny (Brewer & Smith, 2006). Our on-the-ground observations suggest a strong correlation between principals’ control over the perceived means of success—staffing, budget, program design, curriculum, and the structure of the school day—and their sense of self-efficacy, whereas a failure to create more flexibility in these areas had the opposite effect. Multiple studies have linked self-efficacy to better performance and a heightened “felt sense” of accountability for results (Louis, Leithwood, Wahlstrom, & Anderson, 2010).

**There Is an Overall Lack of Transparency Surrounding Resource Allocation Decisions.** Because resource allocation decisions are often made at the central office and driven by complex compliance requirements, they lack transparency; they cannot be explained or understood easily. Key stakeholders often have no window into how, by whom, and why a resource allocation decision was made.

This is more than a communication problem. With complex staffing formulas for general purpose funds and specific guidelines for each categorical aid program, it is difficult for most school stakeholders, including school leaders, to understand how a district arrives at a school’s overall budget allocation, even if district leaders have the time and energy to try to explain their decisions. In a recent survey of school principals, researchers found that principals often reported restrictions associated with categorical funding were barriers to instructional improvement; they also found, however, that many principals were unaware of the exact 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 .

**There Is a Lack of Parent and Community Engagement in School Budgeting and Planning.** 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 weakest in schools with larger proportions of students with high needs (Markow & Pieters, 2012). Parent outreach and education programs exist, yet barriers to parental involvement in

decisions related to school finance and resource allocation remain largely unaddressed.

*Each California school is mandated to have an SSC composed of parents and other stakeholders, which is intended to measure the effectiveness of school improvement strategies; seek input from school advisory committees; and reaffirm or revise school goals, improvement strategies, and expenditures. Although this guidebook uses the term SSC, analogous groups in other states are known as local school councils, school councils, parent teacher community councils, parent teacher community organizations, or other names.*

California law requires that school site councils (SSCs), which include of parents and community members, approve certain budgetary decisions. However, SSCs are required to provide input only on those budgets associated with specific categorical programs where flexibility over spending is

limited. Moreover, SSC members often receive little or no training in managing site-level finances (Perry et al., 2006). Finally, this input happens late in the budgeting process, and SSC members often describe their role as applying the proverbial rubber stamp.

**There Is a Lack of Capacity at the School Level to Make Budgetary Decisions.** Virtually every study of per-pupil budgeting systems in North America has affirmed the need to train school leaders to strategically build and manage budgets and explicitly link resources to effective programs and strategies. One district administrator interviewed in the Chambers et al. (2008) study of weighted student funding in the San Francisco and Oakland unified school districts noted the following: “Certainly, when we all got our credentials, doing budgets was not part of it” (p. 20). Without sufficiently training school leaders, who already must meet myriad other demands, districts can face challenges implementing site-level budgeting (Snell, 2009).

**School Budgeting Processes Are Not Aligned With School Planning Processes.** In most 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 drive the allocation of the resources necessary for their own implementation. In California, as in many other states, the completion of state-mandated school plans occurs on a timeline that is disconnected from the state’s budget timeline. In most California districts, state testing data are released in August or early September after the previous school year has ended and current-year school plans and budgets have been finalized. Budgeting for the next school year typically starts after the state projects adjusted allocations (the “second interim”) in January and is completed within a few months. It is only after the completion of the budget that development of the school plan begins. In some districts, plan development actually occurs after the school year has begun and after money has begun to be spent. This timeline encourages schools to see budgeting not as a strategic activity but as an exercise in compliance.

### **SSFR Theory of Action: Seven Approaches to Overcoming These Systemic Barriers**

The theory of action underlying the SSFR approach may be summarized as follows:

*If schools are granted more autonomy in planning and budgeting, and if the district office allocates resources more equitably and reconceptualizes its role as supporting schools, then we create the conditions for schools to be more accountable for results because they are better able to meet the local challenges of improving teaching and learning.*

This theory of action has seven distinct approaches, each addressing one of the seven barriers listed in the previous section.

**Improve Equity With Per-Pupil Budgeting.** 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 in high-need populations. Consequently, schools with higher levels of need will receive more funding.

**Increase Site-Level Autonomy in Budget Decisions.** To improve teaching and learning, respond to a rapidly changing environment, and cope with both current fiscal conditions in education and the demands of the Common Core State Standards, there is an emerging consensus

that districts need to build the capacity for schools to be the nexus of change. SSFR decentralizes decision making from the central office to individual 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, schools that receive increased flexibility for funds spent at their sites could decide to provide extended-day or extended-year programs or hire additional personnel to support interventions for struggling learners, rather than use funding in ways dictated by the central office.

**Partnership Building.** Build a partnership between schools and districts to create the conditions for schools to respond to community needs and improve student outcomes by linking site-level autonomy to accountability for results. . Accountability focused on school performance must be balanced with accountability for system performance. Studies in site-based management show that a key strategy to making greater autonomy work is strengthening accountability (Woessmann, 2007). To help schools become the nexus of change, we must reinvent the relationship between the central office and individual schools. This requires replacing the idea that districts supervise schools with the idea that districts and schools are partners and both are accountable for improving learning outcomes for all students. The current district and school culture of compliance must shift, then, to one that is more responsive to local needs and desires for student learning. *To facilitate this partnership and avoid reverting to what some have called a laissez-faire approach, the central office will need to shift its focus in supporting schools from compliance to performance.* Principals and teachers should be held accountable for results, and districts should be accountable for providing the needed tools, structures, and flexibility with regard to the resources necessary for those working at school sites to succeed.

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

**Meaningfully Engage Parents and Community.** SSFR trains family and community members to 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 environment of resource scarcity in which developing budgets inevitably includes balancing competing priorities.

**Build the Financial Decision-Making Capacity of School-Site Leaders and Other Stakeholders.** Facilitating the changes necessary to achieve transparent and equitable distribution and management of staff and funds requires the development of new policies and decision-making structures that are largely specific to each district plus a set of more general tools. SSFR has developed a suite of tools that supports allocating funds—rather than staff—to

schools based on the needs of the students being served and supports greater levels of both budget transparency and stakeholder engagement in resource allocation decisions.

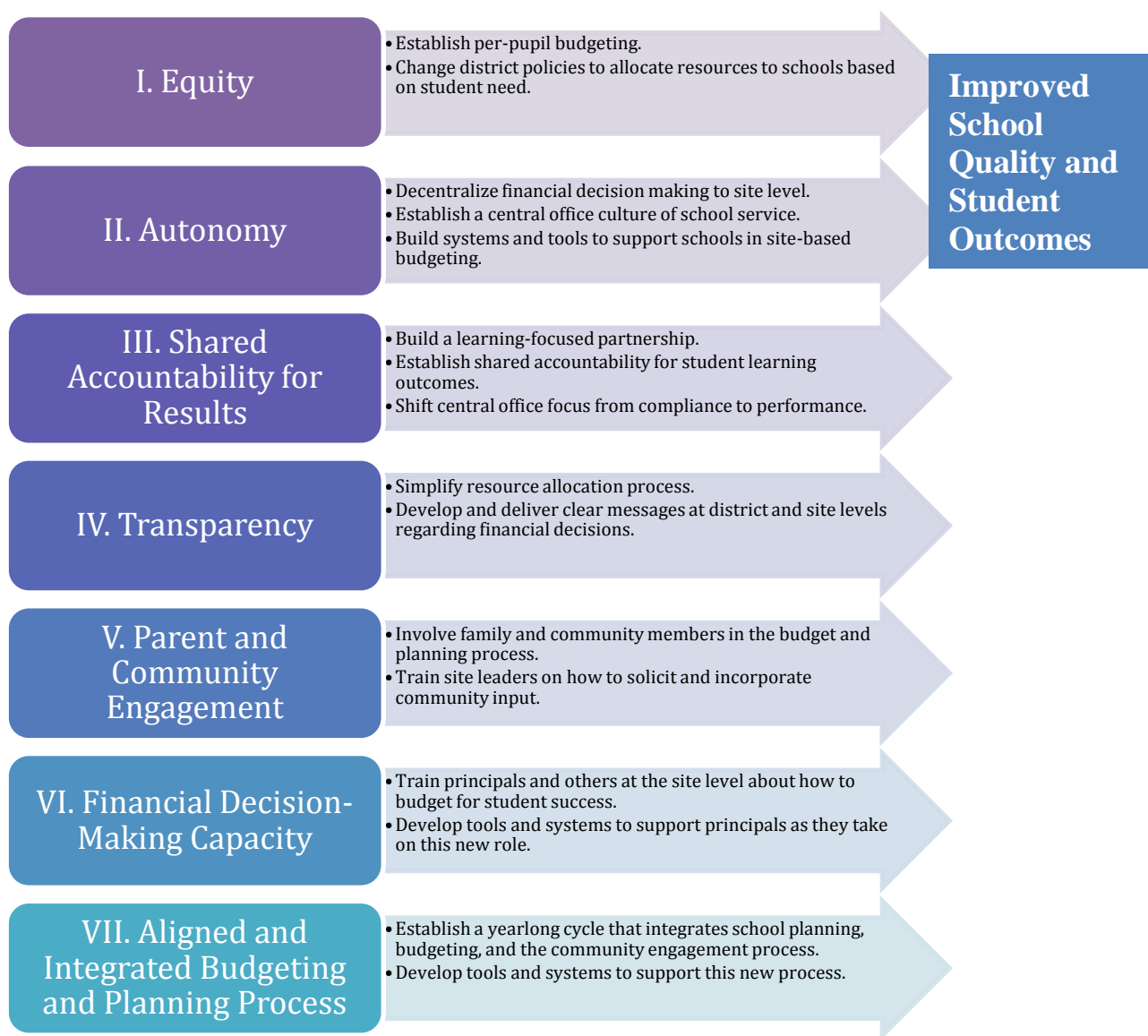
**Align and Integrate School Budgeting and Planning Processes.** At the heart of the SSFR approach is a yearlong cycle that integrates school planning, budgeting, and engagement activities. Schools and their communities determine priorities to address the specific needs of students before actual funding levels are known, understanding that they will be empowered to enact the resulting plan at any given level of investment after 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 develop budgets by beginning with school and district goals. This accessible interface transforms school plans into living documents by facilitating information sharing and collaboration across schools, which, when combined with data on results, has the potential to help schools develop and share approaches to improving student achievement.

### **SSFR in Action: Implementation Elements and Tools**

To implement the theory of action (Figure 1.1) and address the barriers to equitable and efficient district-to-school financing, SSFR combines the following programmatic components:



**Figure 1.1. How SSFR’s Theory of Action Addresses Inefficient and Inequitable Funding and the Governance Mechanism**



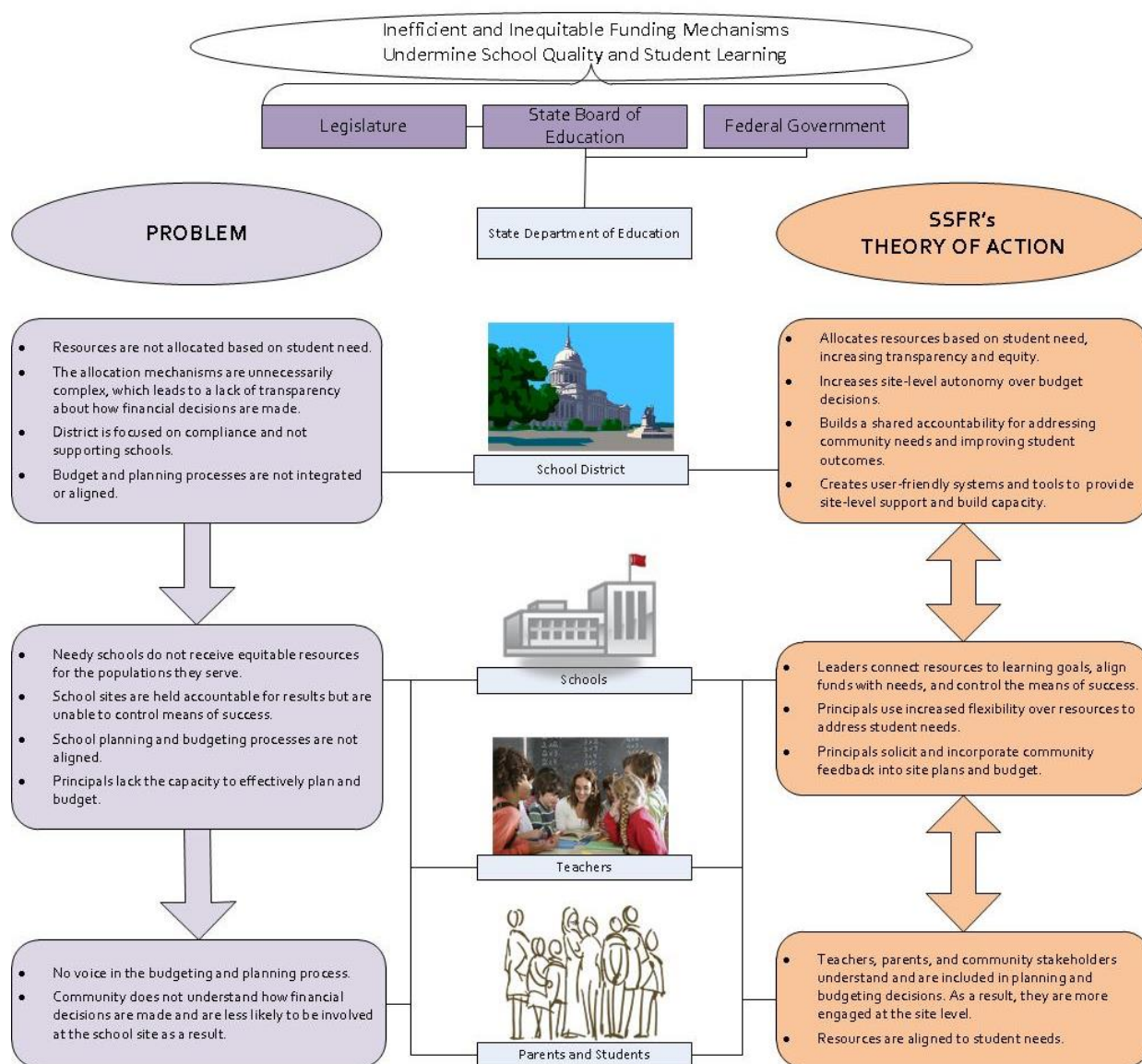
- **Policy changes.** Policy changes are a core part of the SSFR approach. Specific policy changes may range from adopting a formal board policy about how funds are allocated to creating a side agreement with the teachers’ union to pilot a new approach to teacher assignment. In every setting, both formal policies and less formal but still explicit shared agreements are necessary to facilitate the implementation of SSFR and help sustain the change.
- **Change management.** The SSFR model includes work on teaching and applying change management skills and practices, all of which are essential for districts to employ to implement and sustain this initiative. These skills include the following: (1) engaging stakeholders in designing and managing the change initiative itself, (2) developing a dynamic plan for the project that addresses the local context and that constructs a shared

picture of and path toward a desired future state, and (3) employing a user-centered design process to gather feedback and adjust plans.

- **Infrastructure:** Districts involved in SSFR had to create new or redesign key elements of the organizational infrastructure to implement and sustain the SSFR model. This work included creating new roles, structures, processes, and tools within the central office to sponsor, manage, evaluate, refine, and sustain the change initiative. Site-level work included 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 requires customized training and coaching from an outside partner to build the capacity of stakeholders at all levels of the school system. Staff from Pivot Learning Partners worked closely with district leaders and principals in LAUSD and Twin Rivers throughout the project. In addition to some more traditional training and professional development, SSFR relies heavily on job-embedded professional development: SSFR program staff members work with district or school staff to implement a 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. Districts can build out these tools to interface and operate in a variety of ways while preserving the core functionalities necessary to support a per-pupil budgeting program. PLP and AIR built several tools that will be used as examples throughout this guidebook, including:
  - **Targeted revenue model (TRM).** Districts allocate resources to schools based on a need-based or weighted student formula.
  - **Planning, budgeting, and allocation of resources (PBAR).** Schools align and integrate site-based planning and budgeting.
  - **District budget and outcomes management (DBOM).** Districts analyze resource allocation and student performance data to support decision making.
- **Monitoring progress and refining the approach.** The SSFR approach relies on a partnership between SSFR program staff from PLP and AIR and district leaders. The roles for district leaders, including the superintendent, the chief business officer, and others, include monitoring district and school progress toward both implementation of SSFR reforms and school and district performance goals. Tracking progress toward goals associated with improved student outcomes is a key component of strengthening accountability.

Figure 1.2 represents where in a district barriers to equitable and efficient resource allocation exist and how the SSFR theory of action targets these levels within a district.

**Figure 1.2. Implementation of SSFR's Theory of Action at All Levels of a District**



## Relationship Between SSFR Theory of Action and Tools

SSFR is a comprehensive reform strategy, and its implementation requires that district and school leaders consider numerous and complex issues within a new framework. To assist districts in the implementation of SSFR, the SSFR team developed a suite of tools that work to inform, make transparent, and systematize resource allocation decisions. A district-to-schools funding tool enables district leaders to manage weights and allocations; a school-level budgeting tool enables principals to manage school goals and allocations; and the progress monitor provides snapshots of district performance across different need populations and measures of success. The core functionalities of these tools build the decision-making capacity of school and district leaders and facilitate the transition to an annual budget cycle. While districts can build

out their own tools with these core functionalities (or can choose not to use other existing technological supports), this guidebook will use the tools created through SSFR as examples.

The guide will discuss the tools in greater detail in the coming chapters. But first, leaders should develop an understanding of the relationship between these tools and the SSFR theory of action.

**District-to-Schools Funding Tool: The Targeted Revenue Model.** Under per-pupil budgeting, district leadership must first make three decisions: (1) how much money to allocate to schools and how much to set aside for the central office; (2) how to divide money between different types and grade levels of schools; and (3) how much money to provide for students with varying needs. A district-to-schools funding tool like the TRM (see Table 1.1) provides a structured step-by-step approach to making these decisions. It walks users through these decisions and clearly shows users how their choices will impact the overall distribution of resources among schools in their districts.

**Table 1.1. The TRM Tool and the SSFR Theory of Action <a>**

<p><b>Equity.</b> A tool with the core functionality of TRM can enable districts to implement per-pupil budgeting and ultimately achieve equity in funding across schools. (It is important to note that using such a tool to develop a per-pupil budget is necessary but not sufficient to improve equity; users must develop weights that allocate additional money to students with higher levels of need.)</p>
<p><b>Transparency.</b> If this tool is used to develop school allocations, decision makers can use the weights and the enrollment projections input 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 on the share of total funds that a district chooses to distribute with this tool. If only a small share of money is distributed using this tool, it will not shed much light on a district's overall resource allocation process.</p>
<p><b>Parent and Community Engagement.</b> Decision makers could easily solicit the input of school leaders and the community and incorporate such input into work using a tool like the TRM tool at several stages. For example, school leaders and community members could provide input about which funds to distribute through the model and determine the amount of money allocated to students with different levels of need. A tool with the core functionalities of the TRM can be easily adapted to compare different allocation scenarios so that stakeholders can be provided with information about the potential consequences of their decisions.</p>

**School-Level Budgeting Tool: The Planning, Budgeting, and Allocation of Resources Tool.** Under a system in which increased autonomy is granted to schools, each school's leadership team must devise a process for developing annual school plans and budgets. Past studies in site-based management have found that school administrators often have little experience in budgeting and report that they would benefit from more training in this area (Chambers et al., 2008). A tool with the core functionality of the PBAR (see Table 1.2) helps develop this capacity in a school leadership team's comprehensive site planning and budgeting cycle by structuring a step-by-step process that takes schools and their communities through a year-long budgeting cycle, culminating in a complete site plan for student achievement. Specifically, it guides them through a needs assessment, goal setting, program design, strategy identification and prioritization, and the determination of staff and materials necessary to achieve the goals within available revenues.

**Table 1.2. The PBAR Tool and the SSFR Theory of Action <a>**

<b>Autonomy.</b> A tool like the PBAR supports school autonomy by providing a systematic and structured approach for guiding school leadership teams through the site planning and budgeting process.
<b>Accountability.</b> A tool with the core functionalities of the PBAR facilitates accountability by requiring school leadership to develop specific and measurable goals. In addition, it incorporates functionality that allows users to monitor and track progress toward those goals across time. All stakeholders, from district employees to school site parents, can easily acquire the information needed to evaluate a school’s plan.
<b>Transparency.</b> This tool encourages transparency because all resource allocations are ultimately linked to a school’s goals. Stakeholders can map each dollar in a school’s budget to a specific goal and strategy.
<b>Parent and Community Engagement.</b> By facilitating the organization of a school’s budget around a few clear and specific goals and the development of functionality that positions a school’s planning and budgeting process in a manageable, step-by-step process, the PBAR affords the community more opportunities to participate in a meaningful way. In addition, people who are not typically engaged in the budget process can easily learn how much various school programs and services cost.

**Progress Monitor: The District Budget and Outcomes Management Tool.** Under a system in which the accountability required for improved outcomes is strengthened, districts must increase their capacity to monitor progress toward school and district goals using school financial and outcome data. A tool with this functionality, like the DBOM (see Table 1.3) enables district and school leaders to monitor, analyze, and evaluate progress on performance, services, programs, and resource allocation by providing “snapshots” of district data that can be compared. The DBOM tool also supports the sharing of information between schools and provides access to central office data sources (e.g., revenue or enrollment projections).

**Table 1.3. The DBOM Tool and the SSFR Theory of Action <a>**

<b>Accountability.</b> Similar to the PBAR tool’s functionality at the school level that allows users to make resource allocation decisions in the context of goals rather than rules and that connect resources with results, a tool such as the DBOM incorporates functionality that allows users to monitor and track progress toward those goals across time. The tool can house longitudinal data, which can allow district and school leaders to monitor growth over time, help leaders identify strategies that appear to be working, and target other strategies that may require adjustment.
<b>Transparency.</b> A tool with the core functionality of the DBOM makes a per-pupil budgeting reform more transparent to stakeholders by enabling them to see how resources are influencing student outcomes across different need populations, how money is being allocated to different populations, and how the district as a whole is progressing toward goals. Stakeholders are thus able to assess a district’s performance.

## Chapter 2. Central Office Level

Central office leaders and staff play a pivotal role in developing and sustaining resource allocation systems that are more equitable, efficient, transparent, inclusive, and autonomous and that ultimately promote district and school goals for improving student outcomes.

In many districts, a focus on meeting state and federal requirements has driven district processes, decisions, services, and systems and has created a central office culture that values compliance, not innovation and performance (Hill, Roza, & Harvey, 2008; Roza & Hill, 2004). This emphasis leads to central office systems that are unable to respond effectively to the needs of individual schools. In many states, and in California in particular, a complicating factor is that this growing focus on the district office coincides with a dramatic reduction in funding, resulting in what some have called the “hollowing out” of the district office.

### Central Office Implementation Strategies for Per-Pupil Budgeting

Transitioning to a more transparent and decentralized per-pupil budgeting system requires several changes in the nature of the work the central office will perform, including shifting from a decide-and-decree model to an engage, reflect, prioritize, and decide model. In other words, rather than make allocation decisions with minimal input and mandate that schools follow the resulting directives, the central office will go through a more inquiry-based, holistic process that involves engaging people and setting goals before arriving at decisions. This shift increases the complexity of resource allocation decisions, requiring new judgments, calculations, and conversations to ensure greater equity. In the narrative that follows, we describe implementation strategies for districts pursuing a comprehensive per-pupil budgeting initiative such as SSFR. Comprehensive school reform efforts such as SSFR rarely lend themselves to a step-by-step linear process. Thus, the following strategies are not listed in order of sequence or priority.

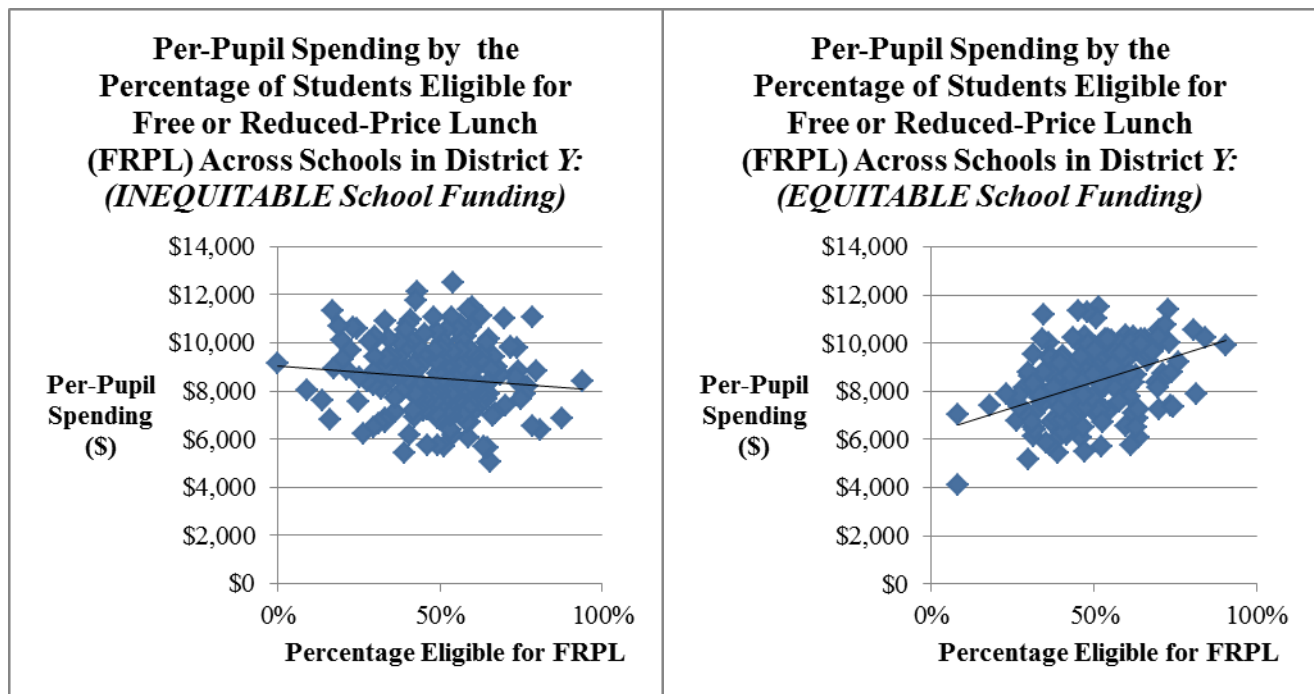
#### Strategy 1: Mapping the Context

Before launching the initiative, school officials must know how funding is being distributed across socioeconomic and demographic lines in their respective districts and which groups of students in which schools and settings are succeeding. This requires drilling down into school-level performance data and communicating with personnel across a district. This information should be readily available in nearly all districts as the No Child Left Behind Act holds districts and schools accountable for making adequate yearly progress among different subgroups of students (No Child Left Behind Act [NCLB], 2002). Being able to define the problem with statistics can help create an appetite for change, which can then be essential in managing the change process to a redesigned system. The following research questions provide a good place to start this self-assessment:

- How equitable or inequitable is school funding currently?
  - Do schools serving high-need populations receive a higher amount per student than their peers serving students with lower needs? How does this analysis change when it is based on the actual salaries of teachers at each site? Using an average salary for each teacher may artificially inflate the funds received by schools serving high-need populations.

- Is there a clear difference in per-pupil funding between schools serving few students eligible for free and reduced-price lunch and those that predominately serve students who are eligible for free and reduced-price lunch (see Figure 2.1)?
- Is there a clear difference in per-pupil funding between schools serving few ELs and those serving higher proportions of these students? (Funding for the latter is expected to be higher.)

**Figure 2.1. Inequitable and Equitable School Funding as Shown by the Correlation Between Per-Pupil Spending and the Percentage of Free or Reduced-Price Lunch Eligibility (Based on actual salaries)**



- How equitably are teachers allocated across a district based on student demographics? Are the least-experienced teachers disproportionately staffing schools serving the neediest populations? How do the turnover rates compare between low-need and high-need schools?
- Over what proportion of the district budget do sites have control?
  - Do schools, regardless of the demographic composition of their students, have a meaningful amount of control over resource allocation decisions at the site level?
  - Is there a difference in autonomy between schools serving students who are disadvantaged and ELs?
- Does the current resource allocation process allow principals to align resources to district and school goals?



- Does the timing of the budgeting and the resource allocation process allow district and/or site-level leaders adequate time and support to align resources to district and school plans?
- What proportion of sites actually considers district and school plans/goals when developing budgets?
- Can decision makers (e.g., school board members) recognize what levels of resources are being allocated to achieve the goals they have adopted?
- How satisfied are principals and others with the current process? What is at the root of most complaints, and what about the process makes people less likely to use it?
- What are the inefficiencies in the process, and what is working well? Are there aspects that stakeholders like and wish to keep?
- How involved are community stakeholders in the planning and budgeting process?
- Is the process transparent? Does a wide range of stakeholders (e.g., parents, teachers, and community members) understand how financial decisions are made?
- Are there formal processes and systems for stakeholders to provide input into planning and budgeting at the site level?

## **Strategy 2: Transitioning to Per-Pupil Budgeting**

Based on the context mapping outlined in Strategy 1, district personnel must decide what weights and/or allocations within revenue sources fit their district's needs. Deciding how to weight different student needs is complex and can be politically contentious, and one of the findings of this project is that there is no "right" set of weights. What is important is that a distribution model supports the process, which provides structure to all the interconnected decisions that need to be made. For the SSFR project, the TRM tool served this purpose. Other approaches are certainly possible, but Box 2.1 below describes some of the key features of a tool that can serve the purposes of achieving equity, efficiency, and transparency.

The TRM tool organizes the decision-making process into three components: inputs, direct decisions, and outputs. The central office first projects enrollments and revenues. Then the TRM tool asks key central office administrators to make several decisions regarding the level of school discretion over revenue, the share of resources to be held centrally versus distributed to individual schools, and allocation decisions by schooling level and across need populations. The model then produces projected school-level budgets based on specified funding weights.



### **Box 2.1. Lessons Learned: Transitioning to Per-Pupil Budgeting in Challenging Contexts**

Implementing this transition is largely dependent on context. Experience from Twin Rivers and LAUSD suggests that making this transition is extremely difficult when a district is simultaneously facing significant state and federal revenue cuts. When revenues are decreasing or costs are increasing, holding all schools relatively harmless becomes extremely challenging—if not politically impossible.

Does this mean that per-pupil budgeting should be either postponed until funding levels recover or abandoned altogether? Not necessarily. There is an argument for building the infrastructure to support a more equitable distribution of resources before new resources arrive, and there are ways to implement the policy that can help mediate the dynamics described previously. For example, school boards could set long-term goals for weights for categorical and general funding, which gives the district time to gradually increase per-pupil funding for needier schools, thereby not causing any major shifts on a year-to-year basis for less needy schools but significantly changing the allocation across time. Another option is for the board to set a revenue trigger that determines when weights should be “turned on.”

#### **Case Study**

In LAUSD, a district facing enormous reductions in state and federal funding, the central office decided to focus on building the internal infrastructure for a weighted student funding formula and wait for a more appropriate fiscal climate to make the transition to full implementation of a weighted student formula approach. In the meantime, when budgets were disbursed to sites, schools received their per-pupil amounts as well as a notice of the allocation they would have received had the weighted student formula been “turned on.” This was done to make the eventual reform transparent and to create demand among needy schools that would receive more funding under per-pupil budgeting. Finally, if schools are to receive significant cuts because of the transition, districts can simultaneously increase autonomy over the resources that schools receive coincidentally with the cuts. This can help to offset the frustration they will inevitably have about their new funding levels.

### **Strategy 3: Increasing Site-Level Autonomy for Financial Decisions**

When school leaders have more control over their site budgets, they can be more responsive to local opportunities, community concerns, and individual student needs. An important step in transitioning to the new funding model is for district leaders, including both the school board and executive leaders, to determine what percentage of total funding and which funding sources to devolve to schools, along with the levels of control and flexibility they will have. Both Twin Rivers and LAUSD aimed to grant schools some level of control over 85 percent of the unrestricted funds. The SSFR team also developed allocation tools to help district leaders transfer funding and flexibility from categorical (state and federally restricted funds) resources. We recommend working with site leaders to establish school site goals and set explicit parameters for flexibility, starting with areas that are both important to principals and which district leaders are certain the central office can effectively support. Leaders also will need to repeatedly emphasize the goals of increasing school control over how they allocate their resources to achieve the following objectives:

- Improve teaching and learning.

- Empower school communities and ensure they control the means of success.
- Increase creativity, provide opportunities for innovation, and develop new and better ways to help students become college and career ready.

The central office must make changes to support school site leaders as they take on new responsibilities. In many districts, this will mean that budget and finance staff must transition from roles primarily focused on monitoring compliance at the site level to one that involves providing differentiated support to school site leaders. In our experience, beginning in the second year of implementation, this shift generates new demand for more service-oriented central office supports.

The success of this type of district policy (see Box 2.2) depends on factors that extend beyond the district and its history of relationships with its bargaining units and include state policies governing collective bargaining and the education code that specifies how teachers should be evaluated and placed. Strong union states, such as California, make it more challenging—but not impossible—to reach these kinds of agreements (in contrast to right-to-work states). Given the political issues surrounding teacher assignment, a mutual matching or opt-in agreement may be a way to gradually build support for a new budgeting system and greater autonomy.

### **Box 2.2. Lessons Learned: Autonomy Over Staffing**

One of the most important areas of flexibility is controlling staff allocations. Equity is contingent on excellent teachers in every classroom, which is contingent on site administrators determining which teachers are best prepared to teach their students. In Twin Rivers, where teacher experience was not perceived as varying dramatically from school to school, the district did not target its efforts on teacher assignment. In LAUSD, however, where school administrators believed that teacher experience and capacity varied considerably, paving the way for site-level control over teacher assignments became a cornerstone of the district’s negotiating strategy and an important support for its budgeting reform initiative.

#### **Case Study**

Prior to launching its budgeting reform initiative with the SSFR team, LAUSD launched a pilot labor agreement with its Belmont Pilot Schools,<sup>1</sup> with each participating school forging what was called locally a thin contract (“a model for shifting detailed collective bargaining away from district-level negotiations and to school settings where terms can be more sensitive and responsive to local needs”). Under the Belmont Pilot agreement, LAUSD and United Teachers Los Angeles (UTLA) negotiated the use of a thin contract in a subset of up to 30 schools to pilot a more flexible teacher assignment protocol and other variations from the contract. This seemed to work for these schools and their students with high needs; however, after experiencing UTLA resistance to expanding use of this contract beyond the original 30 schools, the district negotiated an opt-in approach to expand flexibility over a period of years. This Local School Stabilization and Empowerment Initiative included budget autonomy as one of the 15 listed areas of school autonomy. To opt into this contract, the majority of a school’s teachers would have to sign on.

## Strategy 4: Moving to a Year-Round Planning and Budgeting Process

A linchpin of the SSFR approach is a shift to a yearlong 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 after budget allocations are provided. This decision-making process can be supported with an online tool (i.e., the PBAR tool) to improve transparency and efficiency by allowing school leaders, in concert with family and community stakeholders, to develop the budget through a process that begins with school and district goals.

Building on work done in the context mapping phase, districts begin—with outside assistance as needed—by creating a process map of the existing process and timeline. Process mapping allows a district to identify “pain points” for key stakeholders in the budget development process and then work collaboratively to develop a new, redesigned process that allows for the integration of planning and budgeting. After articulating the redesigned process, the central office will need to identify the internal changes that will be necessary to support the transition. In most cases, these changes will have both structural and cultural dimensions and span multiple departments. The changes will vary by district but could include establishing a single point of contact within the central office to support schools in planning and budgeting and customer service training for central office staff.

## Change and Project Management for Per-Pupil Budgeting

### Strategy 1: Managing the Change Process

Shifting focus from compliance to responsiveness, reciprocal accountability, and shared ownership for results requires that people at all levels of a district take on new roles. We find that people are willing to embrace the difficult and often disruptive work of redefining their positions, expectations, and duties only if they are both emotionally and intellectually engaged in the change. The following represents several recommended change management strategies for the central office:

- **Provide a vision for the future.** Articulate a shared definition of effectiveness for teachers and leaders across a district so that all actors have criteria on which to evaluate their effectiveness. Use these criteria to develop specific metrics by which people can hold themselves and each other accountable. Clearly communicate a picture of what a district will look like after the reform is implemented to motivate stakeholders to continue their challenging work.
- **Make the initiative a top priority.** A reform initiative of this complexity cannot succeed without clear and consistent messages from the district superintendent about the importance of the work. This can be done by: (1) developing a clear problem statement that provides a rationale that addresses how it will benefit all stakeholders; (2) citing the initiative as one of the top reforms on which a district is focusing; (3) identifying an initiative lead who can advocate for the reform across departments; (4) regularly communicating about progress; (5) establishing consequences for staff that communicate

that they are accountable for implementation; and (6) dedicating sufficient resources to support implementation.

- **School board engagement.** For most districts, leaders will have to get approval from the school board to implement a per-pupil budgeting system and/or increase site-level autonomy for financial decision making. The board also plays an important role in implementation and sustainability by making the transition a top priority and creating policies that sustain the initiative even if the central office leadership transitions.
- **Community engagement.** Many strategic initiatives fail because they are designed and implemented from the top and have not adequately solicited and incorporated input from key stakeholders, including principals, teachers, students, families, and community members. Simply thinking about the end user is not sufficient; the most successful initiatives empower stakeholders to be change agents. Listening campaigns can be a critical tool to engage stakeholders at all levels in the design and the implementation of a per-pupil budgeting initiative. Various committees and interest groups can fuel demand and become strong implementation partners for an initiative such as SSFR. In Twin Rivers, for instance, the budget advisory committee, the board of trustees, the United Educators and Certified Representative Council, and the Classified Representative Council all played active roles in the design and the implementation of the initiative. In LAUSD, similar groups were included in decision making, and a listening campaign informed the cabinet about how to prioritize and sequence initiatives.
- **User-centered design.** When creating practical school finance reform implementation tools such as TRM and PBAR, which districts might choose to do, we recommend employing the kind of formal user-centered design process that is routinely used for such projects in the private sector. Private-sector developers use such processes because people are more likely to use tools in which their input was an important part of the process of refinement and implementation. Stakeholder feedback can lead to the development and the adoption of a valued and useful product, which creates more bottom-up demand for other reforms.
- **Designing and implementing an effective communications strategy for the initiative.** Part of making the initiative a top priority for a district is making sure that there is a communications plan. This means developing messages that not only integrate the initiative into a district's vision but also create a set of differentiated messages for each stakeholder group that will motivate and engage them. Although it can be challenging, it is helpful when leaders are willing to be as transparent as possible by sharing early stage drafts of workplans and tools. Doing so both models a core value of the reform effort and creates an appetite for the reform. The following are some potential communication strategies:
  - **Regularly update and tailor the district website to promote the initiative.** Make meeting minutes, presentations, and other materials used at advisory committee meetings available for the community to see/review. For example, LAUSD made all related notes and slide decks available on an easy-to-navigate portion of its website for the initiative.
  - **Design and disseminate bulletins districtwide.** LAUSD produced and distributed monthly bulletins, both online and in paper form, to inform school communities of

updates at the district level. These updates consistently communicated that the initiative was a priority for the district.

## Strategy 2: Building an Infrastructure for Project and Change Management

To implement a complex and comprehensive school finance reform initiative such as SSFR that involves multiple departments and affects every school, districts will need to figure out how they will organize themselves to successfully manage the project. An initiative such as SSFR requires an infrastructure that can work across departments, while still providing structure for accountability and ownership of the project. Inevitably, a district will have to build some new infrastructure to support project management. However, a district also should look at its existing committees and cross-department workgroups to see if something existing can be leveraged. Table 2.1 represents a generic project management infrastructure that districts could adapt to fit their own needs and context.

**Table 2.1. A Generic Project Management Infrastructure**

<p><b>Executive Sponsor.</b> This person is responsible for creating space for the initiative across the multiple departments involved in the implementation. This person is not responsible for the day-to-day management of the project; he or she is someone to whom the project manager can go for guidance and support when implementation roadblocks are encountered. This person may or may not be the district superintendent or assistant superintendent; he or she may be someone in the district cabinet who is responsible for directing multiple departments. In LAUSD, the executive sponsor was the chief strategy officer, a member of the superintendent’s cabinet who directed several key departments necessary for the initiative’s implementation.</p>
<p><b>Cross-Initiative Coordinator.</b> In large districts, in addition to department heads, the cabinet may have a staff person who is tasked with coordinating strategic initiatives. If such a staff person exists, he or she should obviously be involved in leading the project.</p>
<p><b>Project Management Department.</b> Even though multiple departments will be involved in the implementation, project management responsibilities should probably sit within a single department. This department is responsible for providing high-level project management, strategy, and oversight and clears roadblocks for the initiative by working with other cabinet members. Based on our experience, there are several departments in which it would be appropriate to house project management responsibilities. Large urban districts often create a special office to manage strategic initiatives. Other potential departments to house project management include the finance and budget office, communications and community engagement, school services, and academic services. District leaders will have to assess their context and determine which department is the best fit.</p>
<p><b>Project Management Department Leader.</b> This person is responsible for managing the department. The competencies for the leader of this department are as follows:</p> <ul style="list-style-type: none"> <li>▪ Creative problem-solving abilities and experience with program implementation</li> <li>▪ Ability to collaborate effectively with internal and external stakeholders</li> <li>▪ Clear communication skills</li> <li>▪ Knowledge of and extensive relationships within the district context</li> <li>▪ Great people skills and the ability to motivate people</li> <li>▪ Ability to remain a generalist first (change management) and a specialist second (e.g., finance and community engagement)</li> </ul>

**Project Manager.** Housed within the Project Management Department, this staff person is responsible for the design, the execution, and the day-to-day management of the project plan and making or escalating key decisions when appropriate. It is important that this person be empowered and authorized to make key decisions as appropriate. The competencies for the project manager are as follows:

- Great project management skills
- Fast and accurate documentation of content, progress reports, and decision collateral
- A skilled analyst of qualitative and quantitative data
- A clear communicator with good verbal skills
- Highly organized and efficient
- Knows that perfect is the enemy of good and is comfortable with iterative processes

**Workstream Teams.** SSFR-style per-pupil budgeting initiatives will have multiple strands or streams of work, each with their own action plans that articulate activities and timelines that span across multiple departments. Each workstream has a single point person who serves as a sponsor for that work and is accountable for forming workgroups; participates in the overall project management structure (as part of project management team); supervises progress; and signs off on completed activities, deliverables, and milestones. The potential project workstreams are as follows:

- Policy (weights/funding formula, teacher assignment, autonomy)
- School planning, budgeting, and capacity-building
- Community engagement and communications
- Operations and information technology (IT)

The competencies for workstream leaders are as follows:

- Manage work within and across divisions.
- Identify and respond to interdependencies.
- Manage people effectively.
- Take ownership of tasks and escalate issues and barriers only as a last resort.
- Have both meeting facilitation and organization skills.
- Manage timelines and costs.
- Be responsive, flexible, and strategic.

The following team and groups are involved in change management:

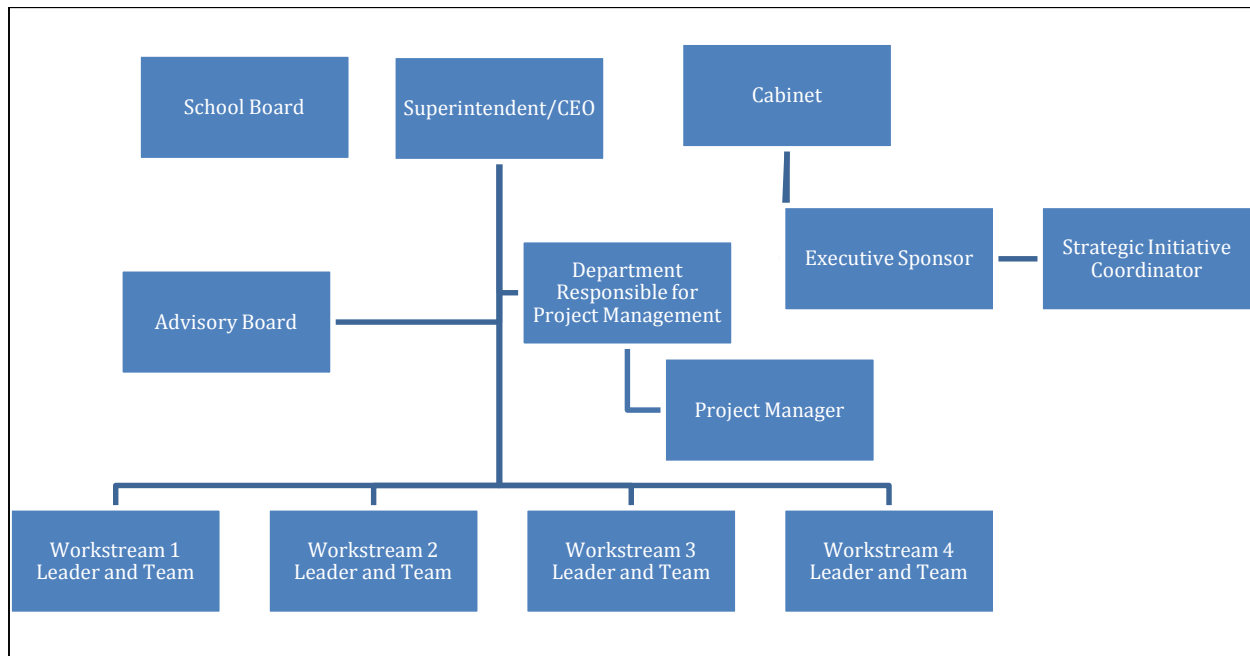
- **Project management team.** Consisting of the project manager, each workstream leader, and key staff from relevant departments involved in the implementation of each workstream, this team is responsible for informing and adjusting the project plan to reflect implementation and execution on plans to provide deliverables and recommend decisions.
- **Advisory group.** This group advises on key decisions, deliverables, and milestones that impact students, families, neighborhoods, and community partners. It is important that this group consist of representatives of key stakeholder groups, including principals, unions, teachers, and family and community members. In both LAUSD and Twin Rivers, this committee was not a decision-making body. Members were asked to perform three

key roles: (1) provide feedback on decisions, tools, strategies, and tactics; (2) listen to and consider feedback from other groups; and (3) communicate to their stakeholder groups about the initiative and its progress to date.

- **Workstream groups.** Convened by workstream leaders, these groups serve to execute the deliverables outlined for each workstream. The number, kind, and composition of these groups will adjust as needed; members are pulled from the functional and secondary support areas within the district.

Figure 2.2 is a sample infrastructure flowchart.

**Figure 2.2. SSFR Project Management Infrastructure**



### Strategy 3: Implementing Effective Project Management Practices

For managing a project the size and complexity of SSFR, good project management is essential. The following four-step plan is recommended:

1. **Create a master plan.** In partnership with the advisory committee and the cabinet, the project management team should develop a master plan for the entire initiative. The plan should articulate the vision, the core strategies and key tactics (i.e., workstreams) for the initiative, the project management infrastructure, and some basic deliverables and timelines. After the workstream teams and leaders have been identified, they should be convened to provide feedback on the master plan. The plan should then be vetted with the senior leadership team or the cabinet for final approval.
2. **Create an action plan for each workstream team.** Each workstream leader should lead the workstream team through an action planning process to develop more detailed tactics and timelines and then periodically update and refine them throughout the implementation process. The project management team and workstream leaders should

regularly share progress on their plans after they have been drafted to avoid duplication and overloading (see Box 2.3).

### **Box 2.3. Other Project Management Infrastructure Considerations**

**Principal Workgroups.** In both Twin Rivers and LAUSD, the SSFR team created a committee of principals to test the tools, trainings, and processes being developed as part of the initiative. This process was helpful for the SSFR team to develop tools and trainings and provide strong communication between the central office and schools.

**Online Collaboration.** An initiative of this size and complexity that involves many key players across multiple departments will require an online space for collaboration (e.g., Dropbox, Central Desktop, or Google Docs). There are numerous options from which districts can choose. The stakeholders who will use it should drive the move to online collaboration; it should not be determined in isolation by the IT department or a consultant.

**Phasing Out Committees.** The infrastructure described previously is necessary to implement an initiative but not necessary to sustain it. It will make sense to phase out some groups as their tasks are completed.

**Where Possible, Leverage Preexisting, External Community Groups.** Project leaders will need to determine the most efficient way to engage family and community stakeholders. Existing groups are often better starting points than newly formed committees.

3. **Develop key messages for each workstream.** Each workstream team should develop, refine, and disseminate key messages about the goals, activities, and progress of each workstream. These messages should be shared with the project management team and senior leadership so that everyone is on the same page and consistently communicating about the project. If a district opts to have a workstream dedicated to communications and community engagement (as recommended), this group should be responsible for working across the workstreams to develop and deliver a consistent set of messages.
4. **Maintain effective project management throughout the initiative.** Calendars should be created for each workstream, and each team should meet regularly to review its progress. The project management team also should meet on a regular basis (e.g., quarterly) to review progress, identify pain points and tailor solutions, escalate issues as necessary to senior leadership and/or the board, and refine the master plan according to on-the-ground changes happening in the various workstreams.

### **Strategy 4: Establishing a Culture of Service to Schools Within the Central Office**

To successfully support SSFR across a district, the central office must adopt an approach that expands the definition of what schools and districts are accountable for, which fosters—not undercuts—local ownership of results and reorients the central office to be in service of schools. No Child Left Behind and related policies have positioned state and federal agencies, not schools and communities, as the primary customers of central offices. As the intermediary between schools and policy, many central offices have taken on a compliance role, leaving schools without the support they need to pursue innovative or creative strategies to increase student



achievement. The culture of compliance is risk averse, siloed, rules driven, and focused on executing discrete tasks, not solving problems. In contrast, innovation requires a service-oriented culture that makes schools the primary customers of central offices.

This transition will look different in every district. There is no one-size-fits-all program to change central office culture overnight, and districts will have various starting points. However, as schools gain autonomy, demand for a more service-oriented central office will increase. If schools have the flexibility to seek support elsewhere, a market for service delivery can be created and sustained organically over time. The central office will need to evolve, offering better services to meet demand.

## **Technology Tools for Per-Pupil Resource Allocation**

The SSFR team designed the TRM tool to support a comprehensive and transparent decision-making process that will facilitate transition to an effective per-pupil budgeting system. It enables district leaders and other stakeholders (e.g., the superintendent in collaboration with fiscal officers, other cabinet-level staff, and the board) to accomplish the following:

- Increase the level of school discretion over funding by dividing available federal, state, local, and private funds between the central office and the school sites.
- Increase equity by allocating funds to school sites according to a predetermined set of student need categories explicitly recognized by a district (e.g., students eligible for free or reduced-price lunch, ELs, students with disabilities, students who are struggling, and students who are gifted) and/or by schooling level (elementary, middle, and high schools).

The TRM tool serves as both an equitable and a transparent per-pupil funding mechanism that generates projected school-level budgets that are to be placed under school discretion. Importantly, the tool requires district decision makers to think explicitly about their high-level goals and make decisions about the following:

- What services should be provided centrally and what should be pushed out to schools? What is the corresponding level of district funding that should be under school control?
- Which student needs characteristics should guide the distribution of funds to schools and what are the associated weights that will result in the differential levels of funding necessary to provide an equal opportunity for students with varying needs to be successful?
- What is the minimal operational budget (MOB) for each school (i.e., the per-pupil amount below which a school cannot reasonably operate)?<sup>1</sup>
- Which rules and regulations governing expenditures originate with the district (and thus can be adjusted or even eliminated) to give schools more flexibility? Which originate with state and federal agencies and thus must remain in place?

For a step-by-step description of a typical engagement with a tool that has the same core functionalities as the TRM, refer to Box 2.4. Based on the decisions made by a district, the tool

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<sup>1</sup> To hold a school harmless from funding decreases, MOB's can be set to a school's current funding level.

produces the following three elements: need-based funding weights, projected school-level budgets, and budget comparisons.

#### **Box 2.4. The District-to-Schools Allocation Process: Step by Step with a Technology Tool**

A tool with the core functionalities of the TRM consists of three components: inputs, district decisions, and outputs. It begins with inputs, which include projections of enrollments and revenues.

##### **TRM Step 1: Model Inputs**

- Enrollments: Projected school-level counts overall and by pupil need subpopulations
- Revenues: Projected federal, state, and local revenues by general purpose and restricted categories

With the enrollment and revenue projections in hand, the TRM tool then asks key central office administrators to make the decisions in Step 2.

##### **TRM Step 2: District Modeling Decisions**

- Determine the level of school discretion over revenues.
- Designate the status of each revenue source (lock, unlock, or school grant).
- Determine the share of resources that should be held centrally versus the share that should be distributed to schools.
- Decide which schools are eligible for each revenue source.
- Specify allocations by schooling-level and across student need subpopulations.

With these decisions entered into the TRM tool, the model then produces the outputs in Step 3

##### **TRM Step 3: Model Outputs**

- Simple model of per-pupil dollar adjustments by student need
- Pupil-need funding weights
- School-level projected budgets (overall and by revenue source)

### **Need-Based Funding Weights**

The simple funding model produced by the TRM tool is illustrated in an easy-to-understand matrix that shows for each combination of schooling level and student need category the funds a school receives for that type of student. The example in Table 2.2 contains 12 cells representing the three schooling levels (elementary, middle, and high school) and four need categories (the general foundation for all students, plus those for students living in poverty, ELs, and students needing special education services). Each per-pupil dollar figure represents the amount a school receives for each student.

**Table 2.2. Per-Pupil Dollar Allocations by Schooling Level and Student Need Category**

<b>Schooling Level</b>	<b>All</b>	<b>Poverty</b>	<b>English Learner</b>	<b>Special Education</b>
Elementary Schools	\$3,741	\$1,272	\$636	\$3,442
Middle Schools	\$3,667	\$1,247	\$513	\$3,154
High Schools	\$4,683	\$1,077	\$749	\$3,887

Using the matrix in Table 2.2, a principal can easily replicate the TRM-projected budget for his or her school, given the student counts corresponding to each cell in the matrix and a desktop calculator. However, a more practical solution is to provide a calculator in Excel that can be distributed to each principal with documentation of how his or her school’s budget was calculated.

### **Projected School-Level Budgets**

The TRM tool provides projected budgets for all schools in a district, both overall and broken out by unrestricted and individual restricted (i.e., categorical) revenue sources. In this way, the finance office automatically knows the amount to draw from each revenue source to fund the projected budget for each school. The TRM-projected school-level budgets are forwarded to the PBAR tool to serve as budget caps for schools to use when developing site plans for the following year.

### **Comparison of Projected Budget to Current and Minimum Operational Budget**

The application will compare an MOB to that projected by the TRM tool and a school’s current budget. Using this information, the application identifies those schools that will have to be “topped up” to reach MOB or current funding and hold them harmless at a desired level.

### **Training, Coaching, and Capacity-Building for Central Office Staff**

Using a variety of methods, a district will need to support the training of school and district staff on the policies and the practices necessary for implementing the redesigned budget process. Training methods could include user guides, manuals, group sessions, webinars, facilitated workgroups, drop-in work sessions, and one-on-one meetings (see Box 2.5). In addition, a district might need “help-desk” type of support for technology tools.

### **Box 2.5. Lessons Learned: Tailor Training to the Context**

The implementation of the TRM tool in Twin Rivers included extensive training with the on-site project manager, as well as both the executive director of fiscal services and the director of categorical budgets. In addition, other staff outside the finance and budget office had to be well versed on parts of the model to annually populate the tool with the necessary data. In the end, the goal was to build a level of expertise that allowed the district enough fluency to efficiently generate per-pupil budgets for its schools on an annual basis.

Through the course of training, there were several modifications to the base functionality of the tool to accommodate specific demands. In a sense, a user-based design framework was loosely followed, where users were trained on an initial version of the tool and through extensive hands-on use provided real-time vital feedback, including suggestions for modifications and explicit requests for additional functionality.

### **Training Finance and Budget Office Staff on the Funding Allocation Mechanism**

A vitally important task is to build the capacity of finance and budget staff to sustain the conceptual shift to a per-pupil budgeting system, the practical implications of such a change on their processes, and the use of associated tools developed to facilitate this transition. Ideally, both key finance and budget leadership and their subordinate staff should take part in this training because the former will be in charge of guiding the formulation of important funding decisions and need to have a solid understanding when using the tool, while the latter will populate the tool and generate school-level budgets. In addition, because the finance and budget office processes and procedures vary across districts, it is important to make sure that the mechanism used to allocate funds from the central office to schools is tailored to accommodate the specific workflow and meet the needs of district users. A failure to do so may greatly decrease the degree of buy-in on part of the finance and budget office staff.

Although the expected duration of training is variable, in the case of SSFR, weekly training sessions occurred for approximately three to four months, with at least one meeting per month taking place in-person in a space where the model could be projected on a screen. (The other meetings were conducted via conference calls and supported by webinar-style Internet meeting technology that allowed screen sharing.) The in-person engagements were between a half-day and a full day in duration, while conference calls were generally shorter, lasting from one to two hours.

### **Box 2.6. Lessons Learned: Coaching and Capacity Building for Key Personnel in the Central Office**

Throughout our experiences in LAUSD and Twin Rivers, relationships with a few key individuals—the executive sponsor, the project manager, and the workstream leaders (refer to previous discussion for role descriptions)—have largely set the stage for success. Additional capacity work with these individuals can set up the reform initiative for greater success.

**Executive Sponsor.** The executive sponsor may benefit from support in communicating with a wide variety of stakeholders. A trusted advisor from outside the district can provide a depoliticized perspective to assist in communications.

**Project Manager.** Depending on the size and complexity of a district, the project manager will need assistance in knowledge management. Whether this person is hired from within or outside the district, navigating a large bureaucracy—knowing whom to contact for specific information—can be challenging. Furthermore, and particularly if the manager is from outside the district, learning to accommodate and work within existing district system capacities can significantly speed up the implementation process. For example, we learned that a file-sharing platform that worked well in theory led to far more confusion within LAUSD, causing more inefficiencies than it ameliorated. We learned to be responsive to the particular communication patterns of the district and found another way to communicate.

**Workstream Leaders.** Workstream leaders, being strong project managers to begin with, will need additional capacity building to ensure that they meet the needs of the stakeholders with whom they are charged to work.

## **Monitoring Progress Toward Objectives**

To implement a successful per-pupil budgeting reform initiative, district leaders must determine what is working and what is not working along the way. Each year—perhaps even more frequently—they will need to review and possibly adjust districtwide goals and decisions about the extent of site-level autonomy; funding weights; and change management, communication, and project management strategies. This process can be challenging; district leaders must reflect on whether the goals they set were appropriate and the strategies developed to meet those goals were effective.

To accurately assess and adjust, leaders must collect information about the extent to which a district is making progress toward the interconnected goals of equity, autonomy, accountability, transparency, and efficiency.<sup>2</sup> This necessitates two levels of data collection and progress monitoring: (1) districtwide community stakeholder perceptions of the initiative, and (2) measures of resource allocations and various student outcomes by group. Developing the infrastructure to monitor progress at each level is an important component of an effective per-pupil budgeting system.

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<sup>2</sup> Ideally, this information should include data from baseline periods so that district leadership can observe changes and trends that have occurred since implementation.

To help collect and compile information at both levels in a systematic and user-friendly way, the SSFR team developed two sets of tools: a collection of survey instruments that assess the attitudes and perspectives of school stakeholders toward SSFR and the DBOM tool to analyze the patterns of variation in resources, school outcomes, and student demographics. Together, these tools can provide decision makers with valuable evidence about the progress and the implementation of the initiative.

## Surveys

To assess attitudes and perspectives toward SSFR reform initiatives in LAUSD and Twin Rivers, the SSFR team conducted surveys of key stakeholders, including teachers, principals, and SSC members in LAUSD and Twin Rivers. To collect data from teachers, the SSFR team added items to an existing satisfaction survey in both districts. To solicit data from principals, we added items to an existing survey in LAUSD, whereas in Twin Rivers, we developed our own comprehensive principal survey designed specifically to gather data related to the SSFR implementation. The SSFR team was able to modify several existing items from the *School and Staffing Survey* from the National Center for Education Statistics and the EdSource *Large-Scale Survey of California Elementary Schools*. In addition, the SSFR team developed many items that these instruments had not touched on related to several important elements of SSFR.

Table 2.3 shows example items that the SSFR team used in LAUSD and Twin Rivers to ask stakeholders about the key components of SSFR: equity, transparency, autonomy, efficiency, and accountability.<sup>3</sup>

**Table 2.3. Sample Items From SSFR Surveys**

Component	Survey Item <sup>a</sup>
Autonomy	I have sufficient autonomy to implement an instructional program that meets the needs of the students in my school.
Equity	I believe funds are equitably allocated to schools within our district.
Transparency	I understand how resources (e.g., staff, funds) are allocated to my school.
Efficiency	School budget decisions are aligned with our school priorities.
Accountability	Teachers and staff at schools feel a responsibility to improve the school.

<sup>a</sup>Responses were measured on a scale ranging from 1 (*strongly disagree*) to 4 (*strongly agree*).

The data collected from the survey items provide valuable information that can be used to assess the effectiveness of current SSFR strategies. For example, the statement “I understand how resources are allocated to my school” might yield important insights about whether stakeholder engagement and communication strategies are effective. If respondents tend to disagree with this statement and express a greater degree of disagreement after the introduction of SSFR, then district leaders might consider refining their communication materials. A lack of understanding about budgeting could be a serious barrier to meaningful stakeholder participation and engagement, and a revised communication strategy that clears up misconceptions could

<sup>3</sup> The example items for autonomy, efficiency, and accountability were not included on the SSC survey but did contain similar items examining this component.

**Horizontal equity** refers to treating similar students in similar ways (e.g., funding students with similar needs and cost-related circumstances equally). **Vertical equity** refers to treating different students in systematically different ways (e.g., providing more funding to students with greater educational needs).

potentially improve this issue and increase the quality of community engagement, which is central to the success of SSFR.

### **District Budget and Outcomes Management Tool**

To fine-tune and ensure that a per-pupil budgeting reform initiative is succeeding on the ground, district leadership will need to answer the following questions throughout the implementation:

- How equitably are fiscal resources being distributed across schools? To what extent have allocations become more equitable since the introduction of the initiative?
- How are outcomes varying across student need categories? To what extent have the level and the distribution of student outcomes changed since the introduction of the initiative?
- What is the relationship between spending and outcomes?
- Have these relationships changed during the course of the per-pupil budgeting implementation?

These findings can then inform future policy decisions, such as how much funding should be put under school discretion and how this should be distributed to schools differentially with respect to various categories of student need. The SSFR team developed the DBOM tool with these goals in mind. Districts should consider developing tools with similar capabilities (or adding this kind of functionality to existing tools) to monitor the progress of their per-pupil budgeting initiatives.

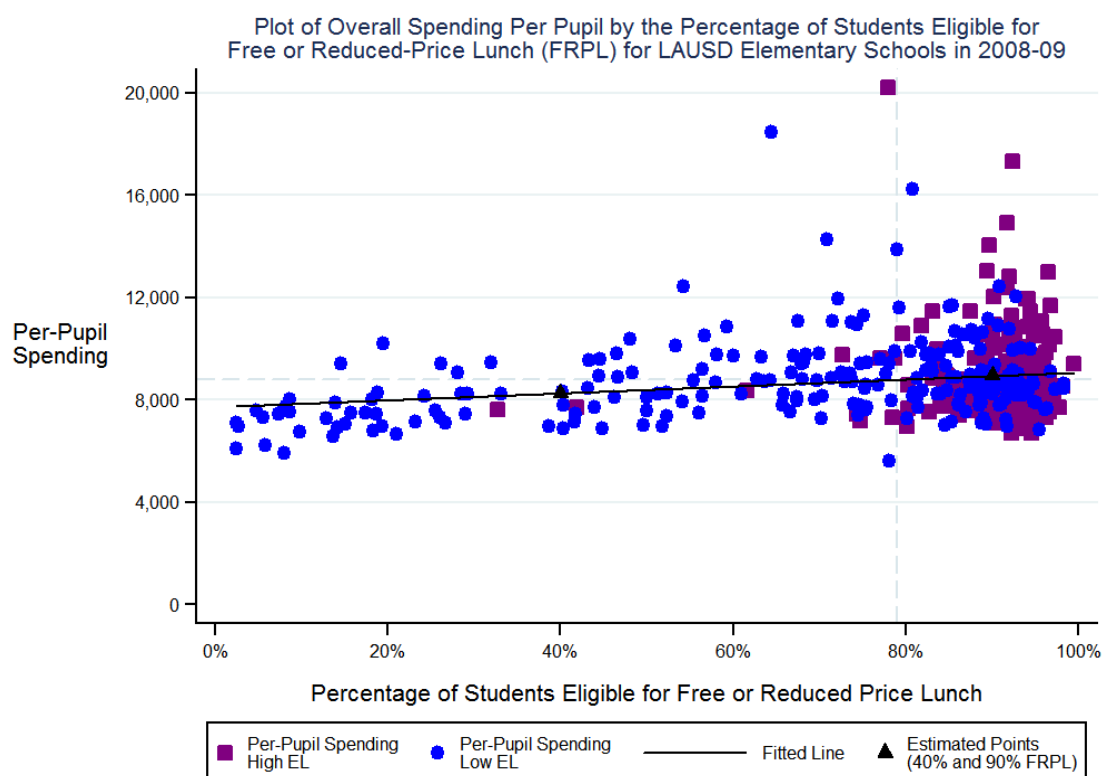
### **Analyses**

The SSFR theory of action aims to increase horizontal and vertical equity in funding across schools within a district by producing a system in which funds more closely follow student needs. To examine whether horizontal and vertical equity is being achieved, leaders can evaluate variations in resource levels or student outcomes correlated with a particular measure of student need included in a district's weighted student formula. For instance, if some district funds are distributed to schools through the weighted student formula according to the number of students living in poverty, an analysis of how per-pupil expenditures relate to student poverty across schools can be performed. The DBOM tool measures access to educational resources in several different ways, including scatterplots of per-pupil expenditure and student poverty, bar charts of per-pupil expenditures across student poverty, and regression analyses of per-pupil expenditures. For more information about the functionality and use of the DBOM tool, see Table 1.3.

**Scatterplots of Per-Pupil Expenditure and Student Poverty.** Many districts will choose to allocate more money to each student living in poverty. Therefore, district leaders will need to assess whether their schools' per-pupil expenditures actually increase as the poverty levels of their students increase. Each point on the scatterplot in Figure 2.3 represents a school. A measure of its student poverty (i.e., the percentage of students eligible for free or reduced-price lunch) is plotted on the *x*-axis, and its average per-pupil expenditure is plotted on the *y*-axis. The plot demonstrates a clear positive relationship between per-pupil expenditures and the percentage of

students living in poverty. Relative to a scatterplot showing data from a baseline year, we would hypothesize that the relationship between per-pupil spending and poverty would become more positive, as indicated by a steeper fitted line in successive post-implementation years. (This plot also reveals that high-EL schools, represented by the purple squares, tend to have a higher percentage of students living in poverty. The range of average per-pupil expenditures (based on actual teacher salaries) for these high-EL schools with between 80 percent and 100 percent of the students living in poverty suggests further inquiry into the relationship between funding weights and equity.)

**Figure 2.3. Plotting Per-Pupil Expenditures Against Student Need Levels by School With a Fitted Line**



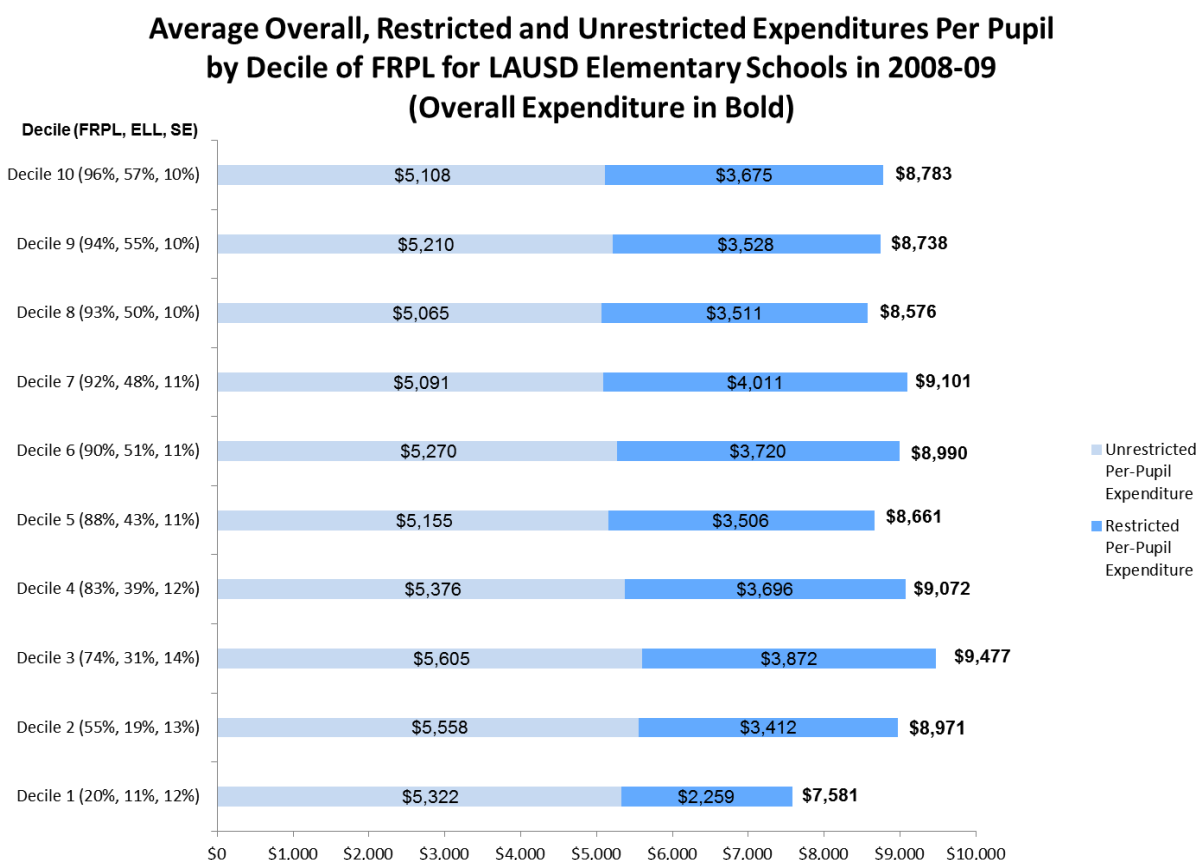
District leaders can use scatterplots such as the one shown in Figure 2.3 to examine the relationships between several other variables at different time points. For instance, they can choose to examine the relationship between student achievement and the proportion of students living in poverty at schools districtwide or the relationship between per-pupil expenditures and student outcomes according to student need category. By comparing these “snapshots” of data from different times to baseline data, leaders can assess the impact the initiative is having on the ground and adjust the implementation accordingly.

**Bar Charts of Average Per-Pupil Expenditure Across Student Poverty.** District leaders also will need to know how per-pupil spending varies with student need—but at a more aggregated level. The DBOM tool produces bar charts that can be used to decompose average per-pupil expenditures into types of spending from different sources. Figure 2.4 shows average school per-



pupil expenditures by student poverty level, aggregated by decile and divided into unrestricted and restricted funds. If vertical equity across schools within a district is improving over time, then a bar chart would show larger bars for schools with higher needs relative to baseline data.

**Figure 2.4. Bar Chart Showing Average Expenditures From Unrestricted and Restricted Sources of Revenue by Student Need Grouped Into Deciles of Free or Reduced-Price Lunch Rates**



*Note.* Average proportions of free or reduced-price lunch, EL status, and special education status for each decile are listed in parentheses. Overall spending per-pupil appears in boldface type.

**Regression Analysis of Per-Pupil Expenditures.** The DBOM tool also uses a more sophisticated statistical approach (multivariate regression analysis) to isolate the net relationship between per-pupil spending and student need by controlling for variation in other student need factors as well as school size. The resulting graphic displays show the relative difference in per-pupil spending between schools with a certain percentage of, for example, students living in poverty and a hypothetical school in which there are no students living in poverty. As with the scatterplots, these analyses can be used to determine whether a stronger relationship between per-pupil expenditure and student need has developed over time.

## Chapter 3. School Site and School Community Level

With a per-pupil budgeting plan, principals implement a year-round planning and budgeting process that allows schools to analyze student needs, set goals, and prioritize investments well before funding allocations are received; subsequently, they have greater control over these allocations. Integral to their success with this new responsibility is their management of community relationships. The principal must transition roles, from those of site manager and compliance monitor to program designer, resource manager, and convener of the community.

Without community engagement, a district is not motivated to implement a reform so that it provokes minimal backlash; the necessary supportive infrastructure is missing or the adoption of the reform is not taken up by all levels of the system. Superintendent or board turnover will quickly threaten the reform if there is no support from families, teachers, and the broader community who can hold a district accountable. Underserved student groups are particularly unlikely to have adult voices representing them at the table, and this dynamic only perpetuates inequities. Community engagement at the school site level can help districts avoid these problems.

This chapter outlines the work of school site administrators and other staff members required by a per-pupil budgeting initiative. They will adopt significant changes in their work surrounding the planning and budgeting process, such as gathering and using community input to prioritize school site needs. They will control more funding, learn and use new change management strategies, and establish new processes to engage their school communities. To do this, administrators will need to expand their own leadership capacities and learn to leverage a technology tool to facilitate effective resource allocation.

### Recommended School Site Implementation Strategies for Per-Pupil Budgeting

#### Strategy 1: Mapping the Context

Before implementing SSFR at the school site level, school administrators must assess the status quo of resource management and school community engagement at their sites to plan how to spend both “people power” and time. Principals must ask the following research questions to begin the process of fully understanding the context in which they will implement the change. (Similarly, the central office must know how individual schools and district schools in the aggregate stand on these measures.)

- What is the current level of community engagement at the school site?
  - What infrastructure exists? (Is there an SSC, a school leadership team, or other such body?) If so, how complete is its membership and how active is it?
  - What kind of input do families and teachers give at the school site level? Do parents in the community know how to participate in the planning and budgeting process?
  - Does the definition of community include local businesses, health care centers, and other entities not directly involved in schools?
  - Are parents kept informed of decisions and changes by clear, frequent communications from the school?

- What resources can the school leverage?
  - How much of the budget can the principal control?
  - To what extent do nonmonetary resources (e.g., time or people provided by local community organizations) factor into strategic plans?
  - Which community members or groups are influential and can get things done?
- How are planning and budgeting decisions made?
  - What is the current planning and budgeting schedule?
  - Are student achievement data used to determine student need? What other evidence is considered?
  - Does the community play a significant role in the development of school site plans?
  - To what extent are resources aligned with school need?
- How prepared is the administration to engage the community and exercise new autonomy?
  - What experience does the school administration have in managing resources?
  - What communication infrastructure exists at the school level? How does the administration manage communicating with the community and receiving feedback?

## Strategy 2: Transition to a Year-Round Planning and Budgeting Process

Chapter 2 recommended strategies for transitioning to a year-round per-pupil budgeting process at the central office level; this chapter outlines recommendations for the school site level. In a typical district, schools are supported primarily through restricted funding over which they have limited control, and principals have limited time to plan before budgets are due. These restrictions and timelines do not foster innovation, collaboration, reflection, or the alignment of budgets with individual school needs.

Per-pupil budgeting has the potential to dramatically alter this status quo if it is implemented with two essential elements in place. First, as previously outlined, a district must be willing to grant principals control over more funds. Second, principals must be equally willing to move from the decide-and-decree model of resource management to an engage-reflect-prioritize-and-decide model with support to exercise their autonomy effectively. This model is outlined as follows:

- **Engage.** Principals engage with their SSC to examine the prior year's student achievement data, collaboratively determining the needs of the student population at the school site. They conduct community surveys and convene focus groups to collect feedback.
- **Reflect.** Principals and community representatives search for root causes and explanations for the achievement data paints. Principals guide participants to share their unique perspectives and insights on school-level practices and realities. Community feedback is reviewed and analyzed.

- **Prioritize.** Principals revise the school site academic plan. They prioritize student needs based on an explicit set of decision-making criteria that include principles of fairness, equity, and feasibility; they build budget scenarios before their allocation is received.
- **Decide.** After annual funding allocations are distributed, principals align priorities with funding options. Principals draft a budget, share it with stakeholders, and have time to make revisions before ultimately finalizing the budget.

This expanded process outlines a creative, transparent planning process that engages the whole community; it is an efficient, innovative budgeting process that administrators can easily use. Together, this planning and budgeting system results in resource management that aligns funds with needs. Table 3.1 presents two timetables that illustrate the contrast between planning and budgeting processes before and after an SSFR engagement.

**Table 3.1. Timetables for Contrasting Planning and Budgeting Processes**

Old Planning and Budgeting Timeline: Compliant Planning and Inefficient Budgeting		New Planning and Budgeting Timeline: Creative Planning and Efficient Budgeting		
Fall	Principal and SSC develop and/or complete the school plan for the current school year.	Summer	Staff and SSC training, community asset mapping, and the induction of new employees and families.	Engage
Winter	<ul style="list-style-type: none"> <li>▪ Schools receive allocations in January and begin the planning and budgeting process.</li> <li>▪ Principals may meet with stakeholders as time permits.</li> </ul>	Fall	Principal and SSC meet to review student achievement data, assess and adjust the school plan, and begin the process of setting goals that will drive budget development by conducting stakeholder surveys to gather feedback.	Engage/ Reflect
Spring	<ul style="list-style-type: none"> <li>▪ After receiving the budget allocation, the budget is drafted and sent to SSC for approval.</li> <li>▪ Budget allocations may change again in June and/or September.</li> <li>▪ School plan due dates vary widely—from as early as April to as late as November.</li> </ul>	Winter	Principal uses community input and data to establish priorities, cost out specific strategies, and build budget scenarios.	Prioritize
		Spring	<ul style="list-style-type: none"> <li>▪ After receiving the budget allocation, the budget is drafted according to agreed-on priorities. It is reviewed with stakeholders and adjusted as needed.</li> <li>▪ Complete the school plan for the coming school year.</li> </ul>	Decide

**A Note on Capacity Building.** This approach to local finance reform is meant to alleviate the burdens that principals bear in managing the needs of their student populations, responding to

community input, and complying with district mandates. To make sure that this key part of our theory is translated into practice, principals must be well supported as they take on their new roles as community leaders, dealing with, for example, new deadlines, staffing decisions, and SSC work. Principals will need training in community engagement, planning and budgeting process management, and software use as they transition to their new roles as community leaders, each of which is described in the following sections.

### **Strategy 3: Asset Mapping**

To close family and community resource gaps that prevent student success, today's principals must find and use community resources; they cannot rely on district funding only. These resources can come in the form of an especially active parent who knows how to get things done, a dean with a deep understanding of factors that cause behavioral problems in a student body, a teacher with great influence over his or her colleagues, or a local business willing to donate employee time to a reading partnership program. Local organizations might be willing to sponsor sports teams or afterschool programs.

Throughout the community involvement process, principals need to seek out and inventory these community resources, build relationships with key individuals, and ensure that they are at the table when decisions are being made. The central office can provide some of the support that school site leaders need to identify and leverage community assets. For example, the LAUSD plans initially included Volunteers in Service to America (VISTA) corps training to develop a parent recruitment strategy that included a database of potential parents, a community asset map, and a menu of parent engagement activities. Through mapping resources in the community, the VISTAs were to be prepared to bring a more diverse set of stakeholders to SSCs and leverage key players. Although funding levels ultimately precluded the full realization of these plans, the approach had great promise because communities largely sustain a per-pupil budgeting initiative.

## **Change and Project Management for Per-Pupil Budgeting**

### **Strategy 1: Build Principal Capacity to Engage the Community**

Principals both reflect and extend the change management work of the central office by articulating a vision and defining roles for participants to ensure the work of per-pupil budgeting gets done. Diverse stakeholders within a school and from the community must be motivated to contribute to the process. They must believe that the change is necessary, see the vision for the school toward which they will be working, and clearly understand their roles in driving and sustaining the change.

If principals have limited autonomy over resources, SSCs can quickly become compliance-driven committees whose only option to exercise their voices is to block the adoption of school budgets. With no plausible constructive role for these groups and no time for them to provide useful input, most busy principals are not motivated to lead or leverage them, and SSCs have little motivation to engage with principals. Given a likelihood of this complicated relationship, principals might need support if they are to create a collaborative space and facilitate the transformation of school communities into partners. The following recommendations will be useful to principals as they take on this new role:

- **Recruit representatives and build relationships.** Principals' efforts to recruit community members to represent their constituents' perspectives throughout the planning and budgeting process are especially important if the history of community engagement at a school site is weak and if trust between the community and a school is lacking. (See more in Asset Mapping, above.)
- **Create and/or strengthen the infrastructure.** SSC capacity varies dramatically across schools and districts. Some schools have cultures of SSC engagement in which all participants understand their roles and are able to collaborate effectively with each other and the principal. At other sites, SSC infrastructure is weak. Of course, principals must work with their SSCs, no matter what their current capacity level. Tools that principals can use to strengthen group infrastructure include sample agendas for SSC meetings and guides for participants to establish expectations during each group activity. For example, Twin Rivers supported its SSCs with these documents at meetings so that participants could learn by doing. Parents, teachers, and students were guided to optimize their participation given their roles in the school ecosystem. This proved to be a feasible, user-friendly way to improve SSC capacity and relationships with principals. If a school does not have an SSC, the central office must be prepared to support principals with timelines and strategies to build the group.
- **Manage the change.** By managing relationships and expectations and by responding to feedback, principals continue to signal to stakeholders that their participation is meaningful. The central office will provide support as needed for principals to practice successful change management at the community level.

## Technology Tools and Capacity Building for Site-Level Resource Allocation

### Strategy 1: Develop Technology to Support the Planning and Budgeting Process

A principal's mind-set and leadership skills will drive this initiative at the school level. But to facilitate efficient organization of financial information and school priorities, principals need technology. A tool to help principals organize the work of the school community to set priorities, allocate resources, and develop a plan enables the principal to manage the process relatively smoothly.

The PBAR tool, which was developed by the SSFR project, is unlike accounting software; it enables the user to track expenditures against a budget that is structured around the categories dictated by the Standardized Account Code Structures (SACS)<sup>4</sup> codes, which are categories of investments or activities. In contrast, the PBAR tool is designed to manage the planning and budgeting process. It is structured around goals and enables principals to establish priorities and make budget allocations that are aligned with these priorities. Because school priorities and strategies are recorded in an online environment that is accessible to both the district office and other principals, it enables district office staff to track school budgeting decisions as they are being made and provides principals with an unprecedented window into the thinking of their peers. The PBAR tool also facilitates a multiyear thinking process by tracking priorities year

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<sup>4</sup> SACS is California's system of accounting and reporting district revenues and expenditures. System nomenclature will vary from state to state.

over year. Because the central office will review school site plans and budgets and provide support where needed, principals can be held accountable for being good stewards of school site resources.

Although a variety of different technology tools could be created to effectively help principals manage the year-round planning and budgeting process, any tool that is adopted should be sufficiently flexible to adapt to user needs. User-centered design theory posits rather simply that change is hard, and users will alter their practices only if the new available method is a true value-add for them.<sup>5</sup> (Please refer to page 19 above for a more complete description of user-centered design.) For example, in Twin Rivers, the original PBAR tool, which was designed in a collaborative effort between PLP and AIR, was refined and adapted through a series of workgroups composed of principals with varying skill sets.

Regardless of the final design, any planning and budgeting tool should enable users to do the following tasks. (These have been pared down through experiences in districts that have indicated which functions are essential and non-essential.)

- **Complete a Needs Assessment.** Principals, SSCs, and other community stakeholders must determine what needs exist at their school site before proceeding to the next levels of planning and budgeting. This needs assessment will shape the goals that the principal and SSC later set and input into the tool. The tool provides a place to answer the following questions:
  - What academic areas does this year’s site plan focus on? What non-academic focus areas are included?
  - How do our current year school site goals align with the district’s goals?
  - To what extent did we meet our school site goals?
  - How far off are we from accomplishing the district goals?
  - What themes have we found in our school data analysis? What are the major needs of our students?
  - Where are the largest gaps? Where are we successful but missing key student subgroups?
- **Enter and align all goals, strategies, actions, and investments.** The tool enables users to clearly and easily input, keep track of, and align goals, strategies, actions, and investments to manage site-level planning and budgeting. First, users will import district-wide strategies and **goals**. From there, they will add their own site-specific “SMART” goals that must be specific, measurable, attainable, relevant, and time-bound. For instance, a school might decide (based on its need assessment) that its mathematics goal

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<sup>5</sup> “In broad terms, **user-centered design (UCD)** is a type of [user interface design](#) and a process in which the needs, wants, and limitations of [end users](#) of a [product](#) are given extensive attention at each stage of the [design process](#). User-centered design can be characterized as a multi-stage problem solving process that not only requires designers to analyse and foresee how users are likely to use a product, but also to test the validity of their assumptions with regards to user behaviour in real world tests with actual users. Such testing is necessary as it is often very difficult for the designers of a product to understand intuitively what a first-time user of their design experiences, and what each user’s [learning curve](#) may look like.” ([http://en.wikipedia.org/wiki/User-centered\\_design](http://en.wikipedia.org/wiki/User-centered_design) )

is to “increase the proportion of fifth-grade students reaching proficiency on the state mathematics test from 60 percent to 80 percent by 2015.” Users then pair these specific goals with indicators that will mark their level completion—in this case, test scores. This way, users will be able to keep track of the metrics by which they can measure success.

After inputting goals, users then input **strategies** to achieve each goal. Strategies range from introducing new components of a curriculum, adding staff to certain programs, or using new professional development structures to placing new responsibilities on staff members, introducing new resources for targeted programs, or continuing effective practices from previous years. Once strategies and goals are clearly defined, users input discrete **actions** and deadlines associated with implementing those strategies to achieve goals.

Users then input information regarding the **investment** associated with achieving each goal. The tool asks users to **prioritize** the investment relative to other areas of need by assigning it a numerical value. Later in the planning process, priorities will sort automatically, enabling viewers to easily see the ranking and make decisions if not enough funds are available to make all investments. Then, the tool asks users to include an investment description and category or code from a drop-down menu with values.

- **View the total budget, goals, and cost.** Once an aligned set of goals, strategies, actions, and investments are input, the tool lets users manage the process of matching available funds with the planned investments. Users view all the necessary information in one user-friendly matrix. The tool organizes goals and their associated costs on the left side of the matrix and spreads available funding streams, both categorical and unrestricted. Principals can then enter the appropriate funding to match each investment.
- **Create and print reports.** At the click of a button, all of the above information is compiled into a single site plan that users can access, print, and share. The large report can be broken down into reports for special purposes. The tool also generates school scorecard aligned with district-set metrics.
- **Keep track of various committees.** To manage stakeholder participation and include input on a variety of school site issues, organized committees should participate in various parts of the work. Committees can include:
  - School Site Council
  - State Compensatory Education Advisory Committee
  - English Learner Advisory Committee
  - Special Education Advisory Committee
  - Gifted and Talented Education Advisory Committee
  - District/School Liaison Team for schools in Program Improvement
  - Compensatory Education Advisory Committee
  - Departmental Advisory Committee (secondary)
  - School Leadership Team
  - Other



- **Manage the year-long process timeline.** A seasonal timeline links parts of the planning and budgeting process to trainings and resources.
- **Learn from other users.** Users can access plans made by other school leaders. This is critically important, as principals can learn from other leaders engaged in the same process and dealing with similar issues. The public nature of this platform is a built-in capacity builder, and increases the likelihood that promising practices can be adopted across a district.

## Strategy 2: Build Principal Capacity to Use Technology

Principals should be trained to use this tool over two years. During the first year (Stage 1), school administrators must have the opportunity to practice using the tool while managing their school community relationships without the added pressure of assuming more control over resources. This “sandbox” year allows principals to strengthen their leadership skills by engaging community groups in the process of allocating whatever resources a school typically controls. Regardless of the dollar amount over which principals are able to exercise autonomy, they will practice the engage, reflect, prioritize, and decide model with their local communities while gaining familiarity with a new technology tool. Training during this year can be effectively delivered to principals in three ways:

- **Online training modules in webinar form.** Principals can explore these modules as needed and as their schedules permit. These modules are designed to maximize principal time so that they can learn while doing, rather than learning steps in isolation that must be applied later to the budgeting process.
- **Tutorials built into the planning and budgeting software.** Principals might find themselves with five or 10 minutes free during a busy day or may not be able to finally disengage from the issues of the day until late in the evening. Because of these unique professional working conditions, these tutorials are designed to take only a few minutes at a time and to be available at all times of the day.
- **In-person training.** Depending on the district’s geography and personnel size, principals receive in-person training from district officials. A train-the-trainer approach can efficiently prepare a large number of personnel across a district. Central office staff can train various support network staff who work in smaller regions of a district to train the principals in the schools for which they are responsible.

Experience indicates that the trainings should build principal capacity to do the following:

- Understand the district budget.
- Analyze school and student achievement data and share the findings with stakeholders.
- Develop actionable and measurable goals to support student needs.
- Prioritize investments for implementation.
- Identify the resources needed to carry out strategies.
- Build a budget aligned with instructional goals.
- Use tools to assist in budget planning.

Experience shows that Stage 1 training without increased principal autonomy can produce positive results. A transparent planning and budgeting process that involves community representatives ensures that even if their input is not put into practice, communities understand why and respect the process. This in itself is empowering. It reduces tensions with the school administration and provides the foundation for community involvement when more money and autonomy flows to a school site.

During the second year (Stage 2), principals continue to work with the tool and their community representatives while exercising new autonomy over resources. They will need additional support from the central office as they use this new budgeting methodology and exercise this new flexibility. As principals go through the process, both their work with the tool and frequent feedback on the challenges of the new system will enable a district to provide targeted trainings to groups of principals in need of support on the same topics.

Throughout both stages of training, principals across a district are enabled to build capacity together through a built-in online collaboration space. The online forum creates a space for principals to share innovative ideas and best practices, troubleshoot, and help one another through the change.

## **Monitoring Implementation at the Site Level**

The importance of monitoring implementation at the site level is similar to the rationale presented in the central office section (Chapter 2). School leaders must update their site plans for student achievement (referred to in California as the Single Plan for Student Achievement) each year, and this creates an opportunity to reflect on whether the goals they set were appropriate and the strategies developed to meet those goals were effective. The process of identifying strengths and weaknesses in the previous year's plan is an excellent occasion to solicit feedback from the community, which promotes stakeholder engagement. The survey responses collected at a particular school site as well as the PBAR tool can potentially provide valuable evidence about the progress and the implementation of the SSFR initiative.

### **Surveys**

The surveys are discussed in more detail in Chapter 2. The data collected from survey items provide valuable information that can be used to assess the effectiveness of current SSFR strategies. Item responses may help school leadership understand the attitudes and perceptions of school stakeholders toward equity and transparency. According to the SSFR theory of action, increased site-level autonomy and community engagement will increase the likelihood that stakeholders believe that school budgets are aligned with school priorities and understand how school budgets are developed. In addition, if there are weaknesses on items associated with a particular SSFR theme, it may help leadership explore and begin to identify ways to improve their community engagement strategies.

### **The PBAR Tool**

Without a consistent means of organizing goals, strategies, and budget allocations, it can be challenging for schools and districts to use the same language to monitor progress and learn from

best practices. The PBAR tool facilitates this aligned process; the tool creates a technological space in which principals can manage their site goals, identify and track the strategies associated with each goal, and follow the indicators associated with successfully meeting each goal.

The PBAR tool also allows a site to compare its needs assessment, goals, strategies, and outcomes with other sites. In effect, this functionality allows sites to monitor the progress of not only their own school but also other sites and further refine their program design based on their successes and failures. If used over time, this tool has the potential to create organic professional learning among schools in a district. By enabling principals to see what success looks like at other sites, it helps them make adjustments at their own sites.

Under SSFR, the planning and budgeting process at the site level is enhanced by expanded community engagement. This is achieved in part by making user-friendly and accessible information available to the public through the PBAR tool. This can help ensure that a community of individuals—not only the principal—is monitoring the progress toward known goals and is holding itself accountable for conducting discussions around how program strategies can be adjusted to better improve performance. Essentially, because the PBAR tool increases the inclusivity of the planning and budgeting process, it necessarily increases the rigor of progress monitoring.

For more information about the PBAR tool, see Table 1.3 above.

## Chapter 4. Getting Started

Before engaging in any finance reform effort that has per-pupil budgeting at its center, a district would be well advised to begin with a comprehensive readiness inventory. Whether or not a district is ready to implement a per-pupil budgeting system depends on many factors—so many, in fact, that there are no minimum requirements, no checklist, and no fool-proof assessment that must be “passed.” SSFR in its entirety, or relevant portions of it, can be designed and implemented by essentially any district that has a strong awareness of the potential benefits and risks associated with this type of planning, budgeting and resource allocation model.

As mentioned in Chapter 2, the foundations of SSFR can be established even during a fiscal crisis; principals and communities can shift to a year-round planning and budgeting process even if a district is unable to grant more fiscal autonomy or change district-level resource allocation practices; equitable school funding across a district can build demand by being transparent about current resource inequities, even when policies or politics do not allow the full realization of this portion of the transformation. This is a multiyear and multidimensional reform effort for which there is no singular pathway; the important thing is to know the final destination, carefully assess your opportunities and challenges, develop a plan collaboratively with internal and external stakeholders and get started.

This chapter outlines promising readiness assessment practices and information to gather before beginning the process. Although materials, inventories, and questionnaires may vary, maintaining a tiered design that both accesses perceptions from various stakeholders and employees across a district and seeks to understand operational realities from the perspective of central office personnel is recommended—as is approaching the readiness assessment process with the intent to spur both reflection and dialogues.

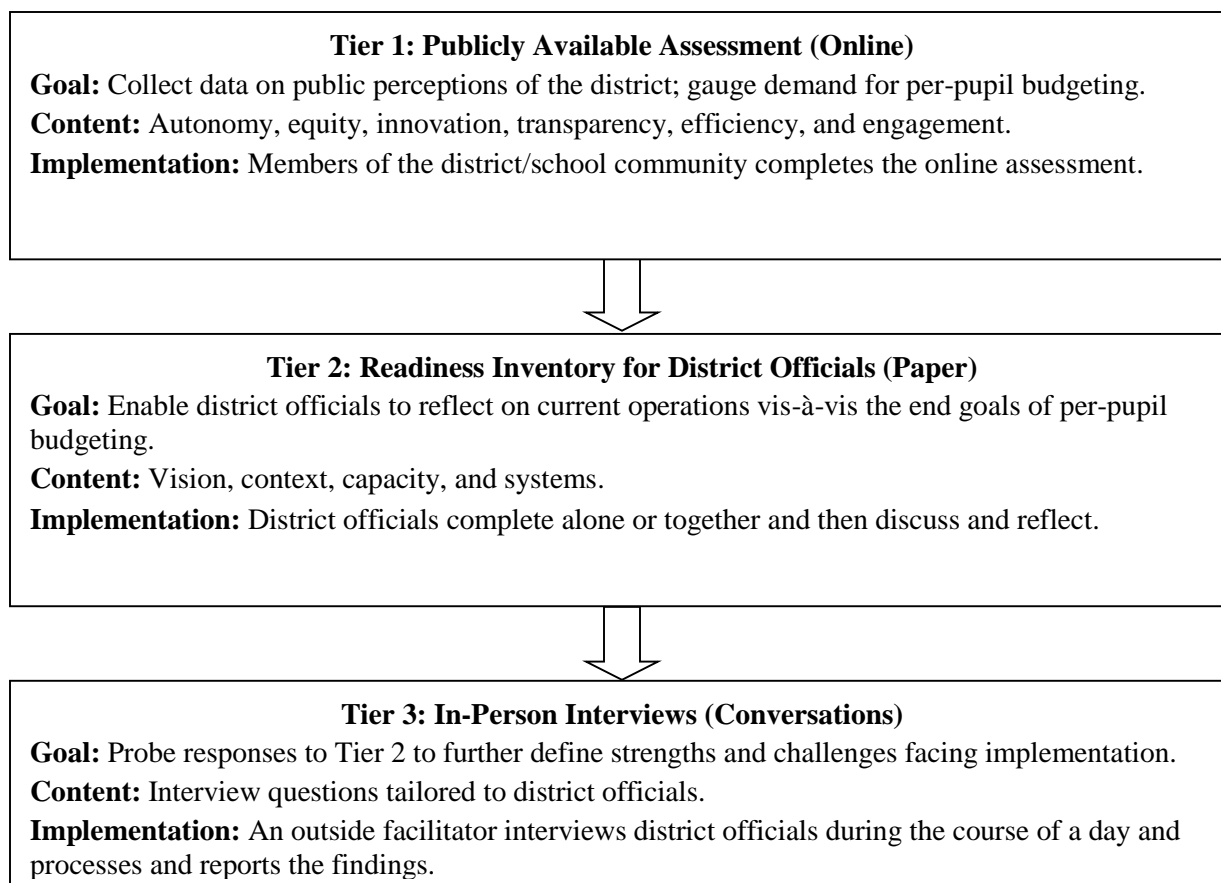
### The Three-Tiered Readiness Approach

A tiered approach to assessing readiness allows districts and outside facilitators to efficiently surface major issues and concerns and probe deeper in areas that will have the highest leverage. By moving from a broad survey which can be made available to all members of a district community to an in-depth targeted series of questions for a wide range of stakeholders, to an interview process tailored to districts based on the qualitative data gathered from the previous two steps, districts can design an initiative that increases the odds of success. Providing early and frequent opportunities for district leaders to hear from various stakeholders helps to build support for various dimensions of the effort through a string of smaller changes or “small wins” that focus on immediate concerns, while building the systems necessary to achieve the long-term vision for the project. For example, in our pilot districts, the two most common complaints were: (1) the site level “budget window” was too short and constrained to construct a meaningful school plan; and (2) School Site Council members were expected to rubber stamp a principal’s budget without an opportunity to understand how categorical and unrestricted dollars could be integrated and aligned to support a school’s priorities for improving student learning and narrowing the achievement gap. Assessing that these were immediate issues that, if solved, would increase stakeholder investment in the SSFR approach, we focused on redesigning the

budget calendar and redesigning how family and community members were engaged in budgeting and planning through the SSC.

Each tier (see Figure 4.1) of the readiness assessment process has a unique goal, content, and implementation method. Each informs the next tier of the assessment. All of these together provide the deep understanding of the context, conditions, organizational competence and culture required to design and implement an effective per-pupil budgeting system.

**Figure 4.1. The Three-Tiered Process**



### **Tier 1: Publicly Available Assessment**

Collecting data requires district leaders to develop online survey instruments that gather information on the attitudes and perspectives of various members of the district or school community on the implementation of per-pupil budgeting. These surveys should be made accessible to the extent possible to all members of the district or school community. Arrangements would obviously have to be made for members of the district or school community who do not have ready access to the internet. It should capture perceptions and gauge the demand for per-pupil funding reform, which is a key piece of information in determining readiness at the district level. We recommend focusing the questions on six key

areas (see Table 4.1) that define the desired effects of per-pupil budgeting on the planning and budgeting process at both the district level and the school level.<sup>6</sup>

**Table 4.1. Per-Pupil Budgeting Approaches**

Approach	Description
1. Transparency	Clear communication and feedback loops exist within schools and districts. School community members understand the planning process.
2. Community Engagement	Community stakeholders have opportunities to participate in the planning process through SSCs or other organizations. The community's assessment of needs and priorities is respected.
3. Autonomy	Principals control some funds at school sites.
4. Innovation <sup>a</sup>	Schools are able to apply funds in creative ways that result in real change.
5. Equity	Resource allocations at the district and school levels are driven by student need and are targeted to raise student achievement for all populations.
6. Efficiency <sup>a</sup>	The planning and budgeting processes are streamlined and efficient.

<sup>a</sup>*Innovation* and *efficiency* are user-friendly terms for *capacity* and *aligned and integrated budgeting and school planning process*, respectively, which are in the theory of action.

Framed in this way, the questions should be designed to be accessible to parents, teachers, principals, and district officials. Ideally, a district would collect as much data as possible to gauge the broader community's perception of district operations. This would provide a useful baseline for the program's demand and important contextual information to consider when conducting community outreach.

## **Tier 2: Readiness Inventory for District Officials**

After a district has collected information from Tier 1, district officials need to engage in an intensive reflection period. To determine how to initiate the change process, district leaders should spend time articulating a vision, building consensus, mapping their system's assets, and identifying structures and processes that need to be developed before sustaining a change. Districts will need to develop a vision and goals plus strategies and tactics.

The Tier 2 readiness inventory should assess: (1) strengths and weaknesses, (2) points of consensus and contention, and (3) knowledge and questions. It will facilitate the first step in developing a district strategy for SSFR implementation: mapping the context. Questions that district officials might address at this stage include the following:

- What strengths can we build on in our district?
- What problems or gaps exist that need to be solved or filled?

<sup>6</sup> Samples of items that might be utilized for surveying various stakeholders such as principal, teachers, and school site councils may be found in the Appendices A through C in our report entitled "*Perspectives of Central Office Staff, Principals, Teachers, and School Site Councils on Resource Allocation and SSFR Implementation in 2010–11*," A report prepared for the Twin Rivers Unified School District on attitudes and perspectives these topics completed for Twin Rivers Unified School District [http://www.schoolfundingforresults.org/TRUSD\\_SSFR%20implementation%20report\\_2010-11\\_FINAL.pdf](http://www.schoolfundingforresults.org/TRUSD_SSFR%20implementation%20report_2010-11_FINAL.pdf).

- What resources (e.g., money, time, tools, talent, and enthusiasm) are available to us?
- What other initiatives are underway in our district, and how does the PBAR tool or other technology tool fit in?

The inventory should be organized around four major readiness areas: vision, context, capacity, and systems. The following details the broad topics each area targets and provides sample questions:<sup>7</sup>

- **Vision.** Addresses the alignment of per-pupil budgeting with the district’s vision and invites a primary stakeholder analysis.
  - What does greater success in our district look like? What would we like to see change in our district?
  - How can our district achieve this success? What role will the district play? What role will individual schools play?
  - How supportive of change are various stakeholders in our district?
- **Context.** Addresses district priorities, reform history, policy, the financial climate, and school board dynamics.
  - What other initiatives and programs are planned or underway in our district?
  - What is our district’s experience with student-based budgeting?
  - Is our school board a stable partner in change initiatives?
- **Capacity.** Addresses district culture and the capacity of central office personnel, principals, teachers, and the community.
  - How receptive and talented are the following actors: central office personnel, principals, and teachers?
  - Is there a clear district policy on school autonomy? If so, what does it achieve?
  - How engaged are parents and other community stakeholders?
  - How much collaboration occurs at and between school sites?
- **Systems.** Addresses site-level planning and budgeting and site- and district-level technology and communications.
  - How do schools in our district develop their budgets?
  - What areas of autonomy—for resource allocation or otherwise—do school sites have?
  - How effective are the technological tools that are used to manage finances and the budgeting process at the school and district levels?

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<sup>7</sup> A more detailed set of questions around some of these topics may also be found in the Twin Rivers Unified Report in the Appendix D entitled “*Perspectives of Central Office Staff, Principals, Teachers, and School Site Councils on Resource Allocation and SSFR Implementation in 2010–11*,” A report prepared for the Twin Rivers Unified School District on attitudes and perspectives these topics completed for Twin Rivers Unified School District [http://www.schoolfundingforresults.org/TRUSD\\_SSFR%20implementation%20report\\_2010-11\\_FINAL.pdf](http://www.schoolfundingforresults.org/TRUSD_SSFR%20implementation%20report_2010-11_FINAL.pdf).

After district officials have answered the questions and provided evidence to support their responses, a roundtable conversation facilitated by the superintendent enables further clarification of the readiness areas. The evidence collected, along with the conclusions drawn and any contentious issues identified, then provide a solid foundation for the next level of the assessment process.

### **Tier 3: In-Person Interviews of District Officials**

For a per-pupil budgeting initiative of this size, a promising practice is to work with an outside facilitator for Tier 3 of the readiness assessment. A facilitator can offer objective opinions and analyses from a point of view distanced from office politics, deep-set beliefs in the definition of a job, years working with the same colleagues, or undiscovered subconscious biases about district operations. Experience with interviews such as these has proven that certain interview strategies are more productive than others.

An outside facilitator can observe and question neutrally. In addition to practicing basic good interviewing strategies, such as opening with an exchange of basic information about roles and responsibilities, developing a protocol to organize the conversation and obtain consistent information across interviewers and interviewees, and recording the interview to maximize listening time, the following strategies are recommended:

- **Look for information that reveals underlying assumptions.** Does the interviewee have a compliance-driven perspective or a service-oriented one? Does the interviewee perceive his or her role to be that of a bureaucrat or a change agent?
- **Look for gaps.** Look for gaps between what an employee is supposed to do according to a job description and what he or she actually does. Those who go above and beyond can become allies and often may create expanded roles for themselves.
- **Look for the key allies in the change initiative.** Who are the well-respected formal or informal leaders in a district office? Who are the “hubs” in the informal network—the people to whom others turn for information and advice? Who is ready to embrace and promote this change? These assets in the central office can help drive the initiative.
- **Look for the key opponents of the change initiative.** Who is outspokenly opposed to per-pupil budgeting and why? How might they affect the reception and longevity of the initiative in the district? What do they need to know or believe to get on board?
- **Look for hidden biases revealed in the answers.** These can range from tacit biases against district leadership to biased beliefs about what equity looks like in a district.
- **Look for change fatigue.** Which members of the central office team are veterans who have seen initiatives come and go and are skeptical that this change is any different from other initiatives? Who will not be invested for this reason?

This list of strategies is by no means comprehensive; it is a handful of examples that can serve as a starting point. Questions structured to reveal this information are bound to be productive.

In summary, these three levels of the readiness assessment provide a multifaceted mirror to district leadership and indicate strategies for implementation that suit a district’s status quo.



## Chapter 5. Conclusion and Summary of Recommendations

Many districts struggle with the challenge of equitably allocating resources across schools improving student outcomes (Chambers et al., 2008; Roza & Hill, 2004). Unfortunately, the policies and the processes surrounding resource allocation and governance in many districts impede the ability of school leaders to make progress toward these goals. Adapting the reforms that encompass the SSFR approach can potentially help districts distribute funds more equitably and create conditions that may lead to improved student outcomes.

This chapter briefly recaps the SSFR implementation strategies recommended in this guidebook. However, there is no one-size-fits-all sequence of actions that makes for a successful SSFR implementation. Each district must develop a thorough understanding of its own needs and challenges and then adapt the strategies recommended in this guidebook to fit its own unique context.

### Central Office

At the central office level, districts should consider adapting one or more of the following strategies:

- **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 identify systemic barriers to per-pupil budgeting and site-level autonomy.
- **Transition to per-pupil budgeting.** Based on a holistic picture of student achievement districtwide 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 the sources of funding and the types of services that 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. 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, plans, and key messages for each workgroup; and revise these items based on feedback as the project progresses.
- **Establish a culture of services to schools.** Central offices must regard school sites as their primary customers and position themselves so that they are able to help schools

solve problems and develop innovative and creative strategies to improve the level and distribution of student outcomes.

- **Develop technology that allocates money from districts to schools based on student need.** To implement a needs-based per-pupil budgeting system, districts must shift from traditional staffing models to a system in which 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 adjust these goals and implementation strategies as necessary.

## Site Level

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 the strategies developed to meet those goals were effective.

## Concluding Remarks

As emphasized throughout this guidebook, a 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, potentially, 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; it must embrace and commit to the challenging work of building capacity, managing change, and engaging the community.

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