
Funding Schools Equitably

Results Based Budgeting in the Oakland Unified School District

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June 9, 2008

Agenda

- Background of Oakland Unified School District (OUSD) and Expect Success
- Funding Allocation Issue
- Oakland Unified's Solution
- Implementation of Results Based Budgeting
- Results
- Challenges and Lessons Learned
- State and Technical Assistance Needed

Overview of OUSD & Expect Success

- Oakland Unified School District Quick Facts:
 - 142 schools (107 regular public schools and 35 charter schools)
 - 44,000 students (including charter students)
 - Student Population
 - 68.4% eligible for the free and reduced lunch program
 - 38% African American
 - 33% Hispanic
 - 16% Asian
 - 7% White
 - 6% Other
- Expect Success
 - District reform strategy launched in 2005
 - \$43.3M budget

Funding Allocation Issue

- Revenue: Instead of allocating revenue, Oakland schools were allocated staff based on enrollment
- Expenses: Costs for employees were allocated using average salaries and benefits



- Equity Issue: “heartland” schools ended up paying for the “hill” schools’ teacher salaries instead of having the additional funding available to support their own programs
- Therefore, new teachers, who most needed a more supportive environment and the mentorship of a stable staff with veteran leadership, were usually left without any additional supports

OUSD's Solution

Overview: RBB is a budgeting process based on a per student formula that accounts for all expenses associated with school operations. Budgets are allocated to and managed by school sites. RBB focuses on four key elements which include: equity, transparency, accountability and autonomy.

Equity

- Revenue is based on enrollment
- Actual expenses are determined at school among principal, staff, and community

Transparency

- Easier to understand budgets for community and parents
- Reflects true cost to operate instructional program for schools

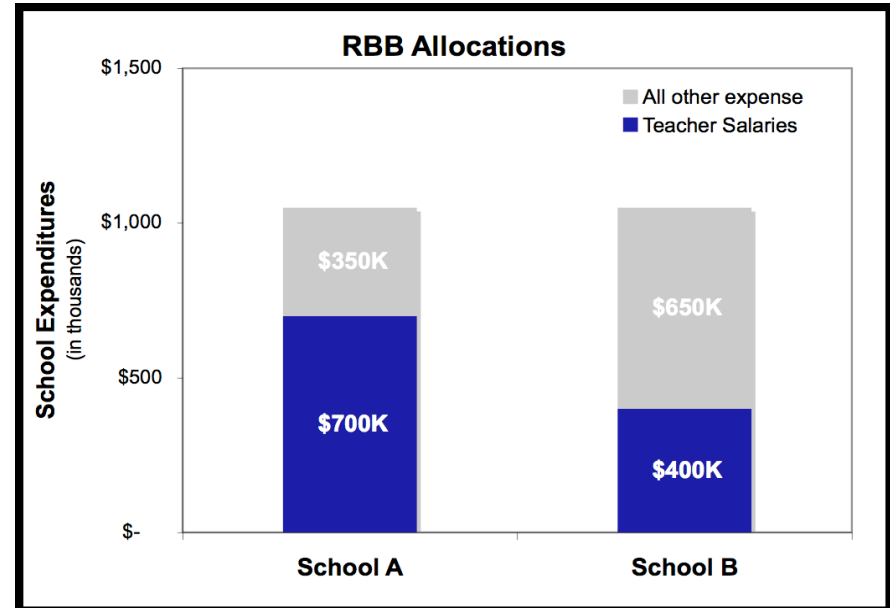
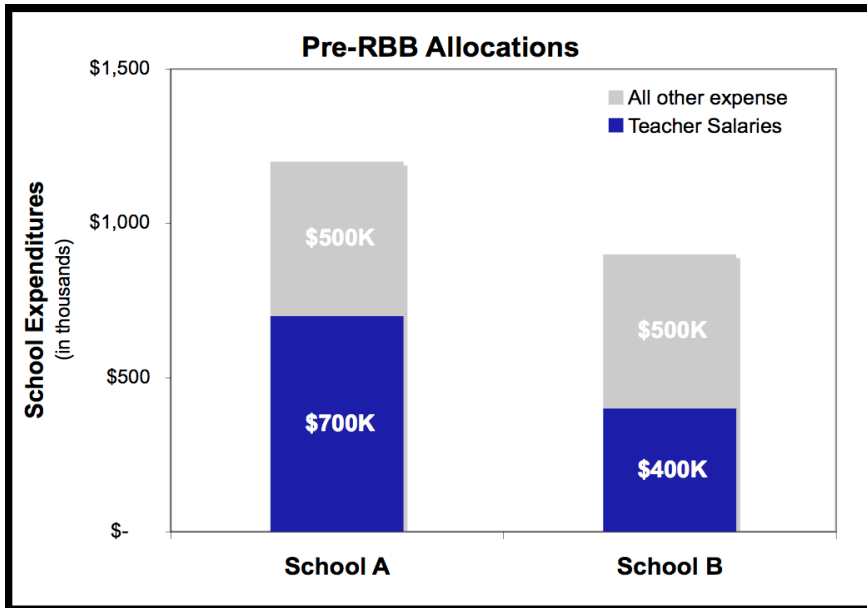
Accountability

- RBB tied directly to school's strategic plans (SPSA)
- School Site Council (SSC) oversight of categorical funds

Autonomy

- Schools have more control over their budgets
- Currently 100% of General Purpose (GP) funds

RBB resolves funding inequities



Note: The views of this presentation and the paper are those of the author and not necessarily those of Oakland Unified School District

Implementation of RBB

- **Phase I of RBB: Change Budgeting Systems**
 - 2002 piloted with 7 small schools
- **Phase II of RBB: District-Wide Implementation and Development of Tools and Support**
 - 2003-04 14 schools
 - 2004-05 Launched district-wide
- **Phase III of RBB: Provide Additional Support and Evaluate Model**
 - 05-06 Launched online tool
 - 06-07 integration with school site planning tool
- **Phase IV of RBB: Analyze Results and Perform Continuous Improvements**
 - American Institutes for Research (AIR) evaluation

Results

- Academic Performance: Most improved large urban school district in California over the last three years
- Equitable Outcomes: Every subgroup of students made gains in 2006-07
- Fiscal Responsibility: We have gone from a negative fund balance of \$59.7 in 2002-03 to a positive fund balance of \$43.2 M in 2006-07
- Operational Improvements: 3 of the 5 areas that were taken over by the State of California have been returned to the Oakland Unified Board of Education

Challenges & Lessons Learned

Moving to a Results Based Budgeting model is not easy, so it is important to learn from other districts that have gone down the path before.

- Over communicate
- Work closely with your labor organizations
- Ensure you have adequate funding to support the transition
- Invest heavily in support tools for principals and finance staff
- Stay the course

State and Technical Assistance Needed

- Require a budgeting model that promotes transparency
- Invest in data systems
- Provide strategic assistance vs. compliance oversight
- Focus on results not inputs