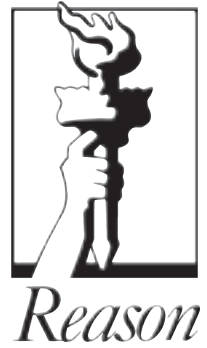2009

Weighted Student Formula Yearbook

by Lisa Snell

Reason Foundation

Reason Foundation

Reason Foundation's mission is to advance a free society by developing, applying and promoting libertarian principles, including individual liberty, free markets and the rule of law. We use journalism and public policy research to influence the frameworks and actions of policymakers, journalists and opinion leaders.

Reason Foundation's nonpartisan public policy research promotes choice, competition and a dynamic market economy as the foundation for human dignity and progress. Reason produces rigorous, peer-reviewed research and directly engages the policy process, seeking strategies that emphasize cooperation, flexibility, local knowledge and results. Through practical and innovative approaches to complex problems, Reason seeks to change the way people think about issues and promote policies that allow and encourage individuals and voluntary institutions to flourish.

Reason Foundation is a tax-exempt research and education organization as defined under IRS code 501(c)(3). Reason Foundation is supported by voluntary contributions from individuals, foundations and corporations. The views are those of the author, not necessarily those of Reason Foundation or its trustees.

Reason Foundation

Weighted Student Formula Yearbook

To download a copy of this publication, go to reason.org/education

Weighted Student Formula Overview

In the United States weighted student formula-like initiatives exist in at least 14 school districts and the state of Hawaii. In addition, several other school districts and states—including Philadelphia, Ohio, New Jersey, Indiana, Louisiana, South Carolina and Delaware—have expressed interest in moving toward a weighted student formula budgeting system.

The weighted student formula is a policy tool and financing mechanism that has the potential to be implemented by governors within the confines of existing state education budgets and economic constraints to create more efficient, transparent and equitable funding. Weighted student formula is a student-driven rather than program-driven budgeting process. It goes by several names including results-based budgeting, student-based budgeting, "backpacking" or fair-student funding. In every case the meaning is the same: dollars rather than staffing positions follow students into schools. In many cases, these resources are weighted based on the individual needs of the student.

To date, the weighted student formula has been implemented as a district-level reform rather than a state-level financing reform. With the exception of Hawaii, which has one centralized school district, no other state has implemented a true weighted student formula budgeting process. Yet, the lessons that can be learned from school-district case studies can be extrapolated to state-level reforms.

Student-based budgeting employs a weighted student formula that helps ensure more funding is allocated to students with more expensive educational needs. Today, in most school districts, individual schools are held accountable for results, but principals have negligible autonomy since decisions about budgeting, expenditures, curriculum and hiring are largely made by district, state and other officials outside individual schools. Since student based-budgeting drives more money to the local level, local schools are held accountable for their academic results. Authority over the use of funds then rests largely with the principals of local schools to attain the results for which they are accountable. Integral to meaningful accountability, then, is (1) empowering principals to act as leaders of their schools over these matters and (2) empowering parents to pick the public schools they believe best meet their children's unique, individual needs.

Student-based budgeting proposes a system of school funding based on five key principles:[1]

1. Funding should follow the child, on a per-student basis, to the public school

that he or she attends.

2. Per-student funding should vary according to the child's need and other relevant circumstances.

3. Funding should arrive at the school as real dollars—not as teaching positions, ratios or staffing norms—that can be spent flexibly, with accountability systems focused more on results and less on inputs, programs or activities.

4. Principles for allocating money to schools should apply to all levels of funding, including federal, state and local dollars.

5. Funding systems should be as simple as possible and made transparent to administrators, teachers, parents and citizens.

In addition to the weighted student formula, a full school empowerment program includes public school choice and principal autonomy. Every school in a district becomes a school of choice and the funding system gives individuals, particularly school administrators, the autonomy to make local decisions. This autonomy is granted based on the contractual obligation that principals will meet state and district standards for student performance. Student-based funding is a system-wide reform that allows parents the right of exit to the best performing schools and gives every school an incentive to change practices to attract and retain families from their communities.

Under the weighted student formula model, schools are allocated funding based on the number of students that enroll at each individual school, with extra per-student dollars for students who need services such as special education, English language learners instruction or

help catching up to grade level. School principals have control over how their school's resources are allocated for salaries, materials, staff development and many other matters that have traditionally been decided at the district level. Accountability measures are implemented to ensure that performance levels at each school site are met. With its emphasis on local control of school funding, most teachers' unions have been reasonably supportive because the weighted student formula devolves autonomy to the school site and places responsibility squarely in the hands of each principal.

In each district the local context has flavored weighted student formula in its own ways. Like most education policy, school districts vary on the extent to which they have implemented school empowerment programs. Each district profiled in this yearbook is rated based on ten benchmarks of a robust school empowerment program. The rationale for each benchmark is described below. The benchmarks were determined based on the author's analyses of the commonalities and best practices within existing weighted student formula programs and the recommendations of other studies of student-based budgeting.[2]

School Empowerment Benchmarks

1. School budgets based on students not staffing

Schools should receive revenue in the same way that the district receives revenue, on a per-pupil basis reflecting the enrollment at a school and the individual characteristics of students at each school. The current staffing model used in most school districts is a very inefficient way to fund schools and creates dramatic inequities between schools. For

example, if under a district staffing model a school receives one administrator for each 300 students, a school with 300 students and a school with 599 students would draw down the equivalent resources for that staffing position. However, if schools receive budgets based on dollars related to per-pupil funding, it gives school principals the money that each student generates and allows principals to more efficiently allocate revenue and staff. This also helps as school enrollments decrease or increase. The staffing model is a very inefficient method to allocate resources as student populations change over time. For example, a staffing model cannot easily reallocate teachers as enrollment changes from one school to another. However, principals can individually assess their staffing needs and allocate staff to fit the enrollment conditions at each individual school.

2. Districts charge schools actual versus average salaries

While sending schools revenue rather than staffing positions increases equity, it does not go far enough. In most districts schools are charged for average teacher salaries rather than actual teacher salaries. This means that a more popular school with more experienced teachers is often subsidized by less popular schools with less senior staff members. In most districts, all teachers are charged based on an average salary of perhaps $52,000. If one school has ten first-year teachers and another school has ten five-year teachers, on paper each school would be charged $520,000. Yet, the resources that each school is receiving based on staffing are vastly different. In essence, schools with newer teachers are subsidizing schools with veteran teachers. If both schools received dollars and were charged actual salaries,

the school with less expensive teachers would have money left over to spend at the discretion of the principal on teacher training, the arts or to hire additional teachers. In this way charging schools for actual teacher salaries increases equity.

3. School choice and open enrollment policies

In order for student-based budgeting to improve outcomes for students, families need to be able to choose between schools. This gives less popular schools an incentive to improve to attract and retain families. School choice also shows district officials which schools hold the most value to customers. While the majority of schools will show improvements once principals control school budgets and public schools begin to compete with one another, if some schools cannot improve they can be merged with higher-performing schools or they can close, and students and resources can be redirected toward higher-performing schools. School choice is an accountability mechanism that reveals which schools are serving students effectively, by giving dissatisfied families the right to exit to a higher-performing school.

4. Principal autonomy over budgets

Principals must be able to make decisions about how to spend resources in terms of staffing and programs. The more "unlocked" dollars a principal controls, the more autonomy that principal has over designing the school to meet the needs of the students in the school. Districts that place the majority of their operating budget, between 70 and 90 percent, into weighted student formula allocations, offer principals more autonomy and more real decision-making power.

5. Principal autonomy over hiring

This means that principals have more control over personnel. When principals can fire and hire staff with fewer constraints from collective bargaining and stipulations like seniority and bumping rights, they can staff their schools in ways that fit their students' needs. Using the weighted student formula, principals can often choose their employees as teaching positions become available. However, principals generally have less autonomy over replacing existing staff for performance issues.

6. School-level management support

A district should offer some kind of formal principal training to help principals learn management best practices. There are several models including principal academies, principal coaches and mentors, district liaisons and networks and extra help from district finance personnel for budget development. Many districts recruit innovative new principals to lead empowerment schools and have retraining programs for current principals. The bottom line is that districts need a mechanism to support principals and help them become entrepreneurial leaders of their schools.

7. Published transparent school-level budgets

Parents and taxpayers should have detailed and transparent budgets at the school level that show school enrollment and staffing trends. These budgets should reveal the amount of resources that are allocated through student-based budgeting and the amount of resources that are spent at the school level but controlled by the central office. In addition, some districts also report detailed weighted information about student populations and the resources that follow these student groups. Finally, some districts also include school-level performance and student achievement data as part of the budget transparency.

8. Published transparent school-level outcomes

Parents and taxpayers should have school-level profiles on a variety of outcomes including overall achievement distinguished by sub-group, value-added achievement gains, achievement gaps, graduation rates, attendance and other school-level outcome measures. This information should be published in easily accessible profiles for every school in the district. These profiles often contain rating systems such as grades or labels that help parents easily identify the status of each individual school.

9. Explicit accountability goals

A district should have explicit performance measures for each school. These performance measures are often described in school-level academic plans and detail a school's specific goals for academic improvement for various groups of students. In addition, many districts have overarching accountability frameworks that set specific district-wide minimums for performance and reward or intervene in schools based on each school's ability to meet district targets. These accountability systems often include performance pay systems and escalating levels of intervention for schools with poor performance.

10. Collective bargaining relief through flat contracts

School districts with weighted student formula programs often have negotiated for more autonomy in union contracts to

minimize work rules that interfere with school-level autonomy. These contract stipulations often waive union rules that detail the length of the school year, instructional minutes and acceptable teacher duties. Some student-based budgeting and school empowerment programs have negotiated new contracts or use "flat" contracts of ten or less pages that allow autonomy for the details of a teacher's job description to be decided at the school level, as long as both the principal and the teacher agree to the working conditions. These flat contracts still offer teachers the district salary schedule, tenure and due process protection. However, these contracts free principals to negotiate individual work rules with their own staff.

The purpose of this yearbook is to profile school districts in the United States that have embraced a decentralized "school empowerment" approach to governing individual schools and adopted a weighted student formula budgeting system. In these innovative schools, dollars follow students into schools, principals and school communities have discretion over resources at the school level and districts embrace open enrollment and let parents choose between schools within the district.

This yearbook profiles 14 school districts and the state of Hawaii and details how each district has implemented weighted-student formula financing systems. This yearbook utilizes primarily district-level documents including district budgets, policy manuals and Web site descriptions of school financing systems in addition to some supporting studies and newspaper accounts. To the extent possible, it describes the current status of these school empowerment policies and budgeting practices. The

yearbook attempts to capture how these policies are currently portrayed in school district reports and public information. It is meant to be a starting point for policymakers interested in learning how weighted student formula works in practice in the United States.

The districts in this yearbook each met between six and ten of the school empowerment benchmarks. New York City and Hartford met all ten and Boston, Chicago, Denver and Houston score nine out of ten benchmarks. Every district has specific strengths. Some newer programs such as Baltimore rank only seven out of ten because they have not developed every component. Yet, Baltimore has been one of the most aggressive districts in cutting central office spending and offering schools discretion over the majority of the district's operating budget. Similarly, Oakland met only eight out of ten benchmarks but has created more school-level equity by charging schools the actual dollar value of their teachers.

On the other hand, Chicago, Belmont and Boston, score high in terms of the benchmarks because the pilot schools have strong individual autonomy. However, the overall pilot programs are small and include just a few schools in each district. Therefore, it is critical to examine the merits of each individual program for its unique school empowerment strengths.

The yearbook concludes with a list of best practices based on the aggregated experience of all the districts. Finally, this yearbook extrapolates from the district case studies to state-level policy recommendations and examines ways in which state-level policies might drive more school districts to empower local schools and adopt weighted student formula budgeting practices.

Endnotes

1. These principles are described in *Fund the Child: Tackling Inequity & Antiquity in School Finance*, Thomas B. Fordham Institute, June 2006, http://www.edexcellence.net/fundthechild/Manifesto%20Report.pdf

2. See William G. Ouchi, *Making Schools Work, A Revolutionary Plan to Get Your Children the Education They Need* (Simon & Schuster, 2003);*Fund the Child: Tackling Inequity & Antiquity in School Finance*, Thomas B. Fordham Institute, June 2006, http://www.edexcellence.net/fundthechild/Manifesto%20Report.pdf; Jay Chambers et al., *A Comparitive Study of Student-Based Budgeting and School-Based Decision Making in San Francisco and Oakland Unified School Districts*, American Institutes for Research, October 2008, http://www.air.org/news/documents/A%20Tale%20of%20Two%20Districts_Final.pdf; Larisa Shambaugh, Jay G. Chambers, and Danielle DeLancey, "Implementation of the Weighted Student Formula Policy in San Francisco: A Descriptive Study of an Equity-Driven, Student-based Planning and Budgeting Policy," American Institutes for Research, August, 2008. http://www.air.org/news/documents/REL_2008061.pdf.

Baltimore Public Schools

Program Name:	Fair Student Funding
Implemented:	2008-2009 School Year
Program Type:	District-Wide
Legal Authorization:	School Board Policy

Baltimore School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	no
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	no
Baltimore met 7 out of 10 school empowerment benchmarks.		

I. Program Overview

Baltimore City Public Schools has approximately 200 schools with 82,565 students. The student characteristics include 88.4 percent African-American, 7.7 percent White, 2.8 percent Hispanic and 15.3 percent special education; 68.3 percent of students qualify for the free or reduced lunch program.

Andres Alonso became the CEO of Baltimore City Public Schools in the summer of 2007. His governing motto is that "every school should be a school I want to send my kids to." In order to make every school higher quality he has moved quickly to decentralize school finances, empower school principals and offer parents more school choice and higher quality schools. Alonso was able to quickly move toward decentralization because of a unique clause in his contract with the school board which allowed him to be held accountable in exchange for autonomy. The contract states explicitly that individual board members agree not to direct Alonso or anyone on his staff "regarding the management of [the school system] or the solution of specific problems." They agree to refer all complaints to him.[1]

Less than one year after Alonso became the Baltimore city CEO, in April of 2008, the Board of School Commissioners approved the Baltimore City Public School System's decentralization plan called Fair Student Funding on a vote of nine to seven. The Fair Student Funding Plan shifted resources and discretion over those resources from City Schools' central office to its 202 schools and programs. Under the Fair Student Funding Plan schools receive more resources and more flexibility over those resources so that decisions about students can be made by school leaders rather than the central office. This shift in resources reconfigured the central office administration so that it became leaner and more supportive of schools.[2]

Baltimore's Fair Student Funding Plan is based on the following assumptions:

- Create a system of great schools led by great principals who have, with the authority, resources and responsibility to teach all students well.

- Engage those closest to the students in making key decisions that impact the students.

- Empower schools and then hold them accountable for results.

- Ensure fair and transparent funding that schools can count on annually.

- Size the district appropriately–schools and central office–to address the realities of revenues and expenditures.

- Allow dollars to follow each student.

- Put the resources in the schools.

- Ensure that students with the same characteristics get the same level of resources.

- Develop an equitable, simple and transparent approach to help schools get better results for students.

In 2008 Baltimore City Schools faced a $76.9 million budget shortfall. In response, the Fair Student Funding Plan identified $165 million in cuts from the central office to cover the funding shortfall and redistributed approximately $88 million in central office funds to the schools. Schools have dramatic new flexibility over these new resources. Schools can use this new flexibility to redesign their programs

according to their needs and identify the positions they require within their budget.

The Fair Student Funding Plan makes explicit the two types of funding available to school leaders. Budget funds are distinguished as "locked" and "unlocked" dollars. "Locked" dollars are positions or resources tied to compliance and specialized programs that are kept as a central office function. On the other hand, "unlocked" dollars are funds previously controlled by the central office that were devolved to schools for site-based management. The goal of Andres Alonso has been to move as many resources as possible into the unlocked designation.

The money follows the students into schools based on each student's individual characteristics. Under fair student funding, principals have discretion over at least $5,000 per student as a base funding level, up from about $90 in 2007-2008 school year. Schools also receive $2,200 for each student who is struggling academically and $2,200 for each student qualifying as gifted, plus $900 for every low-income student in high school as a drop-out prevention weight. On average, schools will receive more than $9,000 per student, with some of that money designated for specific purposes.

Baltimore schools chief Alonso believes that the weights should be based on academic—not financial—need. Unlike most districts that weight poverty based on the number of children that qualify for the free lunch program, Baltimore weights both basic and advanced academic achievement. Alonso argues that funding should be determined based on students' academic performance at the time they enroll in a school. Alonso argues that if funding is based on the number of students who

continue to struggle over time, then schools have a financial incentive for children to continue to perform poorly.[3] Therefore, Baltimore gives additional weights to below-average and above-average students.

Principals are expected to gather community input as they use their discretionary spending power to design budgets that meet students' needs. They will control class size, textbook purchasing and whether to keep positions from assistant principals to hall monitors. If they want an art class or an after-school program, they must rearrange their budgets to make it happen.

Like most districts that are moving to a student-centered budgeting system, the schools are held harmless for some of their losses. The "hold harmless" cap phases in the impact on schools that may have been over- or under-funded in years past and allows for funding to be normalized over a period of years. For the first few years, the amount of money a school can gain will be limited to 10 percent of its budget and the amount it could lose will be limited to 15 percent. In the 2008-2009 school year 125 of the system's 190 schools gained money, with an average increase of $493,570. Twenty-one schools that had received disproportionately higher levels of funding in the past lost money, with an average decrease of $76,822.

The Fair Student Funding Plan creates more transparent budgets. The BCPS now publishes detailed school-level and central office budgets that are easy for parents and the public to understand. For example, the 2010 budget proposal details every central office expense and whether it was devolved to schools, cut altogether or remains as part of the central office budget. For example,

parents can see a central office operations cut that reduces taxi cab usage from 400 to 150 students and saves the central office $2 million, while still providing all 400 students curbside service to their homes with district bus services. In addition, parents can examine every school-level budget and determine whether enrollment is growing or shrinking at individual schools, because the amount of per-pupil dollars that students are generating is clear and linked to enrollment and not staffing.

The proposed 2009-2010 budget continues to redirect more resources to the schools. To close its budget gap and safeguard funding for schools to the fullest extent possible, BCPS recommends eliminating 179 central office positions in FY 2010. Of these, 88 are currently vacant. The employees in the remaining 91 posts would be eligible to fill instructional and administrative vacancies elsewhere in the system. The employees retain their current rates of pay, but they fill positions at the school level or administrative level that would have to be filled with new hires.

Alonso describes the basic assumptions that drive the 2010 BCPS budgeting process:[4]

- There is a finite amount of money.

- Resources in schools will continue to be safeguarded.

- Research and data will continue to guide decisions at the system and school level.

- Those closest to students will continue to make key decisions about programs, partners, supports and staffing.

- Funding to schools and students should be fair and transparent.

- It is about the students.

- The response to a changing budget picture follows the above principles.

The 2010 budget also includes a large-scale reorganization plan, which would close, merge, expand or move about three dozen schools.[5] Low-performing schools that no one wants to attend will be shut or merged with higher-performing and more popular schools. In a March 11, 2009 interview with the *Baltimore Sun*, Alonso said, "we do not want to have a school system where kids are settling for a third, fourth choice."[6]

In addition, the FY 2010 budget proposes partially "unlocking" or making more flexible the spending of special education funds to increase schools' budgetary control. Principals would gain flexibility over approximately $76 million in special education funds. In the past, the central office has determined how many special education teachers to assign to a given school. Now, it would distribute money for teachers based on the number of hours of services that students with disabilities require and principals would decide how to spend it.

In less than two years, the Baltimore school financing model has changed from being funded according to a staffing model to being based on a per-pupil model—fair student funding. The basic principle is that those closest to schools should make key decisions about programs, partners, supports and staffing, and that funding to all schools should be fair and transparent.

By the 2010 school year Alonso will have cut 489 jobs from the central office, re-directing 80 percent of the district's operating budget to schools.

II. Student-Based Budgeting Formula

Under fair student funding money follows the child. Decisions about how to spend that money rest with school communities—those who know best what students need to achieve and succeed. And under fair student funding, all schools receive a per-pupil amount based on student enrollment, which is then weighted according to students' academic needs.

Academic need (basic) is calculated based on students' academic scores on entry to the school. For elementary schools, kindergarten readiness exams are used as the entry score. For FY10, the scores from the most recent cohort are used to represent the need of all students in the school. For schools with students in the middle and high school grades, prior year Maryland State Assessment scores are used to represent student academic need. For fiscal year 2010 the district recommends a basic weight of $2,200 per student. This approach shifts roughly $47M to students qualifying for academic need basic (ANB) weight (in FY 09 was $55M). Since performance outcomes went up, numbers of students who qualify for ANB went down.
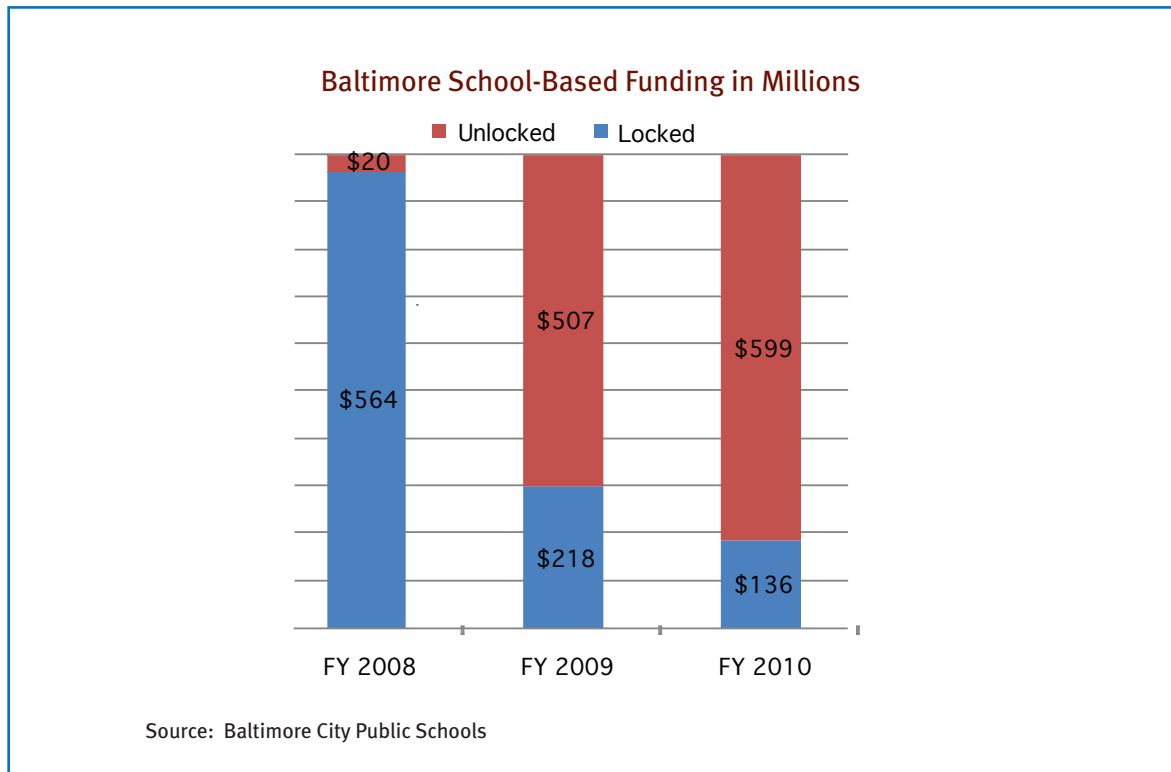
Academic need (advanced) is represented by the percentage of students scoring advanced on state tests. For elementary schools, advanced need is calculated based on the percentage of students scoring at the advanced level on both math and ELA tests in grade 1. For schools with students in middle school grades, advanced need is calculated based on the percentage of students scoring at advanced in either math or ELA tests in grade 5. For schools with students in high school grades, advanced need is calculated based on the percentage of students scoring at advanced level in either math or ELA tests in grade 8. For fiscal year 2010 the district recommended a $2200 weight, shifting $24M from base per pupil for students who qualify for academic need advanced (ANA) weight (in FY 09 was $22M). Again, performance outcomes increased and so additional students qualified for ANA.

The basic and advanced weights demonstrate how Alonso is incentivizing academic achievement. In 2010 a smaller amount of unlocked dollars were allocated toward the basic (lower-performing) weight and a larger amount of unlocked dollars were shifted to the advanced weight. It is a positive outcome when the amount of money going to lower scoring students is shrinking and the amount of revenue going to higher performing students is growing—based on higher overall achievement. Alonso plans to try and stop a trend of students performing above grade level when they are young, only to lose that advantage as they age. More than 800 city first-graders in 2008 scored above grade level on standardized tests, compared with 83 seventh-graders. Alonso said that "extraordinary potential is turning into wasted potential. It is a tragedy that those numbers decline so drastically over time. Students don't go from gifted to needing remediation over time because of their contribution. ... It is the school system's failure."[7]

In addition, the basic and advanced weights for high schools receive a $900 drop-out prevention weight for every student that qualifies for the free or reduced lunch program.

In the proposed 2010 budget a

Baltimore School-Based Funding in Millions

■ Unlocked   ■ Locked

FY 2008: $20 / $564
FY 2009: $507 / $218
FY 2010: $599 / $136

Source: Baltimore City Public Schools

significant amount of special education dollars will be directed to individual schools. Among the funds the central office retained control over in 2008 were special education dollars, largely because of the many and complex spending requirements that accompany them. For next year, City Schools proposes giving discretion over a large portion of these dollars to schools, allowing school communities more leeway in structuring their special education services.

In FY 2010, City Schools proposes partially "unlocking" special education dollars, giving schools flexibility over $76 million. This money accounts for the bulk of the increase in control schools would have over their budgets in FY 2010 (81 percent vs. 70 percent last year), giving them more flexibility to meet the unique needs of the students with disabilities that they serve.

Most of this money (some $64 million) would go toward allowing schools to develop models for educating students with disabilities in inclusive settings. The newly unlocked funds would also allow schools to develop their own plans for implementing the Individual Education Plan (IEP) process for students with disabilities and adjust their class size and funding practices to more equitably meet the needs of elementary, middle and high school students with disabilities.

III. Autonomy

Principals have more control over resources under Baltimore's Fair Student Funding Plan. In FY 2009, the first year of fair student funding, schools went from controlling 3 percent of their budgets to 70 percent. Baltimore City Schools recommends that schools have even more discretion over their General Fund dollars in FY 2010, despite the absence of any significant growth

Fair Student Funding Allocation Rules 2008-2009	
How Schools' Budgets Were Calculated	
Base funding for all students except self-contained special education pupils	$3,940 per pupil
Base funding for self-contained special education pupils	$1,282 per self-contained special education pupil (not including devolved $)
Dollars devolved from central office	$1,000 per pupil
Drop-out prevention weight	$900 per high school student eligible for free or reduced-price lunch
Gifted weights	
Elementary Schools	$2,200 per gifted pupil, defined as students scoring advanced on BOTH reading & math grade 1 Stanford 10 tests, extrapolated to school population
Middle Schools	$2,200 per gifted pupil, defined as students scoring advanced on AT LEAST ONE reading or math MSA test; incoming 6th grade scores from prior year extrapolated to school population
High Schools	$2,200 per gifted pupil, defined as students scoring advanced on AT LEAST ONE reading or math MSA test; incoming 9th grade scores from prior year extrapolated to school population
K-8	Treat the K-5 grades as ES and the 6-8 grades as MS
Low-performance weights	
Elementary Schools	$2,200 per low-performing pupil, defined as % scoring "not ready" on the K-Readiness Test
Middle Schools	$2,200 per low-performing pupil, defined as % scoring basic on both tests
High Schools	$2,200 per low-performing pupil, defined as % scoring basic on both tests
K-8	Treat the K-5 grades as ES and the 6-8 grades as MS
Hold harmless caps	
Loss cap	Losses capped at 15% of the current year budget, as adjusted for enrollment, for year 1
Gain gap	Gains capped at 10% of the current year budget, adjusted for enrollment, for year 1
Locked dollars	Unique to each school (principals, vocational/ESOL/JROTC teachers, etc)
Special revenue	Special education and grant dollars allocated out per school given guidelines

Source: Baltimore City Public Schools

in revenue. This next year, City Schools recommends allowing schools to decide how to spend $599 million in General Funds, an increase of approximately $92 million over last year. Schools would go from controlling 70 percent of their budgets to 81 percent in FY 2010.

In Baltimore school principals' autonomy is still bound by negotiated labor agreements. Andres Alonso has stated that as teacher contracts come up for renewal he will work to negotiate to allow principals to have more control over the hiring process and to move toward charging schools actual salaries rather than average district salaries to further provide equal funding between schools with similar students. When schools are charged average salaries, the schools with more veteran teachers are subsidized by schools with less experienced teachers.

Charging schools the actual cost of their employees helps make spending at the school level more transparent to parents and the community.

IV. School-Level Management Support

In order to support principals in their budget decision-making process, teams of central office staff and private sector volunteers (independent school representatives, retired principals, charter operators, colleges and universities) will work with school leaders between March 30 and May 1 to develop school-level budgets. Principals also have access to a high-quality technology budget program that continues to increase functionality based on input from the first FSF in 2009. In addition, there is a helpline established at the central office to field any questions from principals and school communities from March 25–May 1, 2009 about the budgeting process.

Principals also share information about the budget with parent and community members and the school community and provide opportunities for parent and community input on the school's budget priorities. The principal remains responsible for determining what is included in the budget that is submitted to the CEO.

In addition, in 2010 the central office is restructuring the way it provides support to principals and schools. As schools assume more responsibility under fair student funding, the administrative role of City Schools' central office is becoming more targeted to focus on three key functions: guiding schools, supporting schools and holding schools accountable for student achievement. The central office would improve support to schools by creating

"school networks" in FY 2010. Under this plan, 14 networks would each serve up to 15 schools and each would be composed of four people—two in the area of academics, one in special education and student supports and one in operations such as finance, facilities, etc. The networks would assume and improve the school "support" or liaison functions now performed by the central office. They would spend most of their time in schools offering one-stop shopping solutions, keeping them from having to navigate the central office's myriad departments. School needs that could not be addressed directly by the networks would get funneled through them to the appropriate central office department.

Because they are essentially a deployment of existing resources to better support schools, the networks are expected to be cost neutral. To measure and ensure the quality of this school support, school principals would evaluate the networks and provide these evaluations to City Schools' leadership.

V. School Site Councils

Baltimore parents gained formal input into school governance under a revised policy approved in February 2009 by the city school board.[8] The 2009 parent and community engagement policy requires that each school have an organized parent group, such as a PTA, that meets at least four times a year with at least 10 active members. In addition, it requires the creation of a School Family Council that will serve as a school's governing body.[9] The council must include at least three elected parents and two community representatives who will advise the principal on the school's budget priorities. The parent and community

representatives will also give direct feedback to Alonso on the principal's yearly budget proposal. Each school must hold at least one public meeting annually to update parents on student achievement, financial information and efforts to engage the community.

VI. School Choice Component

The BCPS is currently transitioning to a more choice-based school enrollment process. The district offers school choice fairs and an open enrollment application process for the middle and high school level in Baltimore. The district offers detailed school choice guides that describe each school and program in detail. Students can apply directly to schools of interest and over-subscribed schools hold lotteries to determine student enrollment. In Baltimore, the elementary school level is still based on a residential assignment process. However, parents can apply for school transfers.

Baltimore is also continuing to build its capacity of new choice-based schools. BCPS has a school choice office called the Office of New Initiatives whose mission is to transform Baltimore City public schools through the creation of innovative, high quality schools, promoting school choice opportunities for students and families. This office oversees the application process and start up of all new Baltimore City public schools–charter, contract and transformation schools. Baltimore has schools of choice with varying levels of autonomy. There are 30 charter schools in the city and 15 more transformation schools, 10 more innovation schools and a few New Schools Initiative schools:

- New Schools Initiative Schools are independent, small schools developed by

independent operators. They maintain a level of autonomy in curriculum selection. Students gain admission through a public lottery.

- Transformation Schools serve grades 6 through 12 and each has a specific theme. For school year 2009-10, there will be 13 Transformation Schools.

- Charter Schools are publicly funded and open to all students with no admission, testing or screening. Students are admitted through a public lottery for enrollment and the schools maintain waiting lists.

.

VII. Accountability

As part of the school district restructuring efforts in 2010 a new accountability office would be in charge of developing a data-driven method to better evaluate schools. Currently schools are held accountable for student performance through school-level profiles that report detailed demographic and achievement data showing annual yearly progress on federal goals under No Child Left Behind as well as overall student achievement on the Maryland School Assessment, disaggregated by grade level and sub-group. The profiles also report school-level suspensions and school enrollment trends.

VIII. Performance Outcomes

While it is still too early to attribute success to the Fair Student Funding Plan, and several trends have been improving in recent years. On several key measures Baltimore schools appear to be moving in a positive direction.

- Baltimore's Maryland School Assessment scores increased in 2008. Every grade scored higher in both reading and math in 2007-08 than in 2006-07. More importantly, the district saw huge jumps in the number of students scoring proficient or advanced in both subjects.[10]

- District enrollment increased. For the first time in decades, city schools posted a modest rise in enrollment. State officials had predicted the schools would lose about 3,000 students this year; instead, the system saw a net gain of about 800 students, much of it attributable to fewer dropouts between the ninth and 10th grades and to more parents enrolling their children in prekindergarten programs. If the trend continues, it could signal the first time since 1969 that Baltimore's public schools were a growth enterprise.

- High schools lowered the dropout rate. For the last five years, City Schools has lost some 3,000 students between the ninth and 10th grades, approximately one-third of every freshman class. In 2007, for example, only 5,871 of 8,918 high school freshmen returned as sophomores—a loss of more than 3,000 students. This year, by contrast, 2,115 freshmen failed to return as sophomores. That's still nearly a quarter of the class, but it's also about 900 more students than last year that educators managed to keep in school. Cutting dropouts by nearly a third represents undeniable progress.

- In 2007-2008, 82 of City Schools' 152 public elementary and middle schools made AYP, compared to 65 of 153 schools last year—a 26 percent increase.

The number of high schools making AYP has nearly doubled in the last year, from 11 in 2006-07 to 21 in 2007-08. For the first time ever, the majority of high schools met the federal standard. This year, Carver Vocational High School exited "school improvement." Four other schools will exit "school improvement" status if they make AYP again next year.

- The high school graduation rate is on the rise. At 62.6 percent for 2007-08, it is the highest it has been since the state started reporting this rate in 1996.

- The number of successful attempts to pass the high school assessment tests in 2008 was up 2,348 over 2007.

IX. Lessons Learned

1. Be as transparent as possible about the process of school decentralization. Baltimore schools CEO Alfred Alonso and the school board of commissioners made a commitment to transparency and making all of the documents and decisions surrounding the switch to a decentralized system available to the community through the district Web site and community engagement. Every decision is documented in detail and available to the public.

2. Include information on the school choice process in parent handbooks about charter school options. Public charter schools are a legitimate option for students choosing for middle and high school. Most school districts with open enrollment are not as transparent about charter school options.

Baltimore City Public Schools: Maryland School Assessment Reading
2004-2008

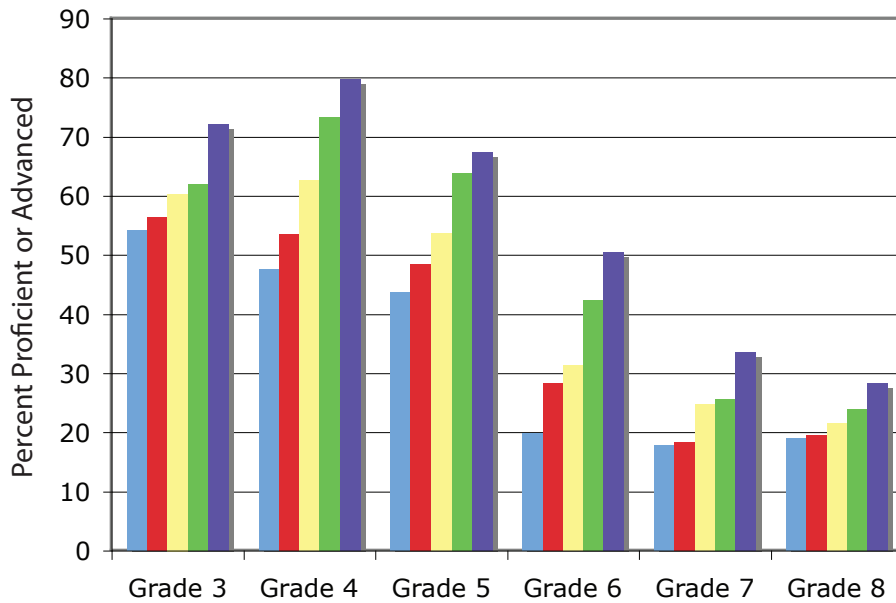■ 2004 ■ 2005 ■ 2006 ■ 2007 ■ 2008

Source: Baltimore City Public Schools, 2008

Baltimore City Public Schools: Maryland School Assessment Math
2004-2008

■ 2004 ■ 2005 ■ 2006 ■ 2007 ■ 2008

Source: Baltimore City Public Schools, 2008

3. Incentivize academic achievement and connect the weights to academic performance rather than poverty, as Baltimore has. Low scoring students and high scoring students generate additional revenue rather than low-income students.

4. Close or merge low-performing schools in a timely fashion and let students enroll in more successful schools.

5. Size the central office to direct more money to the schools. Over the last two years, CEO Alonso has made significant cuts to the central office staffing model and freed up 80 percent of the operational budget to go to schools where principals have discretion over budget decisions.

Resources

Board Briefing: Student Weights, Baltimore City Public Schools, March 24, 2009, http://www.baltimorecityschools.org/news/PDF/BoardBriefingStudentWeights.pdf

Fair Student Funding: Promoting Equity and Achievement in Baltimore City Public Schools, Baltimore City Public Schools, http://www.bcps.k12.md.us/News/PDF/councilofgreatschools.pdf.

Proposed FY 2010 Operating Budget: Building a System of Great Schools; A Companion Guide for Parents, Baltimore City Public Schools, http://www.bcps.k12.md.us/news/pdf/FY2010BudgetCompanion.pdf

The BCPS Fair Student Funding Plan and FY 2009 Budget Guide to Supporting Documents, Baltimore City Public Schools, April 21, 2008, http://www.baltimorecityschools.

org/School_Board/Budget/PDF/FSF042108GuideSupportingDocs.pdf

To view individual school-level budgets under Fair Student Funding go here for FY 2008-2009. http://www.bcps.k12.md.us/News/BudgetAdjustFSF.asp

Contact Information

Mike Pitroff
Chief Financial Officer
Baltimore City Public Schools
200 East North Avenue, Room 403B
Baltimore, MD 21202
410-396-8745

Endnotes

1. Sara Neufeld, "`Beginning of the Alonso Era'; Just Weeks into the Job, the City Schools' CEO is Changing How Business is Done With a Distinguishing Hands-on Style," *The Baltimore Sun*, Pg. 1A, July 16, 2007.

2. Sara Neufeld, "School Board Passes Budget; Funding Overhaul Empowers Principals," *The Baltimore Sun*, Pg. 2B, April 16, 2008.

3. Sara Neufeld, "Schools Facing Difficult Decisions; Funding Overhaul Raises Questions On Distribution," *The Baltimore Sun*, Pg. 1B, March 20, 2008.

4. *Proposed FY 2010 Operating Budget: Building a System of Great Schools; A Companion Guide for Parents*, Baltimore City Public Schools, http://www.bcps.k12.md.us/news/pdf/FY2010BudgetCompanion.pdf.

5. Sara Neufeld, "Alonso Presses School Shake Up," *The Baltimore Sun*, Pg. 1A,

March 11, 2009.

6. Ibid.

7. Ibid.

8. Sara Neufeld, "City Parents to Have More Input on How Schools Run," *The Baltimore Sun*, Pg. 4A, February 11, 2009.

9. For more information see the BCPS family engagement policy here, http://www.bcps.k12.md.us/News/PDF/familyengagementpolicyrevisions.pdf

10. Some of the increase may have been attributed to a shorter test that had the same degree of difficulty. See Liz Bowie, "MSA Changes may have Raised Scores," *Baltimore Sun*, July 18, 2008. For a complete analysis of test score increases see: Spring 2008 MSA Results, Preliminary Analysis, Baltimore City Public Schools, http://www.baltimorecityschools.org/News/PDF/MSAAnalysis08.pdf.

11. "A Growth Enterprise; Our View: A Small Rise in Enrollment Offers Hope for Baltimore's Troubled School System and Some Evidence that Efforts to Keep Kids in School are Having Results," *The Baltimore Sun*, Pg, 28A, November 13, 2008.

Belmont Pilot Schools Network, Los Angeles Unified School District

Program Name:	Belmont Pilot Schools Network
Implemented:	Phased in beginning 2007-2008 School Year
Program Type:	Pilot Program
Legal Authorization:	Los Angeles Unified School District Board Policy, Memorandum Of Understanding with United Teachers Los Angeles.

Belmont Zone of Choice School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	yes
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	no
8.	Published transparent school-level outcomes	no
9.	Explicit accountability goals	yes
10.	Collective bargaining relief-flat contracts, etc.	yes
Belmont Zone of Choice met 8 out of 10 school empowerment benchmarks.		

I. Program Overview

The Belmont Zone of Choice is modeled after the Boston Pilot Schools Network. In the Los Angeles Unified School District the innovative partnership was initiated by teachers and community members with strong support from the Center for Collaborative Education (CCE) in Boston, UTLA and the Belmont Education Collaborative, a group of more than 40 local organizations.[1]

The plan calls for a network of pilot schools patterned after the Boston Pilot Schools, a group of 20 innovative schools within the Boston Public School (BPS) system. In the pilot school model, schools have autonomy in five significant areas: staffing, budget, curriculum and assessment, governance and scheduling. The Boston Pilot Schools are outperforming the Boston district average across most indicators of student performance and engagement.[2] Pilot schools demonstrate higher achievement by students at all grade levels on the Massachusetts state-wide standardized assessment, higher college-enrollment rates and higher attendance rates.

In 2007 in Los Angeles the first two pilot schools opened—Civitas School of Leadership and the Los Angeles High School of the Arts. In 2008, three more pilot schools opened their doors in Belmont Zone of Choice—The School for Visual Arts and Humanities, The Academic Leadership Community and The Los Angeles Teacher Preparation Academy. A total of ten pilot schools are expected in Los Angeles by the year 2012.

These pilot schools represent a fundamentally different approach to transforming urban public education:

provide schools with maximum control over their resources in exchange for increased accountability, all within the economies of scale of an urban school district. In Los Angeles, by virtue of a unique memorandum of understanding between LAUSD, UTLA, AALA and the Belmont Educational Collaborative, pilot schools have charter-like control over budget, staffing, curriculum, governance and schedule.[3] Both the district and the unions agree to allow approved pilot schools to be free from constraints in order to be more innovative. To this end, they are exempt from district policies and mandates. Their teachers are exempt from teacher union contract work rules, while still receiving union salary, benefits and accrual of seniority within the district. Teachers voluntarily choose to work at pilot schools; when hired, they sign what is called an "elect-to-work agreement," which stipulates the work conditions in the school for the coming school year. This agreement is revisited and revised annually.

II. Student-Based Budgeting Formula

Pilot schools receive a lump-sum per-pupil budget, the sum of which is equal to other LAUSD schools within that grade span. A lump-sum per-pupil budget allows the school to decide the best programs and services to provide to students and their families.[4] The total funds dispersed to a school will be based on the number of students enrolled. In addition, pilot schools receive a start-up supplement to help with the expenses of opening a new school. In calculating their budgets, pilot schools will budget the actual salaries of faculty that they hire. Most other schools in Los Angeles Unified are charged for their staff based on

district-wide averages instead of the actual cost of their employees.

Pilot schools will also receive access to central discretionary services and have the ability to select the services or instead receive the per-pupil amount for the service added to their lump-sum budget. As well, they will have access to any special initiative funds and programs, as long as they adhere to the requirements that are attached to the initiative.

Administrators, teachers, guidance counselors, substitutes and all other employees at pilot schools who fall under the jurisdiction of the UTLA or AALA and their respective contracts will be members of the appropriate UTLA or AALA bargaining unit. These employees will accrue seniority in the system and will receive, at a minimum, the salary and benefits established in the UTLA or AALA contract. UTLA and AALA employees in pilot schools will be required to perform and work in accordance with the terms of the individual pilot school proposal and annual election-to-work agreement. Pilot school governing bodies may make changes to their election-to-work agreements during the school year.

Employees will work in pilot schools on a voluntary basis and may remove themselves at the end of the school year. No UTLA or AALA member may be laid off by LAUSD as a result of the existence of pilot schools. The Los Angeles Unified School District retains the right to close a pilot school at any time if malfeasance, fiscal irregularities or violation of the district's nepotism policy is proven to have taken place.

III. Autonomy

Pilot schools have the autonomy to select and replace their staff in order to create a unified school community.[5] Teachers also play a significant role in staff hiring. Principals can decide on the staffing pattern that creates the best learning environment for students and can hire staff who best fit the needs of the school, regardless of their current status (members of the district or not, although every teacher hired must be properly credentialed and becomes a member of the UTLA bargaining unit). The principal may reassign teaching staff (into the district pool) who do not fulfill the needs of the school. Pilot schools

---

Autonomy from the Los Angeles Unified School District

- Waived from district mandates
- A lump-sum, per-pupil budget
- A start-up budget
- Professional development support
- Facilities
- Human resources services
- Discretionary services per request and purchase

Autonomy from the United Teachers Los Angeles (UTLA) and Associated Administrators of Los Angeles (AALA)

- Continued tenure for teachers and administrators within the district
- Waived from historical union agreements

---

provide due process to all staff and are responsible for corrective action.

Pilot schools are free from central office curriculum requirements. They can choose what content to cover and how to cover it. They can structure their own A-G curriculum (California college requirements) and assessment practices, as long as they are equal to or better than the district's level of rigor, to best meet students' learning needs. While held accountable to state and district required tests, these schools are given the flexibility to best determine how to prepare students for state and district assessments. In addition, promotion and graduation requirements are set by the school, not by the district, although they must be commensurate or greater in rigor to the district requirements. Pilot schools also have the autonomy to set longer school days and calendar years for both students and faculty in accordance with their principles or school reform models as permitted by their budget.

IV. School-Level Management Support

In the case of the Belmont Pilot Schools Network, the primary school-level management support capacity building comes from the community-based organizations and the Center for Collaborative Education that has established best practices for pilot schools in Boston.[6] These organizations provide extensive training and ongoing support including:

- Planning assistance
- Ongoing leadership/teacher coaching and professional development
- Research and data to assist in decision-making and instruction
- Aspiring principal credentialing program
- Development of pilot schools leadership and teacher networks
- Advocacy
- Other school-based assistance, as needed

V. School Site Councils

Pilot schools have the freedom to create their own governance structure due to increased decision-making powers over budget approval, principal selection and programs and policies, while being mindful of state requirements on school councils.[7] The school's Governing School Council takes on increased governing responsibilities, including the following: principal selection, supervision and evaluation with final approval by the local district superintendent in all cases; setting of school policies; and budget approval. The schools are free from district policies and set their own policies that the school community feels will best help students be successful. This includes protocols in such areas as promotion, graduation, discipline and attendance as long as they are in alignment with state and federal laws.

The pilot model empowers both teachers and the community. Fundamental to the pilot concept is that those who live and work within the school community should decide how a school operates each and every day. Pilot governing boards include representation from administrators, faculty, parents, students and community representatives (i.e. community-based organizations, institutions of higher education and members of the business community). In this way, all school members have a substantial decision-making voice. Pilot schools' governing boards have increased authority over traditional

school councils. They not only set the school's vision, programs and professional development agenda, but also hire and annually evaluate the principal (with the local district superintendent having final authority), determine the annual elect-to-work terms for UTLA members and approve the annual budget.

VI. School Choice Component

The Belmont Zone of Choice is part of a Local District 4 (a sub-district of Los Angeles Unified) neighborhood controlled choice plan. As of the 2009-2010 school year students in the geographic area for Belmont High School, Miguel Contreras Learning Complex, Edward Roybal Learning Complex and Central LA High School #9 can select between 19 small learning communities, high-tech high schools and pilot schools.[8] The Belmont Zone of Choice has created a school brochure highlighting the choices and will conduct several informative meetings and school fairs throughout the spring of 2009.

VII. Accountability

All pilot schools participate in an accountability process that has three components, the first two of which are based on a set of benchmarks that articulate the criteria for a high-performing pilot school:[9]

1. Half-Day or One-Day Walk-Through

In the spring of 2008 and thereafter in every year in which there is not a school quality review scheduled, a walk-through will be conducted in order to provide the school with an assessment of its progress.

A team of internal and external members will sit in on classrooms, observe teachers and conduct focus groups with teachers and students. Feedback will be provided by the team at the conclusion of the walk-through.

2. School Quality Review

All schools are required to engage in a "school quality review" (SQR) after the first three years of operation (school self-study in the spring of the third year and external review in the fall of the fourth year) and then every five years thereafter. This review involves all school community members in conducting a self-study process, which entails collecting evidence in the form of a school portfolio, to document progress toward attaining the pilot schools' benchmarks. Once completed, an external team conducts a comprehensive three-day school visit. The external team submits a final report to the school including findings and recommendations and then, along with a response letter from the school, to the local district.

3. Pilot School Steering Committee for Review

Based on this review and other considerations, the general superintendent may renew the school's pilot status for an additional five years.

4. Data Monitoring

The progress of every pilot school will be tracked longitudinally on, at minimum, the following indicators: attendance, suspensions, transfers, grade retentions, graduation, college-enrollment rates and CST/CAHSEE exams. With autonomy, flexibility over resources and small size, it is LAUSD's expectation that every pilot school will exceed the district school averages on these indicators.

Belmont Pilot School Case Study: Los Angeles High School for the Arts

Los Angeles High School for the Arts (LAHSA) became a pilot school in September of 2007.[10] Previously LAHSA operated as a small learning community within Belmont High School. The pilot school model enables a district school generally no larger than 400 students to have autonomy from certain district policies (curriculum, assessment, budgeting, staffing, calendar/scheduling)—while adhering to state educational code—in order to tailor its educational program to the needs of the students. Pilot schools are often formed around a mission and theme; LAHSA focuses its curriculum around the performing and technical theater arts.

LAHSA infuses the arts into the curriculum in a number of ways. For example, at LAHSA every ninth grader takes a yearlong theater appreciation course that explores the different forms and types of performance in cultures around the world. The students use beginning voice, movement and acting skills to explore and practice the content they cover. In this model of interdisciplinary curriculum, the units covered in students' ninth grade English and geography courses share the cultural and geographic areas covered in their theater appreciation courses. The ninth grade teams of teachers collaborate, plan and implement thematic units. A similar model is used in the 10th grade. All 10th graders take "Theater Workshop" where they learn the basic principles of stagecraft and are introduced to set, sound, lighting and costume design. Twice a semester the 10th graders form "production crews" to develop a design plan and budget for the plays they are reading in their 10th grade English course—plays that connect in thematic units to the studies in their world history course. Additionally, the math and science faculty have begun to use elements of performance, design and technology from

stage productions to demonstrate and have students participate in real-life applications of the academic content. LAHSA 11th and 12th graders take theater history alongside their U.S. History and English classes and some elect to take Advanced Acting and dance classes as well. Besides participating in productions, a number of LAHSA students have worked with community theater organizations.

While only awarded pilot school status for a little over a year, LAHSA students display the same high achievement that Boston Pilot Schools have proven possible. The average attendance rate for LAHSA in 2007-2008 hovered around 94 percent, often more than a 10 percent lead over the local comprehensive high school with which it shares a campus. In terms of passing the exit exam, 73 percent of LAHSA 10th graders passed the High School Exit Exam on their first attempt, compared to 37 percent at the local comprehensive Belmont High School and the overall 69 percent of LAUSD. Finally, 66 percent of LAHSA students took at least one AP test compared to 20 percent at Belmont comprehensive and 26 percent overall in LAUSD.[11]

In addition, LAHSA does not "cherry-pick" its students: On average, LAHSA incoming ninth graders scored lower on their eighth grade English and Math California Standards tests than did the students entering Belmont comprehensive. On average, LAHSA has higher percentages than Belmont comprehensive in the following "at-risk" categories: Latino students, students who qualify for free or reduced lunches, limited English proficient students, parents without a high school diploma and special education students. LAHSA is a solid example of how pilot school status allows principals the autonomy to better control resources to fit the individual needs of the students and the mission of the school.

Percentage of LAHSA 10th grade students who passed the California High School Exit Exam 2008			
CA	LAHSA	LAUSD	Belmont
78%	73%	69%	37%

Source: Los Angeles High School of the Arts, http://www.lahsa.net/

VIII. Performance Outcomes

The performance data is not yet available on the first few pilot schools. Full implementation of the pilot schools will be complete in 2009 and more data about individual schools will be available.

IX. Lessons Learned

1. The most important lesson from the Belmont Pilot schools is that, through community engagement, local schools can negotiate with unions for more flexibility and thus obtain superior results. The Belmont pilot schools demonstrate the benefit of a flat contract where teachers are free to negotiate with individual schools. In the Belmont pilot district the principal has discretion over staffing choices and can choose staff from within or outside of the school district. This also provides an example of a cooperative agreement with the teachers union through collaboration.

2. The Belmont Pilot Network also demonstrates that it is possible to develop school empowerment programs from the bottom up. This was a true community-driven demand for higher quality schools involving multiple stakeholders in a negotiating a process that has led to a robust program of local autonomy over school decision-making from resources to staffing.

Resources

Belmont Pilot Schools Network, Request for Proposals for the Establishment of Two Small Autonomous K-12 Pilot Schools at Central L.A. Learning Center #1 (Ambassador Hotel Site), For School-Year 2009-2010, May 2008. http://www.lausd.net/District_4/documents/AmbassadorRFP.pdf

Los Angeles Unified School District, Local District 4, Belmont Zone of Choice, http://www.lausd.net/District_4/BelmontZone.htm.

Los Ositos/Bruin Community School, K-12 Belmont Pilot School Proposal, August 31, 2007. http://bruincommunityschool.gseis.ucla.edu/BCS_Pilot_Schools_files/BCS%20pilot%20school%20proposal-8-31-07.pdf. This is a comprehensive description of UCLA's pilot school partnership.

Jeremy Nesoff, "The Belmont Zone of Choice: Community-Driven Action for School Change," Coalition of Essential Schools, Horace, Winter 2007, Vol. 23 No. 4, http://www.essentialschools.org/cs/resources/view/ces_res/421. This describes in great detail the community collaboration and grassroots efforts between multiple organizations.

Contact Information

Edmundo Rodriguez,
Director of the Belmont Pilot Schools Network
(213) 207-2290 or edmundo.rodriguez@lausd.net http://www.lausd.net/District_4/News.htm
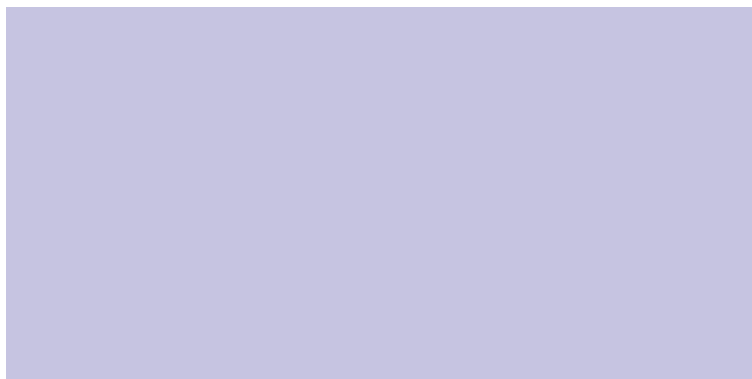
Endnotes

1. Jeremy Nesoff, "The Belmont Zone of Choice: Community-Driven Action for School Change," Coalition of Essential Schools, *Horace*, Winter 2007, Vol. 23 No. 4, http://www.essentialschools. org/cs/resources/view/ces_res/421. This describes in great detail the community collaboration and grassroots efforts between multiple organizations.

2. Kathleen Kennedy Manzo, "Boston's Small Pilot Schools Found to Outperform Others," *Education Week,* January 25, 2006; "Students in Boston's Pilot Schools Outpacing Others," *Education Week*, November 14, 2007.

3. Memorandum of Understanding Between Los Angeles Unified School District and United Teachers Los Angeles, Belmont Pilot Schools Agreement, February 22, 2007, http://soe.lmu.edu/Assets/ Colleges+$!2b+Schools/SOE/SOE+-+FOS/ Belmont+Zone+of+Choice+Agreement. pdf.

4. Belmont Pilot Schools Network, Request for Proposals for the Establishment of Two Small Autonomous K-12 Pilot Schools at Central L.A. Learning Center #1 (Ambasador Hotel Site), For School-Year 2009-2010, May 2008. http:// www.lausd.net/District_4/documents/ AmbassadorRFP.pdf

5. Ibid.

6. Belmont Pilot Schools Network, Request for Proposals.

7. Belmont Pilot Schools Network, Request for Proposals.7.   School enrollment information at Los Angeles Unified School District, Local District 4, Belmont Zone of Choice, http://www. lausd.net/District_4/BelmontZone.htm.

8. Belmont Pilot Schools Network, Request for Proposals

9. The case study is derived from a rebuttal of an *LA Weekly* article by LAHSA teachers in October 2008. Darren Schroeder, "Los Angeles High School of the Arts Faculty Responds to *LA Weekly*," LA Stage Blog, October 30, 2008, http://www.lastageblog. com/2008/10/30/los-angeles-high-school-of-the-arts-faculty-responds-to-la-weekly/#more-723.

10 Ibid.

Boston Pilot Schools

Program Name:	Boston Pilot School Program
Implemented:	1995-1996 School Year
Program-Type:	Pilot Program
Legal Authorization:	School Board Policy and Boston Teachers Union Agreement

Legal Authorization: School Board Policy and Boston Teachers Union Agreement		
School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	yes
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	no
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	yes
Boston pilot schools met 9 out of 10 school empowerment benchmarks.		

I. Program Overview

Out of 144 Boston public schools, 21 schools participate in the Boston pilot program. In the 2007-2008 school year, 6,627 students were enrolled in pilot schools out of a total Boston public schools enrollment of 56,190, meaning 11.8 percent of students in 2007-2008 attended pilot schools.

The Boston pilot schools are the result of a unique partnership launched in 1994 among Mayor Thomas M. Menino, the Boston School Committee, the superintendent and the Boston Teachers Union (BTU). The pilot schools were explicitly created to be models of educational innovation and to serve as research and development sites for effective urban public schools. The current collective bargaining agreement with the BTU allows for the creation of up to seven additional pilot schools. In 2009-2010, Boston public schools will open seven new pilot schools including a school run by the Boston Teachers Union.

The pilot schools are a network of public schools that have autonomy over budget, staffing, governance, curriculum/assessment and the school calendar. This flexibility in organization, funding and staffing allows schools to best meet students' needs, while operating within the economy of scale of a large urban public school district.

Each partner has agreed to allow approved pilot schools to be free from constraints in order to promote innovation. Pilot schools are exempt from district policies and mandates. Teachers who work in pilot schools are exempt from teacher union contract work rules, while still receiving union salary, benefits and accrual of seniority within the district. Teachers voluntarily choose to work at pilot schools; when hired, they sign what is called an "election-to-work agreement," which stipulates the work conditions for the school for the coming school year. This agreement is revisited and revised annually with teacher input.

Pilot schools can be created in two ways: through an application to start a new school or through the conversion of an existing public school, if a minimum of two-thirds of the faculty votes to acquire pilot status. In both cases, proposals must be approved by a joint district-and-teachers'-union steering committee and then by the Boston School Committee.

II. Student-Based Budgeting Funding Formula

Pilot schools operate on lump-sum, per-pupil budgets, which are equivalent to other district schools with equivalent grade spans and include salaries, instructional materials, consultants, etc. This form of budgeting allows for greater flexibility in determining how and where to spend resources. A lump–sum, per-pupil budget allows the school to decide the best programs and services to provide to students and their families. The total funds dispersed to a school will be based on the number of students enrolled. In calculating their budgets, pilot schools will budget the actual salaries of faculty that they hire. Employees retain their seniority and the district's pay scale delineates the minimum for each teacher's pay.

III. Autonomy

In a January 2009 study of the performance of pilot schools in comparison to district schools and charter schools, the Boston Foundation describes pilot schools as "a middle-ground between traditional public schools and Charter Schools, preserving some of the protections of collective bargaining and local district supervision, while still allowing considerable autonomy on budgets, staffing and curriculum."

The schools have autonomy in:

- Staffing—Pilot schools have the authority to select their own staff, though pilot teachers can be bumped by more senior district employees during layoffs.

- Budget—Schools receive a per-pupil amount as a lump sum and have discretion in spending it.

- Curriculum—Pilot schools are not required to follow the district's curriculum and can set their own graduation requirements.

- Governance—School councils have authority over principal selection, supervision and firing, subject to the superintendent's approval.

- Calendar—Principals can set longer school days and years, in an effort to allow students more learning time and to give teachers more time for planning and training.

IV. School-Level Management Support

The Center for Collaborative Education, a non-profit education organization, provides the pilot schools with coordination support and assistance, including coaching services, professional development, advocacy and research and evaluation. In addition, the Center for Collaborative Education provides a network of like-minded schools where pilot schools meet together to collaborate in such areas as teacher-sharing conferences, leadership retreats, committees on fiscal autonomy and special education and study groups on race and achievement.

V. School Site Councils

Pilot schools' governing boards have increased authority over traditional school councils. The governing boards set the school's vision, hire and annually evaluate the principal (with the superintendent having final authority), determine the annual election-to-work terms for BTU members and approve the annual budget. Pilot school governing boards consist of the principal, faculty (at least four) and parent representatives, community members (higher education, business and community agencies) and for high schools, students. Faculty, parent and student representatives are elected by their peers, while community members are selected by the overall governing board.

VI. School Choice Component

In general, pilot schools do not enroll students based on background or academic success. They operate under the Boston Public School Controlled Choice Plan (meaning they give the most weight to students who are within walking distance and who have a sibling at the school).

In elementary and middle schools

students can be guaranteed admission if they live within a certain distance of the school. As long as a school's enrollment is not filled by these guaranteed students, elementary and middle schools are subject to lotteries as part of the Boston public school choice system. However, at the high school level only two of the pilot schools admit via lottery. Another one admits only students who are over age for high school (for instance, over the age of 16 when entering ninth grade). The remaining five pilot high schools admit selectively, requiring students to submit an application or, in the case of a school dedicated to the performing arts, audition. These applications and auditions are not supposed to include prior academic performance.

VII. Accountability

In exchange for greater autonomy, pilot schools are held to higher levels of accountability. For example, in addition to ongoing assessment, every five years each school undergoes a "school quality review" (SQR) process based on common benchmarks of high-performing schools. The SQR process includes input from the schools, external evaluators, Boston Public School District and the Boston Teachers Union (BTU). There are five main steps in the pilot schools' accountability system:

- Each school conducts a "school self-study" and creates a school portfolio.
- External practitioners conduct a three-day SQR and report with commendations, concerns and recommendations.
- Schools outline in writing the steps the school will take to address the SQR
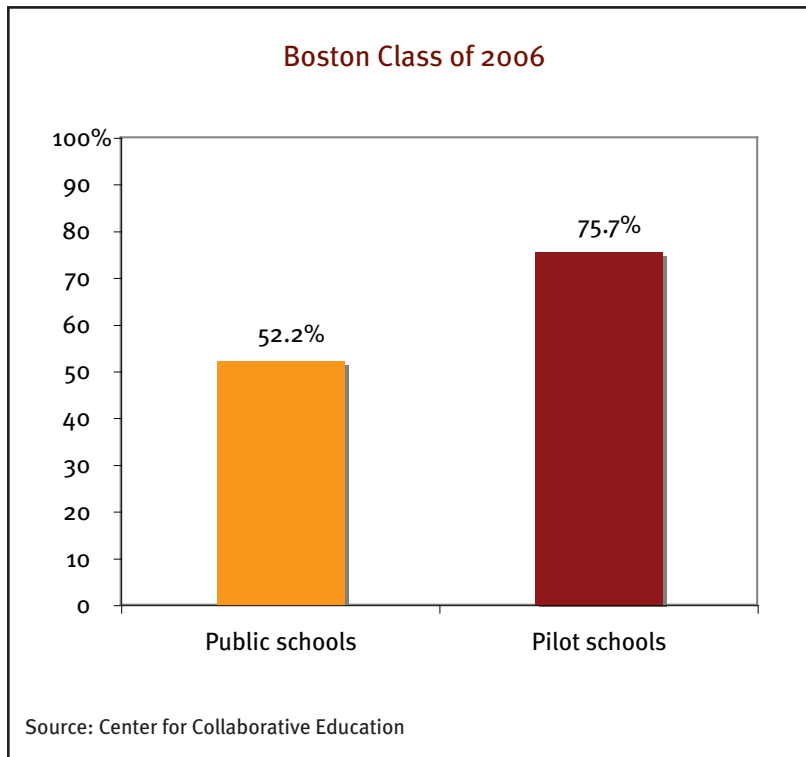
report recommendations.
- The SQR report and the school response are submitted to the joint Boston Public School District/Boston Teachers Union Steering Committee for review and feedback.
- Schools implement an action plan based on the SQR report, the school's response and recommendation from the steering committee.

In addition, the district publishes a yearly profile of every school in the district with student achievement trends.

VIII. Performance Outcomes

Studies from the Center for Collaborative Education have found that pilot schools are outperforming district averages on every student-engagement and performance indicator.[1] Pilot schools at the elementary, middle and high school levels have higher attendance and lower transfer, suspension and dropout rates than the district average. On the Massachusetts Comprehensive Assessment System tests, these schools surpass the district averages at every grade level in both English and math and at both the passing and advanced/proficient levels. A significantly greater percentage of high school graduates are enrolled in higher education one year after graduation.

A 2009 study by the Boston Foundation that more carefully controlled for student characteristics found that charter schools are outperforming both pilot schools and traditional schools.[2] However, students in elementary and high school pilot schools outperform district schools, but middle school pilot students score slightly lower

Boston Class of 2006

Source: Center for Collaborative Education

than middle school students in traditional district schools.

IX. Lessons Learned

1. The most important lesson from the Boston pilot schools is that school boards can negotiate with unions for more flexibility and thus obtain superior results for students. The Boston pilot schools demonstrate the benefit of a flat contract where teachers are free to negotiate with individual schools.

2. The Boston pilot schools also demonstrate the benefit of a third-party nonprofit group that is willing to support a network of independent pilot schools. The Center for Collaborative Education plays a crucial role in providing professional development and information-sharing between pilot schools in Boston, in some ways serving the same role as charter school associations often provide for networks of charter schools within specific regional organizations.

Resources

Description of Boston Pilot Schools Network, Center for Collaborative Education, March 2006, http://www.ccebos.org/.

Informing the Debate: Comparing Boston's Charter, Pilot and Traditional Schools, The Boston Foundation, January 2009, http://www.tbf.org/uploadedFiles/tbforg/Utility_Navigation/Multimedia_Library/Reports/InformingTheDebate_Final.pdf.

Progress and Promise: Results from the Boston Pilot Schools, Center for Collaborative Education, January 2006, http://www.ccebos.org/Progress_and_Promise.pdf.

Strong Results, High Demand: A Four-Year Study of Boston's Pilot High Schools, Center for Collaborative Education, November 2007, http://www.ccebos.org/Pilot_School_Study_11.07.pdf.

The Essential Guide To Pilot Schools, Center for Collaborative Education, September 2006, http://www.ccebos.org/Pilot_Guide_Overview.pdf.

Contact Information

Janet Palmer-Owens
Academic Superintendent
26 Court St.
7th Floor
Boston, MA 02108

Endnotes

1. *Progress and Promise: Results from the Boston Pilot Schools*, Center for Collaborative Education, January 2006, http://www.ccebos.org/Progress_and_Promise.pdf; *Strong Results, High Demand: A Four-Year Study of Boston's Pilot High Schools*, Center for Collaborative Education, November 2007, http://www.ccebos.org/Pilot_School_Study_11.07.pdf.

2. *Informing the Debate: Comparing Boston's Charter, Pilot and Traditional Schools*, The Boston Foundation, January 2009, http://www.tbf.org/uploadedFiles/tbforg/Utility_Navigation/Multimedia_Library/Reports/InformingTheDebate_Final.pdf.

Chicago Public Schools—Renaissance 2010 Schools

Program Name:	Student-Based Budgeting
Implemented:	2005-2006 School Year
Program Type:	Pilot Program
Legal Authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	yes
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	no
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	yes
Chicago's Renaissance schools met 9 out of 10 school empowerment benchmarks.		

I. Program Overview

Chicago's, "Renaissance 2010" (Ren10) was developed to transform Chicago public school education by launching 100 innovative new schools in the city's most underserved communities by 2010. Unveiled in June 2004 by Mayor Richard M. Daley, Chicago Public Schools CEO Arne Duncan and Chicago business and philanthropic leaders, the goal of Ren10 is to provide all families—regardless of their socio-economic standing—with options for a high-quality public education. Under Ren10 new public schools have been started by universities, corporations, foundations, philanthropic citizens, private schools and teachers. The approach is the opposite of the traditional one-size-fits-all view of education. Ren10 schools are independent, giving operators the flexibility they need to respond to students' education needs. In exchange for this autonomy, they are held to a high degree of accountability. By 2010, Renaissance schools, including new schools and pre-existing charter schools, will total 107 schools serving 53,679 students at capacity, equating to 13 percent of the Chicago public school market.[1]

These Renaissance schools' basic principle is "autonomy in exchange for accountability," as accomplished through three qualities:

■ Every new school is held accountable to a 5-year performance plan or agreement.

■ Every school's achievement is measured by a standard set of metrics, beyond test scores.

■ Schools enjoy freedom over curriculum, length of school day and school year and budget.

Schools opened under this initiative use a new funding formula that also gives them more control over their money, setting the stage for more transparency and equity in how funds are allocated to schools throughout the district. Renaissance schools are piloting the approach, which allots a basic amount of money per child and then supplements those funds with additional money for each child with special circumstances, such as coming from a low-income family or needing special education or bilingual services.

II Student-Based Budgeting Formula

The Chicago Public School District provides each school with operational resources that are equal to the average operational funding provided to all Chicago public schools, on a per-pupil basis. The district differentiates funding according to grade levels served, unique student populations or educational programs. All charter schools, contract schools and performance schools receive their funding on a per-pupil basis.

In addition, each Renaissance school receives its proportional share of state and federal categorical funds, subject to applicable grant requirements and obligations. Each Renaissance school also receives capital support, either through the provision of a district-owned or leased facility or through supplemental payments or assistance. The school board also provides adequate start-up resources prior to each school opening and a small schools supplement of $300 per pupil.

III. Autonomy

Renaissance schools have complete control over school budgets in exchange for higher accountability. They receive their funding in the same way that charter schools receive funding, as a pass-through from the district. They also have autonomy over a wide range of educational and operational issues from hiring decisions to the length of the school day, scheduling and school design. Some of the differences between Renaissance schools and traditional schools include:[2]

■ Renaissance elementary school students receive an average of 43 percent more instruction time in core academic areas.

■ A student attending Renaissance schools from K–12th grade will receive an average of 5.3 years more instruction in core subject areas.

■ Renaissance teachers receive an average of 70 percent more professional development hours per month than the traditional school average.

■ Student-to-teacher ratio is 23 percent lower in elementary schools and 9 percent lower in high schools.

■ Renaissance high schools have an average attendance rate of 90 percent compared to the Chicago public school average for traditional high schools of 83 percent.

■ Renaissance schools are in high demand and have received 1.4 applications for every available seat.

IV. School-Level Management Support

The school district provides a school support team that is responsible for supporting the educational and operational success of all new charter, contract, performance and professional development schools. The primary focus of school support is to ensure that new schools have access to the information and resources necessary to meet student achievement goals. The school support team is led by the director of school support, who oversees a team of six school support coordinators and acts as senior liaison to all Renaissance 2010 schools. Coordinators serve as liaisons between the school and the district by advocating on behalf of the school as well as the students and families served by the school. The school support team works in conjunction with the Office of New Schools departments—Accountability, Business Services, External Relations & Special Projects, Planning & Development and Recruitment—as well as district departments in supporting each school's unique needs.

V. School Site Councils

Contract schools have an advisory body composed of parents, community members and staff. Performance schools are governed by an Appointed Local School Council ("ALSC") composed of parents, community members and staff. Finally, charter schools have independent non-profit boards that set policy and approve budget decisions for the charter school.

VI. School Choice Component

Each Renaissance school defines a community area around the school and grants an enrollment preference to students who reside in that community. Renaissance schools are also allowed to enroll students residing outside that community if space exists and to be chosen by a random lottery if demand exceeds space.

VII. Accountability

Renaissance 2010 schools receive more freedom than traditional public schools in return for high levels of accountability. The Chicago Public Schools District outlines and manages the accountability system for new schools by developing performance plans/agreements, formally evaluating their performance and compliance against these plans and regularly reporting on schools' performance on a variety of indicators. The accountability plans share the following common metrics:

1. Test scores—composite and gains

2. Attendance

3. Graduation rates

Performance evaluation of the schools occurs through periodic evaluations that include informal reviews, an annual charter school performance report, mid-charter evaluations and renewal evaluations. In addition, the Office of New Schools ensures that all schools are appropriately authorized by the Chicago Board of Education and the Illinois State Board of Education. Renaissance 2010 schools will be given a five-year term of existence. If a school meets its goals, the school will be renewed. If the goals of the agreement are not met, the school could be closed or ordered changed by the school board.

IX. Performance Outcomes

Charter schools, which make up the majority of Renaissance schools, continued to show higher student performance than traditional district schools.[3] During the 2007-2008 school year, charter schools served 22,700 students district-wide and more minority students. Sixty-four percent of charter school students were African-American, 30 percent were Latino, 3 percent were Caucasian, 1 percent were Asian and 2 percent were of another race. In comparison, 46.5 percent of non-charter school students were African-American, 39 percent were Latino, 8 percent were Caucasian, 3 percent were Asian and 3 percent were multi-racial or of another race. In 2008, 91 percent of charter elementary schools had a higher percentage of students meeting or exceeding state standards on the 2008 Illinois state composite test than their comparison neighborhood schools. Eighty-eight percent of charter high schools had a higher percentage of students meeting or exceeding state standards on the 2008 high school composite than their comparison neighborhood schools.

In addition, the first cohort of Renaissance schools from 2005, including charter and non-charter Renaissance schools, showed larger annual gains on the state test than the average gains for all district schools. The Renaissance schools gained 6.5 percent in 2006-2007 compared with 2.3 percent gains for the Chicago Public School District as a whole.

X. Lessons Learned

1. Chicago demonstrates that charter schools can become part of a student-based budgeting system when they are invited to participate and given school support from the district. The key is that the charter school "lump-sum" financing must become the basis for funding all schools in the district. Therefore, the new district schools that are funded under a per-pupil basis have 100 percent control over their budgets like charter school principals.

2. Chicago demonstrates that pilot schools can be held accountable by signing five-year contracts that outline explicit accountability goals and that these schools can have their contracts renewed based on the actual performance of their students.

Resources

Creating a New Market of Public Education, The Renaissance Schools Fund 2008 Progress Report, http://www.rsfchicago.org/rsf_2008_report/RSF_2008_Report_pgs.pdf.

Establish Renaissance Schools, Chicago Public Schools Policy Manual, June 27, 2007, http://policy.cps.k12.il.us/documents/302.7.pdf.

Contact Information

Renaissance 2010
125 South Clark Street
5th Floor
Chicago, Illinois 60603
Phone: (773) 553-1530
Fax: (773) 553-1559

Endnotes

1. *Creating a New Market of Public Education, The Renaissance Schools Fund 2008 Progress Report*, http://www.rsfchicago.org/rsf_2008_report/RSF_2008_Report_pgs.pdf.

2. Ibid.

3. *Charter Schools Performance Report 2007-2008*, Chicago Public Schools, http://www.ren2010.cps.k12.il.us/docs/ONS%20perf%20report%202-25_FINAL.pdf.

Cincinnati Public Schools

Program Name:	Student-Based Budgeting
Implemented:	1999-2000 School Year
Program Type:	District-Wide
Legal Authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	no
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	no
Cincinnati met 7 out of 10 school empowerment benchmarks.		

I. Program Overview

Cincinnati public schools serve about 34,790 students in preschool through 12th grade. Student demographics in the Cincinnati public schools include 71 percent African-American, 23 percent White, 4 percent multi-racial and 1.5 percent Hispanic. In Cincinnati 66 percent of students are qualified for the free or reduced price lunch program and less than 3 percent are English language learners.

Cincinnati public schools are among only a few school districts nationwide to pioneer the use of student-based budgeting. After three years of discussion and development, student-based budgeting—a new way of distributing resources—took effect in the 1999-2000 school year.[1]

Unlike the previous centrally controlled allocation system that resulted in wide swings in funding levels from school to school, dollars follow the student under student-based budgeting. A key premise of student-based budgeting is that all students with the same level of need receive the same level of funding within school categories. Money to schools follows the students—meaning a school's budget is tied to its enrollment in each student category—and schools determine how allotted money is spent.

The bottom line is greater equity for students and schools. By equalizing the per-pupil funding amounts within major student categories, the district took an important step toward closing the equity gap that existed among schools.

The primary focus is improving student achievement to help all students meet or exceed standards. The district is now funding the student, not the school, so that every student with the same educational need receives the same dollars, even if that student moves to another school. Before student-based budgeting, the district funded staff that were deployed to schools to teach.

Besides being a fairer system of funding schools, student-based budgeting is designed to motivate schools to keep current students and attract additional ones. Enrollment is measured three times a year, with budgets adjusted accordingly. Revenue is adjusted for decreases as well as increases in enrollment. Student-based budgeting ties a school's funding to its enrollment. As a result, the majority of each school's funding—75 to 80 percent—is distributed through student-based allocations.

II. Student-Based Budgeting Formula

The bulk of each school's funding is allocated on a per-student basis. These funds are used to pay for essential personnel for classrooms and educational support and for administrative, clerical and maintenance positions as well as routine instructional and administrative goods and services. Students at different grade levels are given different weights. Some groups of students such as gifted, students with disabilities, limited English proficiency, low income or vocational, receive higher weights because of higher educational costs.

The base weight for K-12 students is 1.0 with K-3 students and grades 9-12 getting an additional .2 weight.[2] In addition, the district will provide incremental weights for 2009-2010 for students with disabilities, English language learners, gifted students, poorer students and students in career path participation. Cincinnati public schools

had suspended the student-based budgeting process for fiscal year 2009 in order to centrally manage a large budget deficit. The district is reinstating student-based budgeting for the 2009-2010 school year.

III. Autonomy

In Cincinnati, about 60 percent of the school district's operational budget is spent at the school level. Through the student-based budgeting portion of the school-level budget principals control close to 80 percent of school resources.[3]

In Cincinnati public schools principals do not have complete discretion over staffing and hiring practices. The union contract stipulates hiring regulations that include placing teachers in positions based on tenure.

IV. School-Level Management Support

Cincinnati public schools contract out school leadership development through the Mayerson Academy which provides the district training for teachers, principals and the school site councils. The Mayerson Academy organizes professional development based on the Ohio standards for prinicpals, including:

Standard 1:	Continuous Improvement
Standard 2:	Instruction
Standard 3:	School Operations, Resources and Learning Environment
Standard 4:	Collaboration
Standard 5:	Parents and Community Engagement

V. School Site Council

Each school has a Local School Decision Making Committee (LSDMC) that is responsible for offering suggestions on the school's budget, helping to set school goals and sometimes selecting a new principal. The Board of Education has adopted a policy outlining the function of LSDMCs. Their role includes:

- adopting bylaws, including the school's mission and vision
- setting measurable school goals, based on a needs assessment
- developing a broad plan (OnePlan) to implement those goals
- completing mid-year and end-of-year goal progress reports
- making recommendations and approving the school's budget
- participating in the selection of the principal, when a vacancy exists
- approving locally initiated changes in the school's program or focus
- making recommendations to the principal regarding other school issues
- seeking grants to support the school's programs (optional)

Membership is composed of four major constituencies, with a minimum of 12 members. The groups include:

- three parents
- three community members
- three teachers
- three non-teaching staff, including the principal

At least one annual meeting is required to review the purpose of the LSDMC and the OnePlan. However, it is recommended

that the LSDMC meet monthly during the school year. All meetings are held at the school and are open to the public.

VI. School Choice Component

Students are assigned to neighborhood elementary schools according to residential addresses. The district determines the boundaries for each neighborhood school. Elementary students may also choose between 19 magnet elementary schools offering programs such as the arts, foreign language and Montessori, attracting students throughout the district who are interested in these specific areas. Magnet programs are offered either to students living anywhere in the district (citywide) or to students living in a specific area (quadrant).

There are no school assignments based on address at the high school level. Instead, students select from 16 high-school programs with special focuses leading students into careers and higher education. Cincinnati public schools host school fairs and open houses to allow students to learn about their elementary and high school choices.

VII.   Accountability

The main mechanism for accountability is school-level transparency. The district offers parents a financial and academic report of every school in the district through an online "dashboard" that displays various district performance indicators. In addition, every parent in the district has access to an online program called Parent-Connect that offers real-time access to their student's progress including assignments and grades. Each classroom maintains a computer with

Parent-Connect to allow parents access at the school level.

In addition, in fall of 2009 Cincinnati is beginning a new initiative where schools will be grouped according to performance, with a progression of services provided according to need. High-performing schools will receive coaching only by request, improving schools will receive part-time coaching and schools in need of academic intervention will receive intensive, prescriptive coaching. The district will create three Turnaround Teams, each consisting of a principal and two lead teachers, to work with the district's 16 lowest-performing elementary schools.

VIII.   Performance Outcomes

Cincinnati public schools (CPS) continue to make gains in student achievement. The state of Ohio uses the Performance Index (PI) to provide an overall indication of how well students perform on its standardized tests each year.

The PI scores are based upon how well each student does on all tested subjects in grades three through eight and 10. Schools and districts earn anywhere from 1.2 points for each student scoring at the advanced level to zero points for each untested student.

The Performance Index ranges between 0 and 120, with 100 as the state-wide goal for all students.

Cincinnati Performance Index Trends
82 (2008)
81 (2007)
82 (2006)
75 (2005)

Source: OH Dept. of Education, 2007-2008

- The district raised the Performance Index score of overall gains in all tests in all subjects from 80.7 in 2007 to 81.9 in 2008.

- The district raised the graduation rate in 2007 from 80 percent to 82 percent in 2008.

- The district increased the percentage of schools rated "excellent" or "effective" from 20 percent in 2007 to 30 percent in 2008.

Cincinnati continues to be one of the leaders among Ohio's urban school districts in performance. The district is tops among these urban city school systems in the number of report card indicators earned (nine versus the next highest urban school system, Columbus, with six) and is second only to Akron in its Performance Index Score.

XI. Lessons Learned

1. The Cincinnati Public School Distict demonstrates that districts can use technology to provide parents with online access to student information including grades, assignments, attendance and behavior.

2. The district provides a good example of a system to provide schools with differentiated levels of support based on school performance. Higher-performing schools need minimal support while lower-performing schools need more intense support and intervention.

3. The district demonstrates that transparency for a variety of school- and district-level indicators is one of the most useful kinds of accountability. The bottom line is that parents need

to easily access information about the performance level of district schools.

Resources

Cincinnati Public Schools: Making Progress, Report to the Community, March 11, 2009, http://www.cps-k12.org/ administration/CommRptMar1109.pdf.

Student-Based Budgeting Fiscal Year 2009-2010, Cincinnati Public Schools, December 3, 2008. http://www.cps-k12. org/general/finances/StudBaseBdgt/ SBBDec0308PPT.pdf

School Level Budgets are available here: https://dashboard.cps-k12.org/ dashboard/public/financial_detail.aspx?line_ description=School%20Budgets.

Contact Information

Cincinnati Budget Office
2651 Burnet Ave.
Cincinnati, Ohio 45219
513-363-0430

Endnotes

1. *Student-Based Budgeting, Cincinnati Public Schools*, http://www.cps-k12. org/general/finances/StudBaseBdgt/ StudBaseBdgt.htm.

2. *Student-Based Budgeting Fiscal Year 2009-2010, Cincinnati Public Schools,* December 3, 2008. http://www.cps-k12. org/general/finances/StudBaseBdgt/ SBBDec0308PPT.pdf

3. Ibid.

Clark County School District

Program Name:	Empowerment School Program
Implemented:	2006-2007 School Year
Program Type:	Pilot Program
Legal Authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	no
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	Principal training and school-level management support	no
7.	Published transparent school-level budgets	no
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	yes
Clark County School District met 6 out of 10 school empowerment benchmarks.		

I. Program Overview

The state of Nevada passed legislation to encourage local school districts to have pilot programs for "empowerment schools" in 2007. Through SB238, the legislature would have required that not less than 5 percent of the total schools in a district be empowered by the 2008-09 school year. It was up to the Board of Trustees (BOT) of each school district to determine the selection process, choose the schools to be empowered and submit the list by September 1 of each year. The Nevada legislature was offering $9 million for a state incentive for the seventeen local school districts to start empowerment schools. Nevada would have provided $400 per pupil in extra resources to empowerment schools. Unfortunately, the law was never implemented because Governor Gibbons was forced to cut state spending by $914 million due to the economic downturn. The state-level empowerment school funding was never allocated and local school districts have not moved forward with empowerment schools.

Before Nevada Gov. Jim Gibbons embraced school empowerment as a state-wide concept the Clark County School District (CCSD) was already experimenting with empowerment schools. In 2006-2007, the first four schools in CCSD implemented student-based budgeting and became empowerment schools. The program began in 2006 as part of CCSD's superintendent's schools. Empowerment schools have autonomy regarding governance, budget, staffing, instruction and time with the expectation that they will demonstrate annual progress toward increased student learning. The CCSD empowerment school model was designed as a systemic reform effort to increase student achievement.

In December 2007, a total of 14 schools submitted empowerment school proposals that outlined how their schools would employ the five autonomies (governance, budget, staffing, instruction and time) to address the needs of the school community and increase the achievement of students. To be considered for empowerment, at least 70 percent of the school's licensed personnel, voting by secret ballot, had to support the proposal. After site visits to the six finalist schools, the district's "central design team" made the final recommendations based on leadership, collaborative culture and strength of the proposal. According to Superintendent's Schools Academic Manager Jeremy Hauser, "The CCSD empowerment model is transformational. It places resources and decision-making in the hands of those who are best equipped to meet the changing educational and social needs of their children—the school community."[1]

CCSD will expand the empowerment program in the 2009-2010 school year. With the support of the Nevada Women's Philanthropy, as well as the continued support of the Lincy Foundation and other private organizations, three more Clark County School District (CCSD) schools will become empowerment schools for 2009-10: Chaparral High School, Wendell Williams Elementary and Ethel Staton Elementary. In 2009-2010, 17 schools will participate in the empowerment school program.

he CCSD empowerment school model provides for:

- More autonomy
- More accountability
- More support
- $400 per student additional dollars
- Link with a community partner

II. Student-Based Budgeting Formula

Clark County School District provides funding to empowerment schools based on per-pupil resources for each student enrolled at the empowerment school. In addition, each school receives $400 per student additional money to be used to cover the following:

- Smaller class size with a student–to-teacher ratio of maximum 25:1 in core classes not otherwise governed by CCSD class-size reduction requirements
- 29 minutes extra per teacher per day
- 5 additional days per school year per teacher
- $150,000 discretionary dollars
- Five percent increase in principal pay
- Up to 2 percent incentive pay for all licensed staff if specific achievement targets are met

In addition, The Public Education Foundation, a nonprofit organization that supports public schools in Nevada, has helped each empowerment school find a private partner that provides $50,000 in support for three years. For example, Mark L. Fine, one of Southern Nevada's preeminent real estate developers, committed $150,000 over three years to Kermit R. Booker Elementary School. The donation will boost the school's ability to adopt best practices in research, accountability, curriculum and instruction. The Public Education Foundation has arranged partners for every empowerment school. Examples of partners include the MGM Mirage, Wells Fargo and the Greenspun Family Foundation.

III. Autonomy

Empowered schools are granted autonomy to decide issues relating to the operation of the school, including schedule, governance, employee incentives, staffing, budgeting and instruction. In return they are accountable for student achievement.

Most student-based budgeting programs give schools discretion over hiring teachers at the front end of the process but they do not give principals an alternative to transfer teachers who don't fit well with the school model. CCSD's union contract has a provision that details how empowerment schools can deal with teachers that are incompatible with the school.[2] The contract states that the "school empowerment team," in conjunction with the school principal, may implement a peer review model and may remove and replace a teacher deemed to be incompatible with the model established at the school. The principal ultimately has the authority to make staffing decisions. Any teacher so removed shall fall within the involuntary transfer provisions of the contract and should be identified in time to participate in a spring or fall surplus meeting. Any teacher identified for removal either too late to secure a voluntary transfer or too late to participate in a surplus meeting shall be administratively reassigned by the Human Resources Division.

Any teacher at any empowerment school may choose to transfer out of the school at any time. Any teacher opting to transfer out shall be administratively reassigned by the Human Resources Division. The union contract also explicitly spells out the conditions for flexibility of work rules for the empowerment schools.

IV. School-Level Management Support

There is a special superintendent just for the empowerment schools and other innovative schools in the district ("superintendent's schools") and that office serves as a liaison between the empowerment schools and other central offices and provides the schools with training, guidance and support. As well, empowerment schools receive professional support from their school partners through The Public Education Foundation and extra support from the district through the administrative division that supports the "superintendent's schools."

V. School Site Councils

Schools are required to establish a "school design team," consisting of teachers, support staff, parents and community members to assist the principal in the development of an empowerment plan for the school. The plan covers the proposed budget and overseeing and assisting in management decisions for the school. The school design team must develop a three-year strategic plan to be approved by the Board of Trustees of the Clarke County School District.

VI. School Choice Component

Students attend empowerment schools based on their residential address. There is not a unified school choice program because Clark County's empowerment schools are located throughout a large geographic area

and each school's enrollment is based on the school's original residential boundaries.

VII. Accountability

In exchange for autonomy each empowerment school agrees to reach specific achievement targets that are outlined in the school's individual empowerment plan and contract with the Board of Trustees. The district offers teachers incentive pay of up to 2 percent of salaries if student achievement and school outcome targets are met. The schools are held accountable by annual reviews of their test scores, surveys of parent satisfaction and school performance under the federal standards of the No Child Left Behind Act.
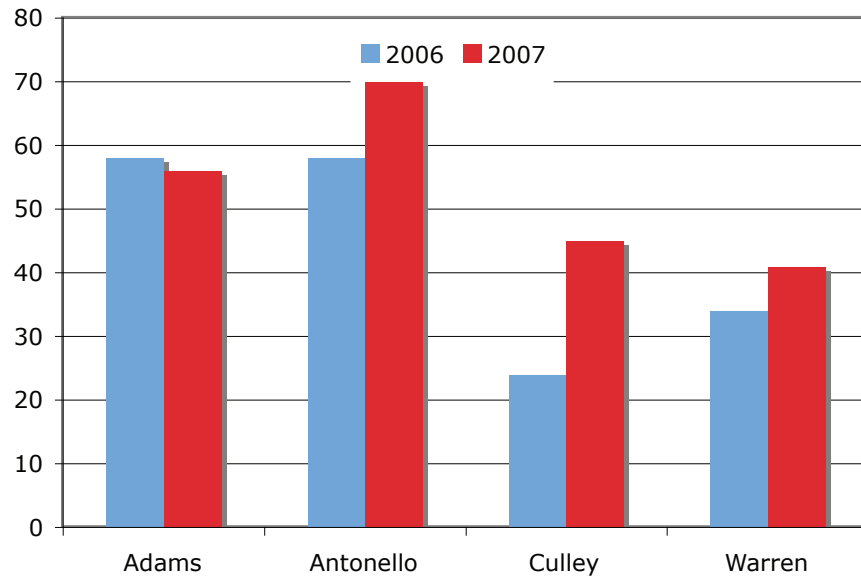
VIII. Performance Outcomes

CCSD's experiment with empowerment schools shows positive achievement gains on the first cohort of empowerment schools that were started in 2005-2006. The district evaluation of empowerment schools in 2007 shows that two of the schools, Culley and Antonello, made large gains in reading and math, while Warren made gains in math and stayed flat in reading and Adams stayed flat in reading and math.
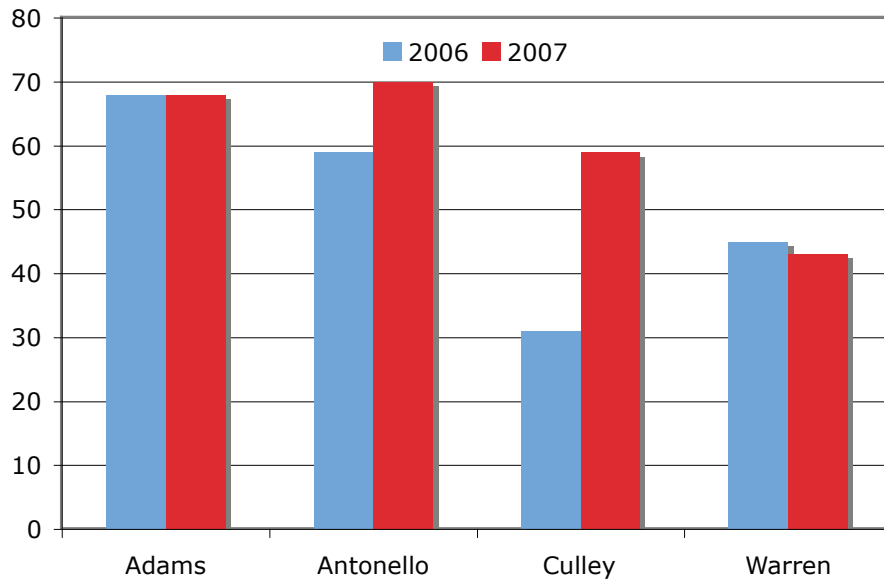
In addition, the 2007-2008 school accountability summary reports for each of the first four empowerment schools show that Antonello, Culley and Adams are exceeding the state's average proficiency rates for reading and math, while Warren elementary is still below state averages for reading and math proficiency.

Paul Culley Elementary School was

Superintendent's Empowerment Schools CRT Reading Results (2006-2007)

Superintendent's Empowerment Schools CRT Math Results (2006-2007)

designated as a "high achieving school" by the state of Nevada for 2008 for the school's scores in English language arts (ELA) and math on this year's Nevada Criterion Referenced Tests. The school's proficiency rates exceeded the national requirements of No Child Left Behind (NCLB) in both areas. Elementary schools should have 51.7 percent of their students proficient in ELA and 54.6 percent proficient in math.

Culley students demonstrate 52.61 percent proficiency in ELA and 70.45 percent proficiency in math. In addition, Paul Culley Elementary School was also named one of Nevada's two "distinguished Title I schools" for 2007-2008. Title 1 schools serve a large population of students that qualify for the free or reduced lunch program.

IX. Lessons Learned

1. The CCSD empowerment schools provide an example of schools receiving extra resources from the district in exchange for signing an agreement with explicit performance outcomes for students. In exchange for autonomy these schools are expected to raise student achievement targets for each group of students.

2. The CCSD empowerment school provides an example of a superintendent taking responsibility for a specific set of schools by allowing those schools to experiment. In Nevada's case, an administrative office, under supervision of the superintendent, helps these schools use innovative practices to raise student achievement.

3. The CCSD empowerment schools provide an example of an agreement with the teachers union that allows principals to determine whether personnel are compatible with individual empowerment schools. It allows a "peer review" process and a mechanism for transferring incompatible teachers out of the school. This gives principals more discretion over the management of staff at the school level.

Resources

Clark County School District Empowerment Schools, http://www.nvasb.org/07_conf_documents/lee.pdf

Contact Information

Jeremy Hauser
Empowerment Schools
Academic Manager
5450 West Sahara Avenue
Suite 250
Las Vegas, NV 89146
702-799-1222

Endnotes

1. "Three schools to gain 'empowerment' status in 2009-2010," Clark County School District, Press Release, February 9, 2009, http://ccsd.net/news/pdf/20090209-941663748.pdf.

2. For full contract provisions see http://ccsd.net/jobs/imagesDownloads/CCEA_NA_2007-2009.pdf.

3. For more information about the superintendent's schools see: http://ccsd.net/regions/superintendents-schools/.

Denver Public Schools

Program Name:	Student-Based Budgeting
Implemented:	2007-2008 School Year
Program Type:	District-Wide
Legal Authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	yes
Denver met 9 out of 10 school empowerment benchmarks.		

I. Program Overview

Denver public schools had 152 schools with 75,269 students in 2008-2009. The student demographics are 55 percent Hispanic, 17 percent Black, 22 percent White and 3 percent Asian, with 66 percent of students qualifying for the free or reduced lunch program and 18 percent English language learners.

Under the leadership of former Superintendent Michael Bennet, Denver public schools have pursued one of the most comprehensive school reform agendas in the United States. As the Council of Great City Schools reported in a recent study of Denver schools, "former Superintendent Bennet, his excellent staff and a focused school board devoted considerable energy to developing a grand theory of action that redefines the school district's instructional program, its human capital needs and its financial resources in ways that are both innovative and promising."[1]

In 2007 Superintendent Bennet moved Denver public schools away from the old system of allocating resources centrally (for every 25 students, a school gets 1 teacher) to one where schools get dollars and flexibility on how they want to spend those dollars. Schools have flexibility in making key staffing decisions on teachers, intervention services, social workers, librarians, etc., subject to state, federal and local laws mandating how certain categorical dollars are spent, and to district collective bargaining agreements.

District leadership in Denver described the following reasons for moving to a student-based budgeting approach to allocating budget resources to schools:[2]

- To provide transparency, as the previous staffing model method was very complex and difficult to explain.

- To demonstrate how resources follow the students.

- To eliminate the "stair-step effect" of the past in which resources were allocated based on strict student ratios or ranges of students resulting in one less student possibly meaning a teacher reduction.

- To make it easier to compare the amount of resources allocated between schools or for a given school from year to year.

Denver began exploring student-based budgeting in the 2007-2008 school year. For that year schools were awarded dollars under the staffing formula but were told what their budgets would have looked like under the student-based budgeting model.[3] In 2008-2009 Denver fully implemented a student-based budgeting model.

In January 2009 Superintendent Bennet left Denver to become Colorado's newest senator. He was replaced by his chief operating officer, Tom Boasberg, whose priority is to continue school empowerment through the student-based budgeting model. Boasberg's priorities during his tenure include attracting and keeping qualified teachers, decentralizing the district to give schools more power and providing financial stability and transparency.[4]

In a March 11th interview with the *Denver North News*, Superintendent Boasberg explained how the district will continue to give schools more autonomy.[5] He said Denver schools need "much more a model where schools have decision-making power and authority and that is coupled with accountability. Accountability without autonomy is compulsion," arguing that incentives and interventions can

create success within a framework of more autonomy for individual schools.

In the 2009 budget, Boasberg is pushing for more financial decision-making and authority to school leaders. For example, principals will have more authority over dollars that are used for mental health services. The district used to allocate mental health services centrally to schools and say, each school gets two days of a school psychologist or two days of a social worker. Now the district is giving principals money and they can decide how they want to spend that money on social workers or psychologists or nurses based on their particular needs.

This sketch of Denver's public schools is primarily concerned with how Denver revamped its school financing system into a student-based budgeting system that helps support the district's other systematic reforms by sending resources to the school level and giving principals discretion over those resources.

II. Student-Based Budgeting Formula

In the 2007-08 school year, Denver began exploring student-based budgeting, which funds schools based on the needs of the students attending those schools. In student-based budgeting, funds follow the individual student. This replaces Denver's previous budgeting method, in which funds were based on staffing allocations.

Student-based budgeting uses a base cost figure and additional adjustments for students with additional needs. The base cost is the amount of money that a school receives for each student enrolled at that

school, regardless of need. The adjustments, often in the form of weights (added amounts of money), provide additional funding based upon the needs of the students in that school.

In Denver, schools were given flexibility in the use of allocations for teachers, interventions, paraprofessionals, librarians and other staff. The new budgeting allocations increased funds to most schools in 2008-2009 by 5 to 11 percent.

Denver includes both per-pupil funding and program-specific funding in the student-based budgeting allocations.[6]

Denver allocates funds to public schools in this way:

- Denver's student-based budgeting allocation is $3,403 for every student in 2008-2009 for all schools except schools that combine K-8 which have a higher base of $3,448 per student.

- Denver weights special education students with mild to moderate disabilities who qualify for the free lunch program at $351 per student and mild to moderate special education students who do not qualify for the free lunch program at $234 per student.

- Denver weights low-income students that qualify for the free or reduced lunch program at $256 per student in elementary school and $290 per student in middle and high school.

- Denver weights Title I eligible schools with students who qualify for the free or reduced lunch program at $400 per student.

- Denver gives every student $186 per pupil for instructional supplies.

- Denver weights low-income students for specialized services such as nurses,

counselors and school psychologists at $256 per student and students who are not designated low-income at $111 per student.

- Denver students receive $48 per pupil based on several local tax levies for technology, textbooks, library materials and the arts and music.

- In addition, the central office still controls resources that are provided at the school level for programs such as early education, English language learners, gifted and talented programs and more severely-disabled students that are not allocated on a per-student basis.

III. Autonomy

Denver's public school operating budget for 2008-09 is $712 million. The student-based budgeting system uses $338 million, with an additional $325 million controlled by the central office for direct support services not currently under the control of local schools. The remaining $49 million is the central office budget. Therefore, principals currently have discretion over approximately 47 percent of the district's operating budget.

In addition, Denver principals have more discretion over hiring staff than most urban districts. The teachers do not change teaching jobs based on seniority or "bumping rights" and Denver has an "open market" teacher hiring process where principals can interview multiple candidates and make decisions about which teachers will best fit with their schools.

IV. School-Level Management Support

The Denver School District has a Principal's Institute that is attended by principals, assistant principals and school-level facilitators who provide support for implementing instructional strategies. It features interactive activities on such practical issues as core instruction, standards-based progress reports, budget management reports, integration with district operations and business services, HR procedures, research findings, special education, language acquisition, adolescent literacy, law enforcement requirements and other topics. The district also offers a mentor program for new principals and assistant principals.

V. School Site Councils

In Denver the Collaborative School Committee (CSC) is the decision-making body for the school. According to board policy, the purposes and scope of the collaborative school committee are:

- To enhance student achievement and school climate by engaging the school community in collaborative efforts supporting the school and district's goals;

- To provide strategic direction in support of the school's mission and vision as stated in the "school improvement plan" (SIP). The SIP, with the school's program design, should serve as the strategic plan for the school; and

- To comply with state and federal law and regulations of the Colorado Department of Education.

VI. School Choice Component

Denver public schools' School of Choice Office manages the open-enrollment process. Students may enroll in any school in the district, regardless of where they live, so long as there is space available and they meet the entrance requirements. Denver public schools offer families the opportunity to apply to traditional schools that are not in their neighborhood.

There are two "choice windows." The "first round," whereby the district processes the applications and offers priority groupings, is in January. Applications are available at all traditional schools and on the "school of choice" Web page. Applications must be returned in person to any traditional school. Parents will receive a date stamped copy for their records.

The "second round" is where applications are processed by the requested school on a first-come, first-served basis after the first round applicants have been placed. The second round window is March through August.

The first round application will have two school offerings in preference order. If the student is accepted at the first preference school, the second preference school is inactivated. If the student is in waiting status at the first preference school, all efforts will be made to accommodate the student at the second preference school.

Parents may apply to as many second round schools as they like, with applications taken at each requested school.

Denver also operates a New Schools Office that is responsible for cultivating, authorizing and overseeing a portfolio of new schools with the goal of improving student achievement and graduation rates

by enhancing the educational opportunities available to Denver's kids and families. The New School Office manages new school development through a request for proposals (RFP) process with the purpose of creating new and innovative research-based, high-performing school options. These options incorporate school-based decision-making, broad stakeholder engagement and expanded autonomy with clear accountability and high performance standards.

For example, in December 2008 one innovation school and four charter schools were approved as part of the district's effort to introduce high-performing school options through the request for proposal process run by the district's New Schools Office. They include:

- A Math and Science Leadership Academy—a teacher-led innovation school proposal—was approved and will start a kindergarten through fifth grade program next year on the Rishel shared campus. Innovation schools are a new category of schools that operate as district schools but seek to implement new educational and operational practices.

- A KIPP Denver Collegiate High School charter school was approved and will start a ninth through twelfth grade program starting next school year.

- A César Chávez Academy Denver charter school, a replica of the school models in Colorado Springs and Pueblo, was approved and will start a kindergarten through eighth grade program.

- A Justice High School Denver charter school, a replica of the Boulder-based

school serving high-risk youth, was approved and will start a seventh through 12th grade program next year. This new school will not share space in existing district facilities.

■ An Edison Learning School 3 charter school, a replica of the Edison Learning model as seen in Wyatt-Edison and Omar D. Blair schools, was approved and will start a sixth through eighth grade program next year.

VII. Accountability

In 2008, Denver launched a "school performance framework," which measures the progress of actual students against themselves and against peers from the entire state of Colorado to make sure that Denver is moving all of its students forward.

Denver's school performance framework (SPF) provides a comprehensive picture of the impact schools have on their students from year to year. In addition to showing how much students benefit from their schools, the SPF shows how schools differ in their ability to educate their students and it allows the district to highlight and share best practices among schools and outline individual roadmaps for identifying areas where schools can grow and improve. The aim of the SPF is to improve overall student learning and achievement and it will be used to accredit all Denver schools with the state of Colorado.

The SPF's review of school performance is presented in the form of a scorecard and takes into account a broad range of measures, including a school's actual Adequate Yearly Progress (AYP), School Accountability Report (SAR) ratings and

CSAP scores in a given year (measure of status). But the SPF also factors in demonstrated improvement from one year to the next (measure of growth). About 60 percent of the framework is based on student's progress over time. While the SPF evaluates AYP, SAR and CSAP data, it does not replace those measures. The federal government will continue to issue AYP and the state will continue to issue SAR reports annually.

Every Denver public school, except those in their first year of operation, will be assigned one of the following accreditation ratings every September using data collected during the previous school year: Distinguished, Meets Expectations, Accredited on Watch or Accredited on Probation. Ratings affect how much support schools receive, corrective action taken and compensation earned by principals, assistant principals and teachers.

As part of the accountability framework, Denver public schools operate a groundbreaking teacher pay system called ProComp, along with a principal compensation system that rewards improved student achievement and commitments to work in hard-to-serve school and hard-to-staff assignments.

ProComp is a nine-year bargained agreement between the Denver Classroom Teachers Association and Denver public schools that is designed to link teacher compensation more directly with the mission and goals of those organizations.

The system accomplishes the following goals:

■ Rewards and recognizes teachers for meeting and exceeding expectations;

■ Links compensation more closely with instructional outcomes for students and

■ Enables the district to attract and retain the most qualified and effective teachers by offering uncapped annual earnings in a fair system.

ProComp has four components that allow teachers to build earnings through nine elements:

■ Knowledge and Skills - Teachers will earn compensation for acquiring and demonstrating knowledge and skills by completing annual professional development units, through earning additional graduate degrees and national certificates and may be reimbursed up to $1,000 annually, $4,000 lifetime, for tuition and repayment of student loans.

■ Professional Evaluation - Teachers will be recognized for their classroom skill by receiving salary increases every three years for satisfactory evaluations.

■ Student Growth - Teachers will be rewarded for the academic growth of their students. They can earn compensation for meeting annual objectives, for exceeding CSAP growth goals and for working in a school judged distinguished based on academic gains and other factors.

■ Market Incentives - Bonuses can assist the district and schools in meeting specific needs. Teachers in hard-to-serve schools—those faced with academic challenges—can earn annual bonuses. Additional bonuses will be available to those filling hard-to-staff positions—assignments that historically have shortages of qualified applicants.

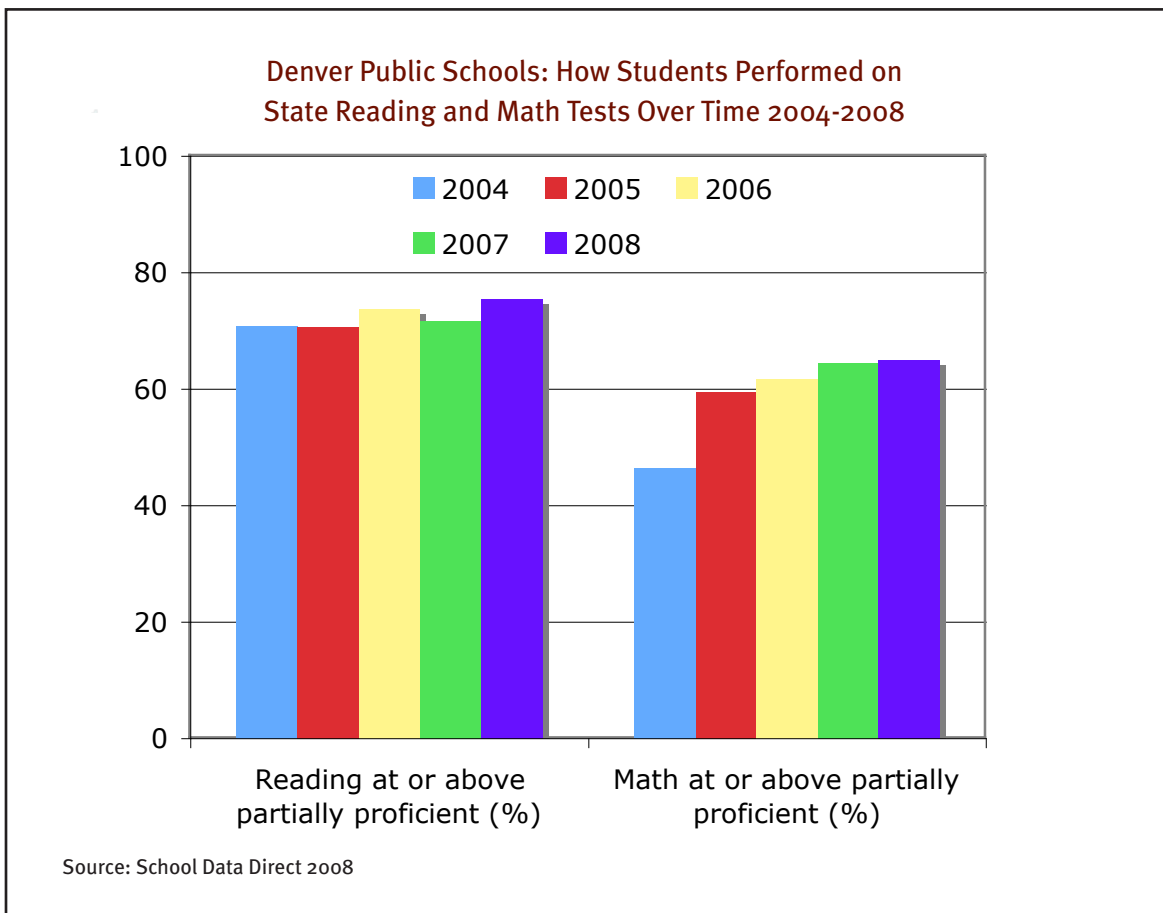Finally, Denver public schools have used school closure as an accountability mechanism. In 2007, the school board approved the closing of eight schools that were under-enrolled and low-performing. The board projected that the realignment of students from these schools to higher performing schools would achieve projected yearly operating savings of $3.5 million. Those resources are being used to improve the education of students that will be affected by the school closures, deliver additional resources to under-performing schools and create funding opportunities for new schools and new programs.

In addition to the standard per-pupil revenue that will follow students to their new schools, the district is reinvesting $2 million or 60 percent of the savings from school closures, in the schools of reassignment.

VIII. Performance Outcomes

From 2005 to 2008, Denver students made strong improvements in reading, math, writing and science. In reading, the district posted a 6.2 percent increase over the three years, more than four times the growth of the state. In math, Denver saw a 6 percent gain, more than twice the growth of the state. The district posted a 2.2 percent gain in writing, three times the growth of the state. In science, Denver students increased by 2.3 percent, seven times the growth of the state. In the middle grades, Denver saw gains of 10 percent in reading and 9 percent in math. Over the three-year period, Denver schools outperformed the state in all tests in reading, writing and science and all but one math test.

The high school graduation rate in Denver public schools from 2006 to 2007 shows a small positive improvement. The data indicate that 257 more students graduated from Denver's public schools in

**Denver Public Schools: How Students Performed on
State Reading and Math Tests Over Time 2004-2008**

Legend: 2004, 2005, 2006, 2007, 2008

Categories: Reading at or above partially proficient (%); Math at or above partially proficient (%)

Source: School Data Direct 2008

2007 than in 2006, accounting for nearly 30 percent of the state's total increase in its number of graduates. The overall graduation rate in Denver was 51.7 percent in 2006 and 52.0 in 2007.

Lessons Learned

1. Denver provides an example of how an integrated school accountability framework and a comprehensive performance pay system can complement student-based budgeting and move a school district in the direction of autonomy at the school level in exchange for accountability. The performance pay system provides the teachers and the principals with financial incentives to meet specific accountability goals.

2. Denver demonstrates the importance of giving principals control over personnel. It is hard to hold principals accountable for school performance if they cannot choose their school's staff.

3. Denver demonstrates that closing under-enrolled and low-performing schools can redirect scarce district resources to students who previously were enrolled in the closing schools and that money can follow those students into newer higher-performing schools. It also can provide additional resources to create new high quality schools.

Resources

Accelerating Achievement in the Denver Public Schools, Council of the Great City Schools, Winter 2008-2009, http://www.cgcs.org/Pubs/DenverInstructional_08.pdf.

Denver Public Schools, Five Year Goals, February 17, 2009, http://communications.dpsk12.org/assets/js/tiny_mce/plugins/filemanager/files/districtgoals/5-year%20 Goals%20Presentation.pdf

Metro Organizations for People, "Delving Deeper into the DPS Student Based Budgeting: Next Steps in Transparency and Equity," http://www.piconetwork.org/admin/tools_resources/files/0051.pdf.

Metro Organizations for People, "Unraveling the DPS Budget: Toward Transparency and Equity through Weighted Student Funding," http://www.makingconnectionsdenver.org/publications/uploads/61/Unraveling_The_DPS_Budget.pdf

Contacts

Brett Fuhrman
Chief Financial Officer
720-423-3490
Brett_Fuhrman@dpsk12.org

Endnotes

1. *Accelerating Achievement in the Denver Public Schools*, Council of the Great City Schools, Winter 2008-2009, pg. 6, http://www.cgcs.org/Pubs/DenverInstructional_08.pdf.

2. *Financial Resources Management Plan, Denver Public Schools*, Fiscal Year 2007-2008, p. 1, June 21, 2007, http://businessmanuals.dpsk12.org/07_08_SBB/0708_Adopted_Book.pdf.

3. Nancy Mitchell, "DPS Takes on Funding Formula," *Rocky Mountain News*, January 11, 2008.

4. Guerin Lee Green, "An Interview—DPS Superintendent Tom Boasberg," *North Denver News*, March 11, 2009.

5. Ibid.

6. For detailed information on how the SBB budgeting process works see *2009-2010 Budget Guidance Manual*, Denver Public Schools, http://businessmanuals.dpsk12.org/09-10/Budget_Guidance_Manual-schools.pdf.

7. For more information see *Teacher Staffing, Principals Manual 2009-2010*, http://hr.dpsk12.org/teacher_staffing/pdf/HandbookTeacherStaffing0910.pdf.

8. This policy may be found in the Board Policies section of the DPS Web site: http://www.dpsk12.org/policies/

9. For more information see, *Teacher ProComp, Denver Public Schools*, http://denverprocomp.dpsk12.org/about/overview

10. *Denver Students Post Strong CSAP Gains, Denver Public Schools*, Press Release, July 29, 2008. http://communications.dpsk12.org/pressrelease/denver-students-post-strong-csap-gains

11. *Accelerating Achievement in the Denver Public Schools*, Council of the Great City Schools.

Hartford Public Schools

Program Name:	Weighted Student Funding
Implemented:	2008-2009 School Year
Program Type:	District-Wide
Legal Authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	yes
3.	School choice and open-enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	yes
Hartford met 10 out of 10 school empowerment benchmarks.		

I. Program Overview

The Hartford Public School District has 22,000 students and approximately 42 schools. The district's student demographics include 52 percent Hispanic students, 41 percent Black and 6 percent White with 90 percent of the students qualifying for free or reduced lunch and 17 percent English language learners.

In 2008 the Hartford school board approved a new three-year strategic plan to improve outcomes for every student in the district.[1] The district's strategic plan outlines two complementary pillars established by the Board of Education: a "managed performance empowerment" (MPE) approach that defines the district's relationship with each school on the basis of its performance and development of an "all choice" system of schools that creates and sustains a larger number of high-performing schools.

1. The MPE approach assumes that schools must have both autonomy and accountability to promote higher performance. It rewards effective teaching and leadership by creating a direct relationship between a school's academic performance and its operational autonomy. High-performing schools make all key staffing decisions and decide how the school's resources should be allocated. They are entitled to this level of autonomy as long as they are achieving results in terms of student achievement. Schools whose students do not achieve proficiency in testing are subject to increasing levels of intervention from the central office. If no improvement occurs, the school is redesigned and replaced with a higher performing school model. The exchange of autonomy for accountability is an essential idea in this theory of change. If school leaders are to be responsible for results, they must have a full opportunity to manage the inputs and processes that determine those results.

2. An "all choice system" means that all families have a greater opportunity to decide where their children attend school. It rests, in part, on the recognition that the act of making an educational choice helps inspire commitment among students and families. Choice also recognizes diversity in learning interests, needs and values. Encouraging students to pursue their interests is an important way to tap learning potential. Small schools specializing in subject matter like law and government, engineering, nursing and global communication are an important component of new school development because the opportunity to choose and pursue a particular course of study often engages and motivates students in ways that more generalized programs do not.

Given the wide range of performance of Hartford public schools, the district defines each school's level of autonomy based on student achievement.

■ High-performing and significantly improving schools earn autonomy.

■ Low-performing schools are subject to district intervention or redesign or replacement.

■ New and redesigned schools are granted autonomy conditioned upon continuous improvement of student achievement.

The school board's overall goal is for Hartford public schools to evolve over time to a total system of high-performing schools driven by student and parental choice.

Hartford's reform agenda includes the introduction of a student-based budgeting (SBB) methodology known as "weighted student funding" (WSF). This program enables schools to fund students based on their educational needs. Weighted student funding creates equity in the allocation of available resources through a uniform system in which each student is funded by an appropriate grade-level allocation with the funding adjusted on the basis of his/ her educational needs. These resources then follow the child to the school their parent chooses.

Specifically, WSF will increase funding at 25 historically under-funded schools based on the students that attend those schools. Prior to 2008, 50 percent of Hartford's schools were spending $4,000 to $7,000 per pupil while the other 50 percent were spending anywhere from $7,000 to $18,000 per pupil. This was a potential gap of $14,000 per student.

In addition, before student-based budgeting, Hartford public schools budgeted for most teachers in terms of positions rather than how much they actually cost. As a result, for example, two schools' enrollment levels give them each 100 teachers, but if the teachers at one school have average salaries of $70,000 and teachers at the other school have average salaries of $60,000, then the district will have provided $1 million less resources to the school with lower average teacher salaries.

The main goals of weighted student funding for Hartford public schools include:

■ WSF will equitably allocate funding to each student based on his or her educational needs by utilizing the weighted student funding formula. WSF will directly link the budget to student achievement.

■ School leaders and members of the community know best what their schools need for their students to achieve. WSF will provide greater opportunity to schools and communities to make the best choices for their students and their success.

■ WSF will be transparent and eliminate many complex staffing ratios and provide funding through a simplified allocation. Instead of hiding the difficult choices inherent in budgeting, the new formula brings those choices out into the open for all to see and evaluate.

WSF will be phased in over a three-year period beginning in FY08-09. This will provide schools the opportunity to plan for any major shifts in funding. Each year schools will be allocated one-third of their gain or loss from the formula implementation until equity is achieved.

Hartford Public School District publishes very detailed school-level budgets that report the student populations at each school as well as the funds generated by each group of students. The school level budgets also include the school's performance data.

In the 2009-2010 budget 70 percent of available resources will be allocated to schools and classrooms to support instruction. This ratio, in which central office and central services are limited to 30 percent of the budget, is reflective of the national average for public school districts and contrasts to less than one-half of resources spent in schools and classrooms by the Hartford Public School District in 2006-07. The district achieved this goal with a 20 percent reduction of central office expenses

including the reduction of over 40 current district-level positions.

II. Student-Based Budgeting Formula

In Hartford public school, the student-based budgeting approach is called "weighted student funding." This approach means that:

■ Funding follows each student to the school that he/she attends;

■ Each student receives funding based on his/her educational needs;

■ Schools have greater flexibility on how to allocate their funding, with greater responsibility for dollars and greater accountability for results;

■ Key decisions are based on clear criteria linked to the school improvement plan and the MPE approach.

■ Schools are required to focus their funds on strategies to improve student achievement aligning with the school and district improvement plans.

Student-based budgeting makes spending flexible to allow for real budget planning. In the past schools were given line item allocations determined by the central office for staff and programs in their schools.

Using the WSF formula, dollars are allocated to schools through two basic categories:

■ Grade weights, based on student grade levels;

■ Needs weights, based on student needs.

The district provides every student with a base weight determined by grade level; Grades 9–12 are funded at a slightly higher level than grades K–5 for several reasons:

older students tend to have higher costs for non-personnel (such as more costly science materials), they often take electives that break into smaller classes and their schools often require more administrative personnel. This approach is consistent with the district's historic funding practices and with practices in other cities.

All students receive WSF funding through grade-level weights. Schools with nontraditional grade configurations will receive their base weight funding in more than one category. For example, a K-8 school will receive the K-5 weight for the K-5 grades and a 6-8 weight for the 6-8 grades. A sixth grader carries the same weight whether at a 6-8, a K-8 or a 6-12 school.

The grade weights and funding are as follows:

■ Kindergarten is weighted at 0.85 or $5,430 per pupil

■ Grades 1 to 3 are weighted at 1.20 or $7,666 per pupil

■ Grades 4 to 6 are weighted at 1.0 or $6,388 per pupil

■ Grades 7 to 8 are weighted at 1.10 or $7,027 per pupil

■ Grades 9 to 12 are weighted at 1.30 or $8,304 per pupil

In addition, starting in the 2008-09 school year, students are eligible for needs-based weights for the following characteristics:

■ Academic intervention, based on poverty for schools beginning before fourth grade and achievement for schools beginning in fourth grade or later.

■ English language learner status

■ Special education

The district believes that the best way to identify students with greater need is to look at their past achievement. Therefore, to the extent possible, Hartford relies on student achievement data—results on Connecticut Mastery Test (CMT) and Connecticut Academic Performance Test (CAPT) exams to identify students eligible for additional funding.

Since the regular first testing occurs in third grade, the district uses test data only for schools starting after that grade (i.e., in fourth grade or later). For schools beginning before fourth grade, the district uses poverty as a proxy for low achievement. Particularly in the elementary grades, there is a very tight correlation between poverty and achievement. More than 90 percent of low-scoring students are also low-income in Hartford.

Achievement Weight (Poverty Proxy) - Students enrolled before grade four who qualify for the free or reduced price lunch program qualify for an "achievement weight by poverty proxy." This is also the criteria for Title I eligibility.

The poverty weight and corresponding funding is as follows:

■ 0.10 or $639 per pupil

At schools beginning in fourth grade or later, students receive additional weights based on their achievement. There are two funding levels—a higher achievement weight for students "well below standards," and a lower one for students who are below grade level, but closer to proficiency ("below standards"). Scores are based on the last test result before the student enters his or her current school. Additional funding will be provided to those students designated as "gifted and talented."

The achievement weights and corresponding funding are as follows:

■ Well below standards is 0.10 or $639 per pupil

■ Below standards is 0.05 or $320 per pupil

■ Gifted and talented is 0.10 or $639 per pupil

Eligibility for English language learner funding is determined through a preliminary assessment with a home language survey. The ELL weight and corresponding funding are as follows:

The ELL weight and corresponding funding are as follows:

■ 0.30 or $1,917 per pupil

Special education is weighted based on the level of service for each special education child. There is a range of weights from children who are 100 percent mainstreamed in the general education classroom at .57 ($3,641) weight to students who must be in a self-contained class with no more than five other students at 4.21 weight ($26,901).[2]

Beginning in 2009-2010 schools will begin to bear the cost of their staffing decisions through the budgeting of actual staff salaries. This means that fiscal year 2008-2009 hiring decisions will either provide savings or higher cost for the 2009-2010 fiscal year resources. With the greater control over budgets that the new approach creates, schools will have both new opportunities and new responsibilities. Schools can choose how to combine their investments in different types of teachers, services and supports to improve student achievement.

III. Autonomy

In 2009-2010 schools will receive 70 percent of the district's operating budget

at the school level and principals will have discretion over staffing decisions. A new collective bargaining contract for 2008-2011 allows flexibility for longer school days or years and scheduling, such as block scheduling.

IV. School-Level Management Support

In the district's strategic plan the school board acknowledges that effective principal leadership is one of the most significant factors that promote student achievement. The district is making a strong commitment to principal leadership training through more intensive professional development and principal mentors to help new school leaders. The district will also measure principals' performance on the district's "school leader rubric" and require each principal to be in the effective range by the principal's third year. Principals can receive bonuses up to 25 percent of their contracts for raising student achievement at their individual schools.

V. School Site Councils

All autonomous schools will establish "school governance councils" (SGCs). The SGCs will annually approve a school budget aligned to the school's accountability plan. These decision-making bodies will be made up of parents, school staff and community members. The district will provide training for parents, students and school leadership at autonomous schools to ensure the understanding of the role of SGCs.

VI. School Choice Component

Hartford public schools provide an "all choice" system of schools. Students will be equitably funded according to their needs and these funds will follow the student to his school of choice.

The district employs two choice models:

1. Inter-district choice schools will provide regional opportunities for the integration of city and suburban students.

2. Intra-district choice schools will provide preference to students of their neighborhood with remaining seats available to other Hartford students. Parents would have the option of a greater number of schools within transportation zones. Within the portfolio of choices available there will be a number of external providers or public and private school partnerships.

Hartford public schools have identified five criteria used by families in deciding which school to attend:

1. A school's track record of high academic achievement

2. Proximity to home

3. School design (school theme, course offerings)

4. Historical and traditional ties to the school, principal and teachers

5. Other personal family reasons

The Hartford school choice program operates under the assumption that while families and students make school choices based on what is personally most important to them, it is understood that all families want high-quality, high-achieving schools that will prepare their children for future success. Therefore, the district's directive is clear: Hartford must create new high-

performing schools with a focus on state standards and college readiness. Using a diverse provider strategy, Hartford will offer parents new choices among higher quality schools.

In 2008, Hartford added 11 new schools for parents to choose from including the Culinary Arts Academy, the Academy of Engineering and Green Technology, the Achievement First Hartford Academy, the Global Communications Academy, the Academy for Latino Studies, the Law and Government Academy, the Hartford Montessori Elementary School, the Nursing Academy, the Breakthrough II Magnet School and the Core Knowledge Academy at Milner Elementary School and the CommPACT School at M.D. Fox Elementary.[3] In 2009-2010 the district will add nine additional new schools for students to choose from.

VII. Accountability

As a component of the 2008 strategic plan, the Board of Education has adopted a "managed performance empowerment" approach based on beliefs about the conditions that best promote learning. Under this theory high-performing schools have the autonomy to make curricular, budget and other operational decisions while lower-performing schools are under the direction of a central office-based intervention team. Schools that consistently perform at very low levels are redesigned. School performance is determined using a measure called the "overall school index" (OSI). This metric includes all grades and content areas measured by state assessments. A school's OSI is calculated annually and used to place the school on the district

performance matrix.

- OSI of 70 or above = Goal
- OSI 60-69 = High Proficient
- OSI 50-59 = Proficient
- OSI 40-49 = Below Proficient
- OSI below 40 = Substantially Below Proficient

In order to determine a school's level of autonomy, the current year OSI and the change in OSI from the previous year are used. In addition to the OSI the district annually sets nine targets in key performance areas focused on closing the achievement gap between Hartford and the state of Connecticut. These targets are set annually and designed to demonstrate how Hartford schools will close the achievement gap by making incremental gains over the span of a child's school experience. The nine key performance targets are:

- Grade 3 Reading
- Grade 4 Mathematics
- Grade 5 Writing
- Grade 7 Math
- Grade 8 Science
- Grade 10 Reading and Writing
- Graduation Rate (using National Governors Association method)
- Post-Secondary Enrollment: (at two- and four-year institutions)
- Improvement of School Performance (OSI)

Both the OSI and performance targets are used by the district data team and Board of Education to measure progress toward improving schools and closing the achievement gap.

The district's specific achievement targets include:

1. All schools below an OSI of 70 will demonstrate an increase of 12 points over three years.

2. The percent of students meeting district performance targets will increase by 4 percent annually, in order to close the achievement gap.

3. Eighty percent of Hartford's public schools will be in the autonomous range of the school accountability matrix by the end of 2012.

The district also uses a performance pay system to increase accountability and improve student achievement. In 2008 the Hartford Board of Education unanimously ratified two new collective bargaining agreements with the Hartford Federation of Teachers (HFT) and the Hartford Principals and Supervisors Association (HPSA) including merit-based incentives that set national precedent and are seen signifying strong teacher and administrator support for the continuing Hartford's school-reform movement.[4]

Each school has the option to participate in a merit-based bonus when an increase to the overall school index (OSI) is achieved. The OSI incentive system is implemented when 75 percent of teachers at each school support the merit system. The teachers are eligible for a $2,500 bonus based on increases in assessment and overall school ranking. In addition, Hartford is piloting a "teacher advancement program" (TAP) that includes rewarding teachers on an individual basis for "adding value" to student achievement. In addition, principals are eligible for bonuses of up to 25 percent of their contracts for demonstrating an annual increase against the overall school index.

VIII. Performance Outcomes

Hartford schools significantly raised scores on both the 2008 Connecticut Mastery Test and the 2008 Connecticut Academic Performance Test this year—the first increase since 2001, according to preliminary results released to the district by the State Department of Education.[5]

In fact, Hartford's schools had the largest gains in student achievement of any city in the state on the Connecticut Mastery Tests for 2007-08—over three times the state average rate of growth. Sixteen Hartford schools significantly improved performance while five of the lowest-performing schools were redesigned and replaced by higher-performing school models. Four other schools of choice were offered to parents for the first time.

A total of 16 schools improved meaningfully over last year, while four schools moved down in achievement for an unprecedented net gain of 12 schools that surpassed expectations. Most encouraging was the fact that eight schools moved from the "intervention" to "proficient" categories in the district's accountability plan.

CMTs are state-mandated, standardized tests that measure student achievement in reading, mathematics and writing in grades three through eight. CMTs in fifth and eighth-grade science were administered this year for the first time. This year's CMT results showed more Hartford students scoring at or above proficient in 13 of the 18 categories tested and in three of the four subject areas that are considered key indicators of learning: third-grade reading, fourth-grade math, fifth-grade writing and seventh-grade math. Among Hartford's

performance targets, third-grade reading rose 3.2 percentage points. In fourth-grade mathematics, the rate of students at or above proficient jumped from 42.5 percent to an even 50 percent. Students in seventh-grade math, meanwhile, registered a similar surge, from 47.4 percent at or above proficient to 52.6 percent.

The CAPT is another state-mandated assessment of reading, mathematics, writing and science for all 10th-grade students enrolled in Connecticut public high schools. District-wide CAPT results improved in every category. The rate of students scoring at or above proficient in mathematics rose from 43.4 percent to 46.7 percent.

In reading, 52.2 percent of 10th-graders were at or above proficient, as opposed to 49.8 percent in 2007. Writing proficiency, meanwhile, grew from 56.6 percent to 65.9 percent and, in science, the level of students at or above proficient increased to 46.9 percent from 45.3 percent.

Test results are incorporated into the district's school improvement matrix, which tracks the progress of each school. The updated 2007-2008 matrix shows 22 schools in the higher levels of autonomy compared to 15 last year. Fifteen schools, meanwhile, are slated for replacement or intervention. Two elementary schools, Mark Twain and Barnard-Brown, have closed.

The Mark Twain building is set to house a Montessori school and the Achievement First Hartford Academy. The Barnard-Brown building, meanwhile, is being renovated to become the permanent home of the Capital Preparatory Magnet School.

VIII. Lessons Learned

1. Hartford demonstrates the value of a clear accountability matrix that evaluates each school and sets the level of autonomy for each school based on student performance. Low-performing schools face intensive intervention from central office teams and eventual closure if performance does not improve.

2. Hartford has employed an aggressive strategy of closing low-performing schools and redirecting resources to higher quality new schools.

3. Hartford has embraced a strategy to provide many different niche schools with secondary schools that offer content-specific curriculum such as engineering or nursing.

4. Hartford has made school choice one of two pillars of their strategic plan. Every family will have a choice of a high quality school.

5. Most significantly, the Hartford school board has taken personal accountability for the performance of Hartford schools and set very specific criteria for performance. The school board has defined the conditions under which they will reward high performers and close low performers.

Resources

Guide to Student-Based Budgeting 2008-2009, Hartford Public Schools, http://www.hartfordschools.org/documents/RevisedSBBGuide.pdf.

Hartford Public Schools' Recommended Operating Budget FY 2009-2010, Hartford Public Schools, March 3, 2009, http://www.hartfordschools.org/pdf/2009-10-Recommended-Budget-Final.pdf.

Hartford Public Schools, Three Year Strategic Operating Plan, http://www.hartfordschools.org/learn-about-hps/documents/HartfordPlan021709FINAL.pdf

Contact Information

Dr. Steven J. Adamowski
Superintendent of Schools
960 Main Street, 8th Floor
Hartford, CT 06103
Phone: 860 695-8876

Endnotes

1. *Hartford Public Schools, Three Year Strategic Operating Plan*, http://www.hartfordschools.org/learn-about-hps/documents/HartfordPlan021709FINAL.pdf

2. For detailed special education weights see: *Guide to Student-Based Budgeting 2008-2009*, Hartford Public Schools, http://www.hartfordschools.org/documents/RevisedSBBGuide.pdf.

3. *New Era Begins for Hartford Public Schools*, Hartford Public Schools, Press Release, August 25, 2008.

4. *Commitment to Hartford School Reform Deepens with Breakthrough Ratification of Two Collective Bargaining Agreements*, Hartford Public Schools, Press Release, February 19, 2008.

5. *Hartfrod CMT and CAPT Scores Rise, Hartford Public Schools*, Press Release, July 15, 2008.

State of Hawaii

Program Name:	Weighted Student Formula
Implemented:	2004-2005 School Year
Program Type:	State-Wide Program
Legal Authorization:	Hawaii Legislature, Act 51

Hawaii School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	no
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	no
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief-flat contracts, etc.	no
Hawaii met 6 out of 10 school empowerment benchmarks.		

I. Program Overview

Hawaii has one centralized school district run by the State Department of Education. The state's official enrollment for the 2008-09 school years—with all 257 Department of Education (DOE) schools and 31 charter schools—is 177,871. The DOE public schools enroll 170,498 students or 95.9 percent of the total, while charter schools have 7,373 or 4.1 percent of the total.[1]

Hawaii's public education system, unlike the other 49 states, receives its funding predominantly from state and federal sources. Hawaii is the only state not dependent on local property taxes as a major source of revenue.

In 2004 the state legislature passed Hawaii's weighted student formula (WSF) program through Act 51, the Reinventing Education Act of 2004.[2] The Hawaii Department of Education calls this education restructuring effort the Reinventing Education Act for the Children of Hawaii (REACH).

The Department of Education identifies three key principles that drive REACH:

- Empowerment: Principals and communities will have greater reach— more authority, more decision-making ability and more control over funds.

- Streamlining: When schools reach for resources, they will get them quickly and easily.

- Accountability: With greater reach, comes greater responsibility. Everyone in the Department of Education—teachers, principals, administrative and support staff—will be held to high, measurable standards and will be responsible for achieving those standards.

Under the Reinventing Education Act of 2004 (Act 51), the first WSF was adopted by the Hawaii Board of Education for use in school year 2006-07. Annually the Committee on Weights (COW) provides the Board with a recommendation regarding the WSF. The Board of Education may adopt all, some or none of the committee recommendations. The committee is composed of a group of volunteers recommended by the Superintendent of Education and the Dean of the College of Education at the University of Hawaii, Manoa. The 17-member committee includes educators, parents, business representatives and other education community stakeholders.

In short, the committee reviews the WSF and may recommend changes in any of the following areas:

- Student characteristics that may be weighted

- A system of weights to apply to determine the relative cost of educating a student

- Specific student weights

- Which funds should be distributed via the WSF

- Other functions that facilitate the implementation of the WSF

One of the strong points of Hawaii's weighted student formula program is the careful review of budget categories to expand the amount of the weighted student formula dollars over time. The committee on Weights has very specific criteria to determine whether funds should be added to the WSF allocation. The committee asks a series of questions based on very specific criteria.

Criteria for New Program Funds to Be Included in WSF

Program funds are recommended for inclusion in WSF if the funds:

1. Were provided to all schools
2. Were provided to all schools of a particular level (i.e., HS)
3. Could be distributed equitably by formula
4. Would provide greater flexibility to the school community
5. Were previously distributed in a manner that resulted in an inequity

For example, in 2008 the Board added the Peer Education Program to the unrestricted weighted funds because all secondary students in Hawaii should have access to the funds.[3]

If the Board of Education approves the recommendations, in all or in part, the Department then implements the WSF by using the formula to allocate funds to the schools on a student per capita basis. Allocating funds to schools based on a system of weighted student characteristics helps ensure that the relative amount of funds available to schools is based on the needs of the students. Additionally, the use of WSF makes the budget process more transparent to school communities and provides a basis for more accurately assessing the relative cost of educating students whose educational characteristics are known to require additional assistance and support.

II. Student-Based Budgeting Formula

The 2008-2009 formula accounts for nearly one half of the Department's operating budget or about two out of three dollars allocated to schools.

In brief, the formula provides a basic per capita allocation to every student and additional funds to schools through weights, beyond the basic per capita amount, based on the following student characteristics:

- Economic disadvantage
- English language learners
- K2 class enrollment
- Transiency
- Elementary school
- Middle school
- Geographic isolation
- Neighbor island
- Multi-track

The weights include multi-track (which refers to students enrolled in year-round school on multiple calendars), Neighbor Island (which means the islands other than O'ahu) and K-2, which is an extra weight for students in kindergarten through second grade.

Schools with low enrollments receive additional per-student funding to partially offset the higher cost associated with operating schools with fewer students. On a sliding scale based on the number of students enrolled, smaller schools are provided this small-school subsidy.

In addition, there is a "hold harmless" clause that limits the size of a downward adjustment a school may experience in any one year, to 4 percent of the previous year's allocation.

Under the WSF, each public school receives a set amount of funds for basic needs. A specific dollar amount is allocated to educate each student before student characteristics are considered. In 2009-2010

that base allocation will be $4,885.87 per pupil. After the basic allocation, additional funds are given to educate students with special needs that impact their learning and achievement. (see Table 1)

Additionally, on September 4, 2008, the Board of Education approved a weighted student formula (WSF) for the 2009-2010 fiscal year. The Board-approved changes and additional funding, totaling $5,225,903, come from the following categorical programs: Athletic Directors ($2,984,032); Pregnant Teen/Parenting Program ($1,437,625); In-school Suspension ($329,638); Farrington Health Academy ($328,607); Pregnant Teen Center - Maui ($101,001); and Youth Leadership Project ($45,000). These funds will now be removed from non-discretionary categorical funds and added to the WSF allocation.

The total tentative allocation for WSF for 2009-2010 is $1,002,434,294. This represents about 41 percent of the Department of Education's total budget and about 47 percent of the operating budget.

III. Autonomy

In 2004, Act 51 mandated WSF and the decentralization of 70 percent of the DOE's operating budget to individual schools where school community councils have the flexibility to design curriculum and financial plans. Currently principals have discretion over less than 50 percent of the operating budget of the Hawaii Department of Education under weighted student formula allocations. The Committee on Weights is incrementally moving more restricted programs into the weighted student funding allocation. However, judging by the line items in the central office budget, there are still many central office programs that could be redirected into the weighted student formula allocation.[4]

For example, according to the 2009-2010 WSF implementation manual "general fund programs that are not in the WSF in SY 2009-10 include, but are not be limited to, Article VI, Vocational Education, Athletics (Coaches Salary and Supplies), At-Risk programs, Hawaiian Studies and Hawaiian Language Immersion Program, Special Education, School Health Aides, Diagnostic Services, Utilities (other than Telephone), Student Transportation, Food Service and major Repairs & Maintenance."[5]

Principals in Hawaii have very little control over staffing decisions and are bound by collective bargaining agreements that allocate staff based on seniority and district placement. The union contract

Hawaii's Weighted Student Formula		
Student Characteristics	Projected Students in SY08-09	Weight (relative additional cost)
Base per student	173,142	1.0
Economic disadvantage		0.10
ELL Non proficient Limited Proficiency Full Proficiency	5,175 9,801 794	0.362 0.181 0.060
K2	43,787	0.15
Transient	14,043	0.05
Elementary	88,086	0.035
Middle school	31,845	0.10
Geographically isolated	1,821	0.005
Multi-track	5,882	0.005
Neighbor island	53,835	0.005

Source: Hawaii Department of Education

also restricts the principals' discretion over school organization, hours and calendar.

IV. School-Level Management Support

The Hawaii Department of Education offers support to principals through the Hawaii Principals Academy. Attendance at the academy is mandatory for the state's approximately 260 elementary, intermediate and high-school principals.[6]

The academy is not a physical institution, but an ongoing training program held at various locations around the state throughout the year. Prospective principals and district superintendents also attend.

The program is run by DOE's Professional Development and Educational Research Institute. Each year, the academy provides four or five one- to two-day training sessions, amounting to about 40 hours total. Sessions on such topics as liability, legal issues and personnel management are mandatory for current and prospective principals. Sessions covering such topics as organizational development, resource management, presentation skills and school leadership are optional. Additionally, new principals are required to attend monthly training sessions to help them with grant writing, budgeting and planning. This training is taught by fellow principals.

V. School Site Councils

School Community Councils (SCCs) are mandated by the Reinventing Education Act of 2004.[7]

Members on the council are elected by their constituencies—teaching staff, non-

certificated staff, parents, students and community members. The principal is a member but may not serve as the council chair. The community stakeholders (students, parents and community members) must be equal in number to the number of school staff on the council. The SCCs are advisory groups helping principals act locally on behalf of their schools. Their first major task was to evaluate their school's academic and financial plan (AFP) initially prepared by the principal. When approved by complex area superintendents, the AFP becomes the school's blueprint for spending its money allocated under the weighted student formula. The AFP will help the school align resources with identified school needs for the purpose of improving student achievement. School Community Councils are forums for exchanging ideas about how to improve student achievement among the school's stakeholders: principals, teachers, school staff, parents, students and community members.[8]

School Community Councils are a major part of the overall leadership structure at each school. They advise the principal on specific matters that affect student achievement and school improvement. Their primary role is to help ensure that the needs of all students are specifically addressed in the overall education plan for the school. The academic and financial plan is a document that highlights the goals for the school, the programs and the available resources to reach these goals.

VI. School Choice Component

Hawaii does not have an explicit school choice component of their school empowerment plan. The enrollment guidelines at the Hawaii Department of

education do not offer parents information about transfer opportunities. The state has a strict residential verification system for each school and warns parents that they can be prosecuted for falsifying a student's address. The state of Hawaii maintains a "feeder system" of schools. This means a student is placed into an elementary school based on the child's address and that the elementary school feeds into a specific middle school and high school.

The only visible school choice for parents in Hawaii is the charter school system. Charter schools in the state have open enrollment.

VII. Accountability

The Hawaii Department of Education has an integrated accountability system. Each school's individual academic and financial plan tells a narrative summary of how the school will use resources to meet specific academic goals. In addition, each school has a yearly progress report called the Educational and Fiscal Trend Report. These reports are user-friendly report cards that are published to grade individual schools. These report cards show how efficiently money is being spent, how student performance measures up and what the overall quality of education in Hawaii's public schools looks like.

All of these academic and financial plans, report cards and the school-level budgets are published in a one-stop Web site where multiple documents for each individual school are available. The "Web site," School Documents Online, offers a transparent look at the strategic plan, academic and financial plan and the performance outcomes and budget

documents for each school in a "one-stop portal."[9]

VIII. Performance Outcomes

Hawaii has seen small incremental increases in student achievement on state and federal tests, increased the number of students taking advanced placement courses and maintained the graduation rate.[10]

In 2007, a new standards-based assessment aligned with the newly implemented Hawaii Content and Performance Standards (HCPS III) was administered. Also in 2007, the TerraNova replaced the long-standing Stanford Achievement Test as the norm-referenced test. The 2008 test results provide the first opportunity to compare standards-based and norm-referenced outcomes with the 2007 baseline results. The 2008 Hawaii State Assessment results revealed student proficiency levels are steadily improving when compared to last year. Proficiency levels increased or remained stable in every grade and subject area except grade five reading when compared to the 2007 results. Substantial improvements were reflected in grade four reading and grade eight math scores.

■ Students' progress on the National Assessment of Educational Progress (NAEP), the nation's benchmark for student achievement, mirrors the incremental improvement on Hawaii's state assessment and shows that Hawaii's fourth- and eighth-graders made across-the-board gains on the NAEP between 2005 and 2007. In math Hawaii fourth graders scored 230 in 2005 and 234 in 2007 and eighth

graders scored 266 in 2005 and 269 in 2007. In reading fourth graders scored 210 in reading in 2005 and 213 in reading in 2007 and eighth graders scored 249 in reading in 2005 and 251 in reading in 2007.

- The number of students enrolled in advanced placement exams in high school increased from 2,725 in 2007 to 3,064 in 2008.

- In Hawaii each year a cohort of first-time ninth graders are tracked to their fourth year in the public school system. About 80 percent of each cohort, over the last three years, has graduated on-time. The dropout rate for the last few years has hovered at about 16 percent. The rest of the students are either still working toward their diploma or completed school with a special education certificate of program completion.

IX. Lessons Learned

1. In Hawaii the Committee on Weights presents a formal and transparent process for reviewing the weighted student formula. This yearly review offers districts a formalized process to review discretionary versus non-discretionary funding for individual schools. In Hawaii the committee has increased the amount of categorical funds added to the WSF allocation every year.

2. Hawaii's Committee on Weights offers sound criteria for evaluating which categorical programs should be added to the weighted student formula allocation. For example, if the categorical program is provided to every school or every

school at a certain grade level, then the money should be unrestricted in the weighted student formula calculation.

3. Hawaii demonstrates a clear template for integrating the academic and financial plan for each individual school. It allows schools to describe their individual academic goals, the weighted student formula allocation that supports those goals and the potential outcomes for investing in each specific academic goal. This allows principals and school community councils the information to later evaluate whether specific investments helped to increase student outcomes.

4. Hawaii offers parents and community members a one-stop Web site where every individual school document from the budget and strategic plan to the yearly progress report is in one location under each school's name. This is a true innovation for the parent consumer. No longer does the parent have to navigate multiple sections of the district Web site to find all the documents about an individual school.

Resources

Informational Briefing Department of Education Weighted Student Formula, Hawaii State Department of Education, Patricia Hamamoto, Superintendent, January 31, 2007, http://downloads.k12.hi.us/other/070131SenateWSF/WeightedStudentFY07-09.pdf.

Weighted Student Formula: School Financial Implementation Manual for Fiscal Year 2009-2010. Hawaii Department of Education, http://reach.k12.hi.us/

empowerment/wsf/081223WSF%20 Implementation%20Manual%20FY2009-10.pdf.

Working Draft Recommendation to the Hawaii Board of Education from the Committee on Weights for School Year 2009-2010, http://reach.k12.hi.us/ empowerment/wsf/080515cowrec_sy0910_ draft.pdf.

Contact Information

Dr. Robert Campbell
Director of the Program Support and Development Office
1390 Miller St.
Honolulu, HI 96813
808-586-3447

Endnotes

1. *Superintendent's InfoExchange*, Department of Education, State of Hawaii, September 18, 2008, http://doe. k12.hi.us/periodicals/infoexchange/2008/ infoexchange080918.htm.

2. *Act 51: Reinventing Education Act of 2004*, http://reach.k12.hi.us/ Act51SB3238amended1.pdf.

3. For a detailed list of line-item budget considerations see *Working Draft Recommendation to the Hawaii Board of Education from the Committee on Weights for School Year 2009-2010*, http://reach.k12.hi.us/empowerment/ wsf/080515cowrec_sy0910_draft.pdf.

4. To see the large number of programs run by the central office go here: *Working Draft Recommendation to the Hawaii Board of Education from the Committee*

on Weights for School Year 2009-2010, http://reach.k12.hi.us/empowerment/ wsf/080515cowrec_sy0910_draft.pdf.

5. *Weighted Student Formula: School Financial Implementation Manual for Fiscal Year 2009-2010*. Hawaii Department of Education, http://reach.k12.hi.us/ empowerment/wsf/081223WSF%20 Implementation%20Manual%20 FY2009-10.pdf.

6. Nanea Kalani, "Principals go to School to Learn Business Practices," *Pacific Business News*, February 19, 2007.

7. Ruth Tschumy, School Community Councils, *Perspectives #12*, Hawaii Educational Policy Center, February 6, 2006.

8. For more information about School Community councils see https://iportal. k12.hi.us/SCC/sccpurpose.aspx.

9. For a comprehensive look at school-level accountability documents go here: https://iportal.k12.hi.us/SDO/DefaultP. aspx

10. For detailed information about Hawaii student performance see: *Superintendent's 19th Annual Report, State of Hawaii Department of Education*, http://arch.k12.hi.us/PDFs/ state/superintendent_report/2008/2008S uptRptFinal20090205.pdf

Houston Independent School District

Program Name:	Weighted Student Formula
Implemented:	2000-2001 School Year
Program Type:	District-Wide
Legal Authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open-enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	School-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	yes
Houston met 9 out of 10 school empowerment benchmarks.		

I. Program Overview

Houston Independent School District (HISD) educates approximately 202,000 students within the greater Houston metropolitan area. The district serves a diverse student population, which is 58 percent Hispanic, 30 percent African-American, 9 percent white and 3 percent Asian/Pacific Islander.

Approximately 78 percent of HISD students participate in free or reduced-price meal programs. HISD also serves more than 55,000 limited-English-proficient students who, combined, speak more than 90 different native languages.

To improve instruction and student achievement and to make the district more streamlined and efficient, schools are organized within five regions (North, East, South, West and Central) by feeder patterns composed of specific elementary, middle and high schools. Each regional office is managed by a regional superintendent who coordinates a team of executive principals to ensure the quality of instruction throughout the region's feeder patterns.

In 1990, the Houston Board of Education issued a Declaration of Beliefs and Visions for HISD that called for a "new educational structure…that…is decentralized and features shared decision-making."[1] The 1990 Beliefs and Visions statement also said that schools should have the maximum freedom to develop and implement the methods that best achieve the goal of high student achievement. In 1991, the school district implemented Shared Decision-Making Committees (SDMC) at the school level to help advise principals and allow the local school community to begin making decisions with reduced central office control. In 1994, when Superintendent Rod Paige was hired, the district began to more aggressively decentralize decision-making to the school level and give principals control over school budgets. By the 2000-2001 school year, principals had decision-making authority over their school-level budgets.

In 2009 HISD remains committed to the decentralization of resources and decision-making authority to the school level, where student academic success is the highest priority. In Houston, schools have been given direct authority for approximately 60 percent of all district funds, making HISD one of the few school districts in the nation with such a high level of decentralization. HISD has also reorganized other departments to provide services to schools on a fee-for-service basis.

Back in 1987, 70 percent of HISD schools were on the state's list of lowest-performing schools.[2] But in 2009, despite three major increases in accountability standards at the state level, only 5 percent of Houston's schools are in the state's lowest performing category. Those significant, steady gains were the result of a commitment to accountability, decentralization, competition and, more recently, a change in focus from passing a test to a focus on solid academic-achievement growth for every student, every year.[3]

II. Student Based Budgeting Formula

The district has formulated a school budgeting process that includes a weighted student formula. The process begins with a base grade-level formula for every student.[4]

Base grade level weights for 2009-2010 are:

- Elementary school $3,390
- Middle school $3,415
- High school $3,379
- Early childhood special education and pre-k units are weighted at 0.5.
- K-12 students are weighted at 1.0.

The base formula is allocated on 100 percent average daily attendance or in essence each school's total enrollment if every student attended every day. The formula also provides additional resources for special populations based on student characteristics.

Weights for Special Populations 2009-2010

- Mobility (> than 40 percent)   .10
- Special education   .15
- State compensatory education (poverty and at-risk)   .15
- Gifted and talented   .12
- Vocational education   .35
- English language learner   .10

1. Mobility is determined by counting the number of students determined to be mobile. A student is considered to be mobile if he or she has been enrolled at the school for less than 83 percent of the school year (has missed six weeks or more at a school). Schools with mobility less than 40 percent are given a weight of 0. Schools with mobility more than 40 percent are given a weight of 0.10.

2. Special education students are students a school serves with an individualized education plan (IEP). The weighting provides discretionary non-payroll resources to the students. The central office still allocates special education

teachers. Multiply the number of eligible students by the weight of .15 to get the weighted special education units.

3. State compensatory education (SCE) student counts are based on the 50 percent of students who qualify for free or reduced lunch at a school and 50 percent of students at risk, as determined by multiple factors including test scores and dropout status. These two counts are combined to get the total student population that will receive the SCE weight. In other words, this weight multiplies the total number of free lunch students by .50 and the total number of at-risk students by .50 and then funds the new population that was created based on one-half of the free lunch and at-risk population at the school.

4. The gifted and talented student population is determined by the number of students at each school that have been designated as GATE students.

5. Vocational education weight is determined by the number of hours each student is enrolled in vocational education courses. The unit for each course is computed based on contact hours multiplied by 175 instructional days. Multiply the weight of .35 by the units.

6. English language learner weight is multiplied by the number of students at each school designated as English language learners.

In addition to the student weights, each school receives a capital allocation of $10 per enrolled student. HISD also maintains a small school subsidy. The per-student allocation for the small school subsidy is $1,116. The small school subsidy

distribution is calculated based on a school's enrollment.

The threshold enrollment levels are as follow:

■ Elementary school - 500

■ Middle School - 750

■ High School - 1,000

III. Autonomy

HISD provides schools with approximately 60 percent of the district's operating budget in the form of weighted student allocations. At the school level the total weighted allocation is approximately 80 percent of the school's overall resources. The principal has discretion over these funds and the only mandated school position is the principal.

In Houston principals also have discretion over hiring decisions. Collective bargaining is illegal in the state of Texas and school boards set personnel practices. In Houston, the school board policy gives principals significant discretion over personnel decisions and the design and organization of each school.

IV. School-Level Management Support

HISD runs an Aspiring Principal's Institute that provides each principal five training components:

■ Six-week summer intensive

■ Harvard Graduate School of Education coursework

■ Year-long paid school-based API internship

■ API seminar

■ Job-embedded, personalized coaching and support.

In addition, HISD provides principals with support from budget analysts during the yearly budgeting process at each regional office.

V. School Site Councils

HISD schools operate under a site-based-management concept with each school having a Shared Decision-Making Committee (SDMC). This school-level planning and decision-making process was established in 1992 by the Board of Education to involve professional and non-professional staff members, parents, community members and business representatives in public education. Participants at each school review the district's educational goals, objectives and instructional programs. The school principal determines the size of the committee and nominates members from the public sphere.

VI. School Choice Component

Most schools have specifically defined attendance zones that include residential areas that each school serves. On the basis of a student's home address, HISD assigns each student to a "feeder pattern" composed of a specific elementary, middle and high school.

HISD also offers parents the option of sending their child to a school other than the "home" or "zoned" campus, provided that the school of choice has sufficient space available to accept additional students. When the school of choice accepts a

student from outside its attendance zone, HISD requires that the parents agree to keep the student at the chosen school for the entire school year and parents must assume responsibility for the student's transportation.

If the demand for space-available seats exceeds the space available at an individual school, a lottery is used to determine which students are selected to enroll in the school.

VII.   Accountability

In 2008 the Houston Independent School District implemented a new accountability process called the ASPIRE (Accelerating Student Progress and Increasing Results and Expectations) model. This overarching initiative connects all of HISD's educational improvement efforts and encompasses innovative technology solutions, professional development and communications. ASPIRE's system of value-added analysis helped HISD increase student achievement and reward those who help students make strong academic progress. As one of the largest performance-pay plans in the nation, in 2008 the ASPIRE Award Program recognized more than 10,000 teachers and other school personnel with more than $23 million in bonuses. The district also broadened performance management, making everyone in the central office more accountable for the quality of support provided to ensure successful teaching and learning in every classroom.

Through ASPIRE, HISD is providing teachers and principals with training and support to ensure they have the knowledge, skills and tools they need to help all of the district's students to succeed. ASPIRE uses the latest technology and information

systems to provide principals, teachers and other staff with the most reliable data to make important decisions about student performance.

A central component of ASPIRE is school-level, value-added reports to provide information about performance/progress by the campus overall and at each grade level. These reports give information about specific subjects, including reading, math, language arts, science and social studies.

In addition, the district's research and accountability office also provides parents with school-level profiles that include school enrollment and demographic information, special programs and school performance data.

HISD is also more transparent about the budgeting process than many districts that report school-level budgets. While most school-level budgets using student-based budgeting provide overall school allocations, HISD breaks the school-level budget down by individual student counts and the weights these student populations generate. In addition, HISD's school-level budgets also report student achievement data for each school.

VIII.   Performance Outcomes

Since decentralization efforts began in the 1990s, HISD has been working on continuous improvement for student performance. In 2002, HISD won the Broad Prize for being a top-performing urban school district. The prize is awarded annually for outstanding overall improvement while narrowing the achievement gap between economic and ethnic groups.

Some of HISD's specific achievements

include:

■ Even with the state raising accountability standards, the number of HISD schools earning an "exemplary" rating from the state increased from 15 to 38 and the number of "recognized" schools rose from 69 to 119—for a record total of 157, an 87-percent gain since 2007. The number of "academically unacceptable" schools remained at 15. This is the highest rate among large urban districts in the state.

■ The Texas Assessment of Knowledge and Skills is the state's central assessment of student achievement and students must pass it to be promoted to the next grade level or to graduate from high school. In 2008, 84 percent of schools improved in passing rates in social studies, 79 percent in science. Seventy percent of schools improved in math and 61 percent of schools improved in English language arts.

■ Dual-credit and advanced placement (AP) courses give students the opportunity to earn high-school and college credits at the same time. Record numbers of HISD students took these classes, giving them a head start as college freshmen and saving their parents thousands of dollars in college tuition. The number of students enrolled in dual-credit courses rose 47 percent from 2007 to 2008, with a passing rate for all students at 95.1 percent.

■ Nearly 7,900 students were enrolled in AP classes in 2007–2008 representing an increase of 34.8 percent since 2003. From 2003 to 2007, the number of students taking AP exams increased 77.8 percent.

■ Houston's graduation rate has declined from 80.9 percent in 2006 to 76.8 percent in 2007.

IX. Lessons Learned

1. Use performance pay in connection with the weighted student formula to encourage principals and teachers to meet the goals they outline in their academic plans as part of their discretion over budgets.

2. Use value-added analysis in addition to static achievement data to analyze how schools and teachers are changing student performance over time. Offer parents transparent school profiles that include both value-added data and overall school performance data.

3. Report detailed school-level budgets that include each school's student populations and the weights and budget allocations attached to those students. Also report student achievement data on school-level budget reports.

Resources

2008-2009 Adopted Budget, Houston Independent School District.

Resource Allocation Handbook: Recommended 2009-2010, Houston Independent School District, http://www. houstonisd.org/BudgetingFinancialPlanning/ Home/School%20Resource%20 Handbook/2009-2010_Resource_ Allocation_Handbook.pdf

State of the Schools 2008 Annual Report, Houston Independent School District, http://www.houstonisd.org/

HISDConnectEnglish/Images/PDF/AR_08_
SOS.pdf

For school-level weighted pupil
budgets go here: http://www.houstonisd.
org/BudgetingFinancialPlanning/Home/
District%20Budget%20Books/2008-2009_
Schools_Section.pdf

Contact Information

Boon Chew
School Based Budgeting Manager
Houston Independent School District
4400 West 18th St.
Houston, Texas 77092
713-556-6591

Endnotes

1. *Preliminary Resource Allocation Handbook, 2001-2002*, Houston Independent School District.

2. *State of the Schools 2008 Annual Report*, Houston Independent School District, http://www.houstonisd.org/HISDConnectEnglish/Images/PDF/AR_08_SOS.pdf

3. Ibid.

4. *Resource Allocation Handbook: Recommended 2009-2010*, Houston Independent School District, http://www.houstonisd.org/BudgetingFinancialPlanning/Home/School%20Resource%20Handbook/2009-2010_Resource_Allocation_Handbook.pdf

New York City Department of Education

Program Name:	Fair Student Funding
Implemented:	2007-2008 School Year
Program Type:	District-Wide
Legal Authorization:	Mayor Control

New York School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	yes
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief-flat contracts, etc.	yes
New York City met 10 out of 10 school empowerment benchmarks.		

I. Program Overview

In 2008 the New York City Department of Education served approximately one million students with 78 percent qualifying for the free or reduced-price lunch program and approximately 15 percent English language learners. In 2002 the state legislature granted Mayor Bloomberg control of the schools and he appointed Schools Chancellor Joel Klein to run the schools.

In the first few years of mayor control, Bloomberg and Klein worked to stabilize and bring coherence to the city school system. Once the schools were stabilized, Bloomberg and Klein took steps to empower principals by giving them decision-making power and resources and holding them accountable for results.

In 2007 Schools Chancellor Joel I. Klein announced that the New York City public schools would receive unprecedented new levels of funding for the 2007-08 school year and that the administration's new "fair student funding" program would bring greater equity and transparency to those budgets.[1] As a result of the infusion of new state and city education dollars, as well as ongoing efforts to reduce bureaucracy, schools would receive roughly $900 million in new aid, some of which is tied to specific programs and increased teacher salaries and benefits. They would have significantly greater discretion—to hire new teachers, buy supplies or provide enrichment services for students and staff—over several hundred million dollars of new funds as well as over funds that were previously on school budgets but tied to specific programs. One hundred ten million dollars of the $900 million would go directly to 693 schools that had traditionally been receiving less than their fair share. Educators would now have substantially more funds, as well as the decision-making power they need to make informed decisions to help New York City public school students succeed in school.

Also included in the new funding going to schools was $170 million that the Department of Education redirected to schools as new "Children First Supplemental Funds" for schools to purchase newly organized school support services and other goods, services and staff that they determine help students succeed. The $170 million came from cuts to central and regional budgets. This brought to $230 million the amount the DOE has cut from the bureaucracy and sent to schools since 2006 to purchase support services at their own local discretion. Along with new money schools received in 2007, principals and their teams were given additional discretion over hundreds of millions of dollars that were previously tied to specific programs.

This autonomy allows principals and their teams to choose the best programs and support services for their particular students and teachers. It also allows them to purchase the materials, staff and services that are best aligned with their school's specific needs.

The New York City Department of Education empowered all public schools through a school financing reform called "fair student funding," (FSF) so that principals had discretion over resources and educational decisions in their own schools. New York City's public school empowerment program builds on the "empowerment schools" initiative pilot. In the 2006-07, 332 New York City public schools took on greater decision-making

power and resources in exchange for accepting accountability for results. These "empowerment schools" worked under performance agreements, committing to high levels of student achievement with clear consequences for failure. In exchange for this commitment, principals and their teams had the freedom to design educational strategies tailored to their students. These schools hand-picked their support teams, hired additional teachers, implemented creative schedules, designed tailored assessments, invested in professional development and purchased both internal and external services to meet their needs and their students' needs. Initial results were promising, with more than 85 percent of empowerment schools meeting the performance targets set by the Department of Education.

The expansion of school empowerment through fair student funding was based on extensive research and outreach by the leadership of the New York City schools.[2] The Fair Student Funding Plan is based on an inclusive, research-based process that involved more than 100 meetings with almost 6,000 people in all five boroughs. The city education department completed careful analysis of current budget practices and input from expert advisers, including leaders from other districts that have pioneered student-based budgeting systems.

Beginning with the 2007-08 school year, all 1,500 public schools were empowered, and their principals and their teams gained broader discretion over allocating resources, choosing their staffs and creating programming for their students. Under FSF schools have increased resources because the new formula allocates funds based on student need.

In New York City, fair student funding is based on simple principles:

- School budgeting should fund students fairly and adequately, while preserving stability at all schools.

- Different students have different educational needs and funding levels should reflect those needs as accurately as possible.

- School leaders, not central offices, are best positioned to decide how to improve achievement.

- School budgets should be as transparent as possible so that funding decisions are visible for all to see and evaluate.

In New York public schools, FSF aims to achieve three major goals:

- Improve student achievement: School leaders and communities know best what their schools need for their students to achieve. Fair student funding eliminates restrictions on dollars and gives schools more opportunity to make the best choices for their students. It also creates new financial incentives for schools to enroll struggling students— and new rewards when schools succeed in improving students' results.

- Move toward equity: In the 2007-2008 school year, FSF directed $110 million in new funds toward schools that had not received their fair share of resources, without taking funds away from other schools. Going forward, fair student funding aims to bring all schools up to their fair funding level as soon as resources permit.

- Make school budgets more transparent: Fair student funding eliminated many complex funding streams, providing more than five billion dollars to schools

in a single, simplified budget allocation. And while FSF isn't perfect, it's a big step forward in transparency and the accountability it brings and a strong vehicle for improvement over time.

II. Student-Based Budgeting Formula

Under New York City's fair student funding system schools receive more equity and transparency in two ways—first, by the weighting of the students based on their needs and second by making school-level salaries transparent and moving to a system that charges schools the average cost of their particular employees. Principals are empowered by receiving money instead of resources from the central office that they can spend as best serves their particular schools.

Under FSF, schools receive additional resources based on the needs of their students and the size of their student population. The Department of Education assigns "weights" to different types of students based on their grade level and need, determined by factors like how well they are doing in school, how poor their families are and whether they qualify for special education and English language learner services.

This is the allocation methodology for almost $6 billion of schools' money and makes up approximately 64 percent of school budgets. This funding covers basic instructional needs and is allocated to each school based on the number and need-level of students at the school. All money allocated through FSF can be used at the principals' discretion.

The following weights are available:

- Foundation Grant—All schools regardless of size or type receive a lump-sum foundation grant of $225,000. The dollars are not tagged to particular positions and schools, not central administration, determine whether they need more core administrative staff and fewer teachers or the reverse. The foundation grant also allows small schools to maintain a core administrative staff.

- Grade Weight— Every student receives a weight determined by his or her grade level. The Department chose to provide middle school students with the largest weights because these students experience the largest drop-offs in student achievement. They chose to fund grades 9–12 at a slightly higher level than grades K–5 for several reasons: older students tend to have higher costs for non-personnel (such as more costly science materials), they often take electives that break into smaller classes and their schools often require more administrative personnel.

- English Language Learners—Experts recognize that English language learners (ELL) have higher needs. ELLs who have become proficient in English graduate at higher rates than all other students— more than 60 percent—while more than half of ELLs who never become English-proficient drop out of high school. Funding for ELLs is determined by grade level: a K–5 weight, a 6–8 weight and a 9–12 weight. Students in higher grades will receive additional resources for two reasons: (a) as students age, the state requires them to receive additional periods of specialized education; and (b) it is more developmentally difficult for

older students to master a new language.

- Low Achievement Weight—The Department also drives additional funds to students at the greatest risk of academic failure. It determines students with greater needs by looking at their past achievement. Therefore, to the extent possible, it relies on student achievement data—results on state math and English language arts exams—to identify students eligible for additional funding. Students receive additional weights based on their achievement at entry to a school. A school will receive additional funding for enrolling struggling students, but will not lose money for success in educating them. At schools beginning in fourth grade or later (e.g., all 6–8, 9–12 and 6–12 schools), students receive additional weights based on their achievement upon entering the school. There are two funding levels—a larger weight for students "Well Below Standards," and a smaller one for students who are below grade level but closer to proficiency ("Below Standards"). As with the grade-level weights, these intervention weights are higher in grades 6–8 than in grades 9–12.

- Poverty Weight—Students enrolled at schools that begin before grade four (e.g., all K–5, K–8 and K–12 schools) qualify for the poverty weight if they also qualify for free or reduced lunch. The poverty weight is for students before grade 4 because there is not test score data available before entry to fourth grade.

- Special Education— FSF gradually shifts special education funding away from per-class type and toward funding individual student needs. In doing this, FSF aims to help reinforce that special education students are an integral part of a school, not a separate subset of students. FSF aims to eliminate the view of special education as strictly prescriptive, immovable and segregated from the kinds of innovative thinking that occur in general education. The full continuum of services is available to serve students, as schools receive special education per-student funding based on the number of periods a day that a student requires special education services, rather than funding based on a specific service delivery model. This should increase schools' flexibility to develop service delivery models or a combination of models tailored to meet the individual needs of the students.

- Portfolio Weight—at the high school level, the Department provides students with a portfolio of different education models. Students attending these schools will continue to be eligible for additional funding. Portfolio categories for the 2008–09 school year are:

  - Career and Technical Education (26 schools)

  - Specialized Academic (12 schools)

  - Specialized Audition (6 schools)

  - Transfer (37 schools)

In summary, the FSF formula allocates dollars to schools through four basic categories:

- Foundation—a fixed, $225,000 sum for all schools;

- Grade weights, based on student grade levels;

Fair Student Funding Weights 2008-2009			
	K–5	6–8	9–12
Grade Weights	1.00 / $3,946	1.08 / $4,262	1.03 / $4,064
Need Weights			
Academic Intervention	K–5	6–8	9–12
Poverty	0.24 / $947	—	—
Achievement—well below standards	—	0.50	0.40
6-8	0.50	1,974	
9-12	0.40	1,578	
Achievement—below standards	—	0.35	0.25
6-8	0.35	1.381	
9-12	0.25	986	
ELL	0.40 / $1,578	0.50 / $1,974	0.50 / $1,974
Special Education			
Less than 20%	0.56 / $2,210	0.56 / $2,210	0.56 / $2,210
20–60%	0.68 / $2,684	0.68 / $ 2,684	0.68 / $2,684
Greater than 60% (self-contained)	1.23 / $4,853	1.23 / $ 4,853	0.73 / $2,881
Greater than 60% (integrated)	2.28 / $8,997	2.28 / $8,997	2.52 / $9,944
Portfolio Weights			
Specialized Audition schools	—	—	0.35 / $1,381
Specialized Selective schools	—	—	0.25 / $986
CTE schools	—	—	0.05–0.25/ $197–$1,026
Transfer schools	—	—	0.40 / $1,578

Source: New York City Education Department

- Needs weights, based on student needs; and
- Enhanced weights for students in "portfolio" high schools.

Like most districts, the New York City Department of Education also has a "hold harmless" clause to transition schools to fair student funding. Schools historically funded above their formula level received a "hold harmless" amount equal to the amount over the formula. In 2007-2008, 690 schools fell into this category. Schools keep this allocation at least through the 2008–09 school year. Schools that have historically been funded under their formula level began to receive new money to bring them to a fully funded level. Last year 693 schools fell into this category. These schools received a total of $110 million in new money in the 2007–08 school year. Each school received approximately 55 percent of the gap between the school's previous funding level and the FSF formula level up to $400,000. In 2008-2009, most of these schools will remain under their formula level. The current plan is to bring these schools up to formula as soon as the fiscal situation improves.

New York City used to allocate resources to schools based on the number of teachers at the school. Each school was charged an average district-wide teacher salary for each individual teacher—the same amount per teacher, whether the teacher was a high-paid veteran or a new entry-level teacher. This meant that schools with

School –Wide Average Salary Process	School A	School B
Spring 2007 salary snapshot	50 teachers Average salary through June 2008: $64,000	50 teachers Average salary through June 2008: $68,000
June 2007-April 2008	5 teachers retire. Replaced with 5 relatively lower-salary teachers; school is charged $64,000 each for them	5 teachers retire. Replaced with 5 relatively higher-salary teachers; school is charged $68,000 for them
Spring 2008 salary snapshot	50 teachers. New average salary charged for all teachers through June 2009: $61,000	50 teachers. New average salary charged for all teachers through June 2009: $71,000
June 2008-April 2009	3 relatively higher salary teachers hired; no teachers leave. School is charged $61,000 for them	4 relatively lower-salary teachers hired; no teachers leave. School is charged $71,000 for them

Source: New York City Department of Education, Resource Guide for School Budgets

high-paid teachers were charged less for them than their actual salaries and schools with entry-level teachers were charged more for them than their actual salaries. On the books, the schools were getting the same resources, but in reality the school with entry-level teachers did not get rewarded for costing less money in salaries. The inevitable consequence was that the Department gave the same resources to schools that had less experienced, lower-paid teachers and needed more resources as it did to schools with higher-paid experienced teachers. For example, at two schools with 100 teachers each, one with teachers earning an average of $60,000 and one with teachers earning an average of $70,000, the school with highly paid teachers uses $1 million more resources from the Department than the school with new teachers with lower pay, yet they would be charged the same amount against their funding. Under the average district salary allocation used in the majority of school

districts in the United States, each school is charged the average district salary for each teacher. In the previous example the average would be $65,000, so the schools would be charged the same amount against them for teacher salaries by the Department. In effect the school with lower salaries subsidized the school with higher salaries.

To address this inequity in New York City, schools are now funded based on the needs of their students, not the numbers of their teachers. Under this approach, a school will no longer be financially punished because it has trouble attracting experienced teachers. Schools now receive an allocation based on the individual needs of their students—their FSF allocation—and are responsible for paying their teachers out of that allocation. So the school with the greater resource of an experienced teacher pays for it and the school with the entry-level teacher has money left over to use as it sees fit.

New York City public schools still are not charged their teachers actual salaries, but are charged the average actual salaries for the teachers of that particular school alone, which increases equity substantially. No longer are schools that cannot attract veteran teachers charged disproportionately more than they should be. In the above example, the $60,000 average salary school reaps the monetary remainder of costing the Department less money and the $70,000 average salary school pays for the resources it employs.

As of April 2007, principals were given autonomy over the hiring of teachers, thus principals can choose whether they want an experienced teacher at a higher price or an entry-level teacher who will save the school, not the Department, more money.

And with this autonomy, principals are held to account for the achievements of their schools. Yet, since principals do not have autonomy over the hiring of teachers already at the school who were hired prior to April of 2007, the Department offers a gradual financial transition. Principals are only responsible for the increased salary of the teachers hired after April 2007. For teachers hired prior to the change, the Department covers the funding gap of collective bargaining or other pay increases earned by that particular teacher and will cover those increases of those staff members for as long as they teach at that school.

Thus, the 2008–09 school-wide average salary is calculated by taking a snapshot of all active teachers at a school as of March 2008. The salaries of those teachers are forecasted for their amounts as of June 30 to capture longevity, differentials and collective bargaining increases. The forecasted salaries for the teachers at that school alone are totaled and then divided by the number of active teachers as of March 2008. The school-wide average salary is charged for all teachers for the entire 2008-09 school year.

In addition, a school receives a supplement to cover a portion of the amount that teachers on schools' budgets prior to April 2007 contribute to the annual increase of the school's average each year because of longevity, steps and differential increases. This funding will be given to schools as a separate allocation. It is intended to help ease the transition to charging actual salaries for teachers, which will occur when all teachers at a school are hired after April of 2007. Because the school-wide average salary charged for all teachers in the 2008–09 school year is based on a snapshot of teachers' salaries

the previous spring, principals have a year to adjust for hiring decisions before their budgets are affected.

For example, if a school hired either a $60,000 teacher or an $80,000 teacher last school year, the school was charged the same amount, whatever its average salary was last year. However, this school year, the school's average salary will rise or fall based on the costs of the teachers hired this past year. The school will have roughly $20,000 more or less left to spend on other priorities this year, depending on whether the school hired the $60,000 or the $80,000 teacher.

The policy of lagging the salary impact of hired, transferring and exiting teachers was made in direct response to principals' requests for planning time to manage the effects of their decisions. For example, if a principal wants to bring on a more experienced teacher, he or she will have a year to plan for the increase in average teacher salary that may cause.

The bottom line for future budgets is that a school experiences changes in purchasing power based on both attrition and hiring decisions made by the school. Schools that have lowered their school-wide average salaries experience an increase in purchasing power; schools that have increased their school-wide average salaries experience a decrease in purchasing power.

Moving from charging a school salaries based on district-wide averages to charging a school salaries based on a school-wide average gives principals control over their own schools. It also increases the equity between schools within a school district and offers parents and the community a more transparent method to judge spending at the school level and to make comparisons between schools.

III. Autonomy

Principals have more control over resources under New York City's fair student funding plan. Before 2007 principals controlled just 6 percent of their schools' budgets. In the 2008-2009 school year each principal has discretion over about 85 percent of his or her budget.[3]

In New York City public schools principals also have discretion over staffing decisions. The Department of Education negotiated with the United Federation of Teachers to reach a historic agreement that gave principals more control over staffing. In exchange for a 15 percent increase in teacher salaries, the new contract gives principals the power to make final decisions regarding hiring for all vacancies. There are no more "bumping" by more senior teachers and no more involuntary placements of teachers in any school. This means that, for the first time, principals will be able to choose the teams they think are best for their unique student populations. The contract also allows principals to assign teachers to professional activities such as hall, lunchroom and schoolyard duty, tutoring and advising student clubs. Finally, the discipline and grievance procedure has been streamlined and teachers who engage in sexual misconduct with students or other minors can now be suspended without pay pending a hearing and face automatic termination once charges are sustained. The contract also gives the Department of Education the ability to create "lead teacher" positions, with a $10,000 salary differential, giving principals a powerful new tool to recruit experienced, talented teachers to high-need schools.

IV. School-Level Management Support

The New York City Department of Education provides extensive support for school principals. The NYC Leadership Academy is the primary provider of training to prospective public school principals and professional development to principals already working in City schools. In 2008 the Academy won a new contract to provide principal training. It has trained principals for City schools since 2003 through a private funding agreement that ended at the close of the 2008 fiscal year. Under the new contract, the NYC Leadership Academy will provide several services to the DOE including residency-based training for educators who want to become principals, on-the-job training for aspiring school leaders already working in City public schools, professional development for principals opening new schools, mentoring for all first-year principals, coaching for experienced principals, workshops and Web-based training for principals and their teams and consulting to senior DOE staff on policy matters regarding school leadership. The DOE is negotiating a contract expected to last for five years and cost approximately $10 million annually.

In addition, beginning in 2007-08, principals chose the type of support that was best for them, their staff and their students. In consultation with their school communities, principals selected from among three types of school support organizations, all designed to support schools as they work to meet the high standards that the New York City Department of Education has set for them:

■ "Empowerment support organizations" provide support that is localized, relevant and practical for each school involved. Empowerment teams work hard to understand what works and does not work for their schools in order to develop the right supports and to advocate for the policy changes that make sense. Principals select a team of four or five individuals who serve a network of approximately 23 schools to provide support, guidance, advocacy and coaching related to all issues from instruction through budget. The job of the network team is to support schools with all their instructional and operational needs so they can reach their accountability targets. By selecting their network of schools and network leader, hiring the network team and providing regular feedback about the network team, principals are able to ensure that those who support them have the skills and knowledge to ensure excellent performance. The network team is accountable to the principal, who can replace the team if their needs are not met.

■ "Learning support organizations" are led and operated by the Department of Education's most accomplished regional leaders. Each includes distinctive support offerings, focusing on areas including instruction, programming, scheduling, youth development and professional development. Packages are available to schools across the City without regard for regional boundaries and service packages are differentiated to meet the unique needs of a broad variety of schools.

■ "Partnership support organizations"

are operated by groups outside of the Department of Education including intermediaries, colleges, universities and other organizations with demonstrated records of supporting communities and schools in a variety of capacities. In 2007 the New York City Department of Education invited external organizations to submit proposals detailing how they would support schools and join with school leadership to leverage what's working elsewhere in the City and country. There are currently six partnership support organizations supporting New York City public schools.

Principals at each school have discretionary funds above their FSF allocations to purchase services from the support organizations. For the fiscal 2008 year, every school received a supplemental "children first allocation," which represents funds that were previously spent on behalf of schools, rather than by schools. For the fiscal 2008 year, the children first allocation was composed of $85,000 in base funding and an additional $120.48 per student for every school. The average amount disbursed through this allocation was $166,000 per school. These funds help school principals purchase customized services from the school support organizations or use the money for any purpose at the discretion of the principal.

V. School Site Councils

"School leadership teams" are school-based organizations composed of an equal number of parents, teachers and administrators to make important decisions

about their schools. They meet at least once a month and determine the structure for school-based planning and shared decision-making. The team's core responsibility is developing the school's "comprehensive educational plan" and aligning it with the school-based budget. Principals also turn to school leadership teams for advice when making important decisions. Teams must include as mandatory members: the school principal, the PA/PTA president (or designated co-president), the United Federation of Teachers' chapter leader and an equal number of parents and staff. High school teams must also include at least two students. School leadership teams may choose to include representatives from community-based organizations.

VI. School Choice Component

In New York City elementary schools and middle schools are moving toward open-enrollment policies. Elementary and middle school students have choices within their districts (which are based on geographic boundaries) and can to attend City-wide open enrollment schools. Kindergartners can apply directly to individual school locations while middle school students rank their choices of district and City-wide middle schools and are placed into one of their choices.

The high schools are all open-enrollment schools. The student-driven process enables students to rank schools and programs in an order that accurately reflects their preferences. Students can rank up to 12 programs from more than 600 high school programs City-wide. The Department of Education conducts workshops and fairs to help parents and students learn about

the high school admissions process and make informed choices. In 2008, 86 percent of the 85,126 students who applied for admission to a New York City public high school were matched to one of their top five choices.[6] Nearly half—49.8 percent—of applicants received their first choice and 76 percent received one of their top three choices. Overall, 91 percent of students were matched with one of their choices.

New York City also offers parents in low-performing or dangerous schools transfer options. The NCLB Public School Choice program gives parents of eligible students enrolled at Title I Schools In Need of Improvement (SINI) and Schools Under Register Review (SURR) at the state level the option to request a transfer. The Progress Report Transfer program gives parents of eligible students enrolled at non-SINI/SURR schools receiving a 2006-07 Progress Report "F" grade the option to request a transfer. Parents of students enrolled at newly identified phase-out schools (as of November 2007) will also have the option to request a transfer through the Progress Report Transfer program. The NCLB School Choice Program for Persistently Dangerous Schools gives parents of eligible students enrolled at schools identified as "persistently dangerous" by the New York State Education Department the option to request a transfer. It also encouraged schools to accept students who transfer out of failing schools under the federal No Child Left Behind act by providing $2,000 per child.

VI. Accountability

The Office of Accountability's mission is to improve academic outcomes for all New York City public school students. There

are several mechanisms to hold schools accountable:

Bold Progress Reports grade each school with an A, B, C, D or F to help parents understand how well their school is doing and compare it to other, similar schools.[7] These progress reports are the centerpiece of the City's effort to arm educators with the information and authority they need to lead their schools and to hold them accountable for student outcomes. The reports also provide parents with detailed information about school performance, both to hold their schools accountable and to inform family decisions.

School surveys gather information from the people who know most about how well schools are serving the learning needs of students: teachers, parents and students.

Quality reviews provide more in-depth profiles of each school, based on two to three-day visits by experienced educators who talk to parents, students and staff, observe classrooms and review how schools use information and set goals to improve learning for all students. Quality Reviews assess how well a school is organized to help raise student achievement, with a focus on how effectively the school uses data to identify and meet students' individual needs and how well schools adjust to evidence of success or failure in improving student learning.[8] The quality review rating scale includes five ratings—outstanding, well-developed, proficient, underdeveloped with proficient features and underdeveloped.

Schools that earn both an A on their progress report and the top score of "well developed" on their quality review are awarded additional funding.[9] Schools can spend the "excellence rewards" of approximately $30 per student at their discretion on whatever programs or other school-related expenses will best support their continued progress.

The New York City Department of Education has also invested in the technology and data systems necessary to allow schools to use evidence from student performance to inform their strategic planning and accountability goals. The "achievement reporting and innovation system" (ARIS), is a groundbreaking tool introduced in 2007 to principals and small teams of teachers to help them raise student achievement. As of 2008 it has been available to all New York City classroom teachers.[10] ARIS gives educators access in one place to critical information about their students—ranging from enrollment history, diagnostic assessment information, credits accumulated toward graduation and test scores to special education status and family contact information. ARIS combines this information with an online library of instructional resources and with collaboration and social networking tools that allow users to share ideas and successes with other educators in their school and across the City.

The student data available in ARIS include current and past scores on state reading, math, social studies and science tests; scores on Regents exams; scores on no-stakes periodic assessments in reading and math; high school credits earned; enrollment history; family contact information; English language learner; special education status and other biographical information.

Teachers can use ARIS to diagnose their students' learning needs and measure their success in meeting those needs. They can see an overview of the academic progress of every student in all of their classes. With just

a few clicks, they can view more detailed information about individual students or groups of students. Principals can view information about any student or class in their schools. Teachers and principals can also create customized reports based on this data so they can monitor the specific skills or analyze the trends in their students' progress, that matter most to them.

New York City has also used school closure as a form of accountability. Each principal signs a detailed statement of performance terms that clearly states accountability consequences and rewards.[11] For example, the contract states that "the Chancellor will consider immediate closure of any school with a Progress Report grade of F and a Quality Review score of less than Proficient." In 2007, 10 schools that were failing under No Child Left Behind were closed and 36 other district schools are being phased out.

VII. Performance Outcomes

New York City public schools have seen several positive trends in student outcomes since Mayor Bloomberg gained control of the schools in 2002 and more recently since instituting fair student funding. In 2007, the New York Department of Education was awarded the Broad Prize for Urban Education recognizing New York City as the nation's most improved urban school district.[12] The annual prize, the largest and most prestigious education award in the country, is given to the district that has demonstrated the greatest progress in raising academic performance for all students while also reducing the achievement gap between ethnic groups and high and low-income students.

This progress has continued on several fronts.

■ In 2008 New York City elementary and middle school students made substantial progress at every grade level in English language arts and math since 2007, outpacing gains made by students state wide and building on consistent progress since the start of the Bloomberg administration.[13] New York City's one-year gains in both English language arts and math were larger than the rest of the state's at every grade level with only one exception. In 2008, in math, 79.7 percent of students in fourth grade and 59.6 percent of students in eighth grade—the two grades tested by the state since the start of the administration— are meeting or exceeding grade-level standards, up from 52 percent and 29.8 percent, respectively, in 2002. In English language arts, 61.3 percent of students in fourth grade and 43 percent of students in eighth grade are meeting or exceeding grade levels, up from 46.5 percent and 29.5 percent, respectively, in 2002. Also, African-American and Latino students in New York City achieved greater gains in both English language arts and math than their White and Asian peers, narrowing the racial and ethnic achievement gap. More City students are meeting or exceeding state standards at all grade levels. In math, the percentage of students in grades three to eight meeting or exceeding standards rose 9.2 percentage points since 2007, from 65.1 percent to 74.3 percent. In English language arts, the percent of students in grades three to eight meeting or exceeding standards rose 6.8 points since 2007 from 50.8 percent to 57.6 percent.

- New York City students are narrowing the achievement gap with the rest of the state. In fourth-grade math, New York City students have closed the gap with students in the rest of the state by 18 points since 2002. They scored 24.4 points below students in the rest of the state in 2002 in math; in 2007 City students scored 9.1 points below students in the rest of the state and in 2008 City students scored 6.4 points below students in the rest of the state. In eighth-grade math, City students have closed the gap by 11.7 points since 2002, from 27.2 points in 2002 to 20.2 points in 2007 to 15.5 points this year. In English language arts, they are also gaining on students in the rest of the state. In fourth grade, the gap has narrowed by 8.4 points since 2002. City students scored 23.5 points below students in the rest of the state in 2002; in 2007 they scored 18.6 points below students in the rest of the state and in 2008 they scored 15.1 points below students in the rests of the state. In eighth-grade English language arts, they have narrowed the gap slightly, by 2.7 points, since 2002, from 22.5 points in 2002 to 23.3 points in 2007 to 19.8 points this year.

- New York City is also narrowing the achievement gap. African-American and Latino students are making progress faster than White and Asian students, successfully narrowing the racial achievement gap. In fourth-grade math, the gap separating African-American and White students has narrowed by 16.4 points since 2002. In eighth-grade math, African-American students have closed the gap with White students in New York City by 4.9 points since 2002. In fourth-grade English language arts, the gap separating African-American and White students in New York City has narrowed by 6.3 points since 2002. In eighth-grade English language arts, African-American students have closed the gap with White students by 3.8 points since 2002, from 33 points in 2002 to 28.6 points in 2007 to 29.2 points in 2008.

The gap separating Latino and White students in New York City in fourth-grade math has narrowed by 15.2 points since 2002. In eighth-grade math, Latino students have closed the gap with White students by 8.7 points since 2002, from 34.3 points in 2002 to 30.3 points in 2007 to 25.6 points in 2008. In fourth-grade English Language Arts, the gap separating Latino and White students has narrowed by 6.2 points since 2002. In eighth-grade English Language Arts, Latino students have closed the gap with White students by two points since 2002.

- Echoing state-level results, New York City students also made impressive gains on the 2007 National Assessment of Educational Progress (NAEP) tests, the nation's benchmark for student achievement. Overall, 79 percent of fourth graders performed at or above basic levels of achievement on the math exam, nearly equaling the 81 percent average nationally. This performance represents a six-percentage point gain since 2005 and a nearly 12 percentage-point gain since 2003. New York City eighth graders also made progress in math, with 57 percent performing at or above basic levels of achievement, an increase of three percentage points from

the NAEP exam in 2005.

Although the achievement gap among ethnic groups remains large, this year's NAEP math results reflect New York City's significant progress in narrowing that gap. The City's Black and Hispanic fourth graders outperformed similar students in "large central" cities (cities with a population of 250,000 and above) nationwide and among the 11 urban districts—including New York City—that participated in the NAEP Trial Urban District Assessment (TUDA). In fourth grade, 72 percent of the City's Black students scored at or above basic levels in math, a gain of 14 percentage points since 2003. By comparison, 58 percent of fourth grade Black students in other large central cities and 63 percent nationally scored at or above basic levels in math. Additionally, 74 percent of Hispanic fourth graders achieved at or above basic levels in math, a 14 percentage point gain since 2002. By comparison, 66 percent of Hispanics in other large central cities and 69 percent nationally scored at or above basic levels.

■ New York City has reduced the number of "needs improvement" schools under No Child Left Behind and reduced the number of schools under state review for low performance. The state identified 401 New York City schools that are "in need of improvement" or "requiring academic progress" under the No Child Left Behind law in 2008, down from 432 last year.[15] Since 2007, 10 schools in need of improvement closed, 58 improved enough to return to good academic standing and 37 were newly identified as needing improvement.

A total of 36 schools in need of improvement are already phasing out and will close in the coming years. In addition, fewer New York City schools are under state review. In 2003, 77 schools in New York City were under registration review by the state. In 2008 only 20 schools are on the state list.[16]

■ New York City's English language learners have also made gains toward becoming proficient in English.[17] More than 13 percent of English language learners became proficient in 2008, compared to less than 4 percent in 2003. More than 29 percent of fourth-grade English language learners met standards on the State English Language Arts (ELA) test in 2008, compared to just over 4 percent in 2003. This increase is especially significant given that now English language learners take the ELA exam after only one year in the school system—rather than after three years in the school system, as they did before 2007. Almost 64 percent of fourth-grade English language learners and 42 percent of eighth-grade English language learners met standards on the state math exam in 2008, up from 2003 rates of 36 percent and 14 percent, respectively.

■ In 2008, New York City increased the number of high school graduates who enrolled in the City University of New York (CUNY) four-year senior and community colleges and Hispanic graduates of public schools have outpaced the rising CUNY enrollment overall.[18] Since 2002, the enrollment of Hispanic high school graduates at CUNY's four-year senior colleges has gone up by 53 percent, compared to 37 percent of high school graduates overall.

At community colleges, enrollment of Hispanic high school graduates has risen by 100 percent, compared to 70 percent for public school students overall. Since 2002, the number of Black students who enrolled at four-year senior colleges increased by 32 percent and by 50 percent at community colleges. The enrollment growth at senior colleges comes even as academic standards have risen at CUNY, which eliminated remedial instruction from its Bachelors degree programs and has been raising admissions standards.

■ The number of New York City public school students who took an AP exam rose 5.6 percent last year and the number of students who earned a passing score of 3 or higher on an AP exam rose 4.3 percent. Since the state legislature approved mayoral control of the school system in 2002, the number of AP test takers has risen 39.2 percent and the number of students passing an AP exam has risen 31.6 percent.[19] The greatest increases in participation came among Black and Hispanic students. Among Hispanic students, 5,616 took an AP exam, compared to 3,532 in 2002, while among Black students, 3,825 took an AP exam, compared to 2,422 in 2002. More students also earned a score of 3 or higher on an AP exam last year. Among Black students, 1,020 passed an AP exam in 2008, up from 945 in 2007 and 715 in 2002. Among Hispanic students, 2,657 passed an AP exam in 2008, up from 2,516 in 2007 and 2,141 in 2002.

■ New York City's four-year high school graduation rate continues to improve. The City's four-year rate reached a new high of 55.8 percent in 2007, with more students earning Regents diplomas and Black and Hispanic students narrowing the graduation gap with their White and Asian peers. The City's graduation rate has risen 5.7 percentage points since 2005 and 2.4 points since 2006. By comparison, graduation rates state-wide have risen by 2.8 points since 2005 and 1.4 points since 2006. The City's increases translate into more than 5,000 additional students graduating since 2005. In addition, the dropout rate has declined since 2005 by 3.3 points, to 14.7 percent from 18 percent.[20]

■ Major felony crime and violent crime at City public schools dropped substantially during the 2007-08 school year.[21] During the 2007-08 school year, 1,042 major crime incidents were reported, compared with 1,166 incidents reported in the 2006-07 school year, representing an 11 percent decrease in major felony crime. Violent incidents also decreased, falling 10 percent in the last year and 31 percent since the 2000-01 school year.

Lessons Learned

1. Use technology to provide principals and teachers one-stop data information about students. In New York schools teachers can use ARIS to diagnose their students' learning needs and measure their success in meeting those needs. They can see an overview of the academic progress of every student in all of their classes. With just a few clicks, they can view more detailed information about individual students or groups of students.

2. Give schools the resources in actual dollars to purchase central office services

and let them choose between competing support systems and decide which central office support functions are necessary for their individual schools.

3. Give schools individual progress reports that measure overall achievement and achievement gains and grade schools the same way students are graded on a A-F scale. Link rewards and consequences to school grades.

4. Give every school a foundation grant to cover the basic administrative costs of running a school. This allows schools of every size to cover the basics and it does not work against small schools. It allows New York City to continue to embrace small schools even under a system that funds schools on a per-pupil basis.

5. Reduce the central office and redirect resources to individual schools. Charter schools in the United States demonstrate that schools can function with much leaner support services than most urban districts.

6. Negotiate collective-bargaining agreements to give principals control over staffing decisions. Principals should not be forced to select teachers based on seniority or forced-placement by the school district.

Resources

Fair Student Funding: Budgets that Put Students First, New York City Department of Education, June 2007. http://schools.nyc.gov/NR/rdonlyres/C96FE1B6-FC24-4B99-B205-F3F4E3A2F0E8/24800/FSFPublicOverview611_FINAL.pdf

Fair Student Funding Key Elements, New York City Department of Education, http://schools.nyc.gov/AboutUs/BudgetsFairStudentFunding/FSFKeyElements/default.htm

School Budgets: Making Them Work for Your School and Students, New York City Department of Education, May 2008, http://schools.nyc.gov/NR/rdonlyres/B7FCD08B-42B4-429F-BD4B-C2BA27BB5373/38312/FSFGuide_052208.pdf

For individual school-level budgets in New York City go here: http://schools.nyc.gov/AboutUs/BudgetsFairStudentFunding/YourSchoolBudget/default.htm

Contact Information

Eric Nadelstern,
Chief Executive Officer
Empowerment Schools
52 Chambers Street, Room 205
New York, NY 10007
Phone: (212) 374-7929

Endnotes

1. "Chancellor Klein Announces Substantially Larger, More Equitable and More Flexible School Budgets, Giving Educators Greater Spending and Decision-Making Authority," New York City Department of Education, Press Release, May 8, 2007, http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2006-2007/20070508_fsf.htm.

2. *Fair Student Funding: Budgets that Put Students First*, New York City Department of Education, June

2007. http://schools.nyc.gov/NR/rdonlyres/C96FE1B6-FC24-4B99-B205-F3F4E3A2F0E8/24800/FSFPublicOverview611_FINAL.pdf

3. William G. Ouchi, "How Good Principals Make a Difference," *New York Post*, October 2, 2008.

4. "DOE Selects NYC Leadership Academy to Provide Principal Training and Development Services," New York City Department of Education, Press Release, June 27, 2008, http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2007-2008/20080627_nycla.htm

5. For more information about the NYC Leadership Academy visit http://www.nycleadershipacademy.org/

6. "More Than 80% of Students Received One of Their Top 5 High School Choices for Third Consecutive Year," New York City Department of Education, Press Release, March 31, 2008. http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2007-2008/20080331_hs_admissions.htm

7. "Mayor Bloomberg and Chancellor Klein Release First-Ever Public School Progress Reports," New York City Department of Education, Press Release, November 5, 2007. http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2007-2008/20071105_progress_reports.htm

8. "Chancellor Klein Launches Second Year of Public School Quality Reviews," New York City Department of Education, Press Release, October 1, 2007. http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2007-2008/20071001_quality_reviews.htm

9. "Chancellor Klein Awards Additional Discretionary Funds to Top-Performing Schools," New York City Department of Education, Press Release, January 3, 2008. http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2007-2008/20080103_rewards.htm

10. "Achievement Reporting and Innovation System is Now Available to All Principals and Classroom Teachers," New York City Department of Education, Press Release, November 17, 2008, http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2008-2009/20081117_aris.htm.

11. Children First Statement of Performance Term, New York City Department of Education, http://schools.nyc.gov/NR/rdonlyres/D0620D76-156C-42B6-9422-B8E1A39035DB/24798/EMENTOFPERFORMANCETERMS_FINAL_Jun.pdf.

12. "New York City Wins Broad Prize for Urban Education as Nation's Most Improved Urban School District," New York City Department of Education, Press Release, September 18, 2007. http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2007-2008/20070918_broad.htm

13. "Mayor, Chancellor Announce Across-the-Board Gains on State Math and Reading Exams", New York City Department of Education, Press Release, June 23, 2008. http://schools.nyc.gov/Offices/mediarelations/

ewsandSpeeches/2007-2008/20080623_
test_scores.htm

14. "City Students Make Gains on National Assessment of Educational Progress (NAEP) Tests," New York City Department of Education, Press Release, November 15, 2007, http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2007-2008/20071115_naep.htm.

15. "Statements by Mayor, Chancellor on Decline in Number of Schools Needing Improvement Under NCLB," New York City Department of Education, Press Release, March 17, 2009. http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2008-2009/20090317_sini.htm

16. *Statements by Mayor,* Chancellor on Lowest Ever Number of City Schools Placed on State's Annual List of Schools Under Registration Review (SURR), New York City Department of Education, Press Release, March 2, 2009.

17. "Report Shows Sustained Performance Gains by English Language Learners," New York City Department of Education, Press Release, March 17, 2009. http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2008-2009/20090317_ell_report.htm

18. "Increase in Number of NYC High School Students Enrolling at CUNY Colleges," New York City Department of Education, Press Release, March 18, 2009.

19. "Mayor, Chancellor Applaud City Students' Gains on Advanced Placement Exams," New York City Department of Education, Press Release, February, 5, 2009. http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2008-2009/20090205_ap.htm

20. "Mayor, Chancellor Announce That Graduation Rate Rises Again to New High," New York City Department of Education, Press Release, August 11, 2008, http://schools.nyc.gov/Offices/mediarelations/NewsandSpeeches/2008-2009/20080811_grad_rate.htm.

21. "Mayor, Chancellor, Police Commissioner Announce 11 Percent Drop in Major Felony Crime in Schools During 2007-08," New York City Department of Education, Press Release, August 5, 2008, http://schools.nyc.gov/Offices/mediarelations/ewsandSpeeches/2008-2009/20080805_crime_drop.htm

Oakland Unified School District

Program Name:	Results-Based Budgeting
Implemented:	2004-2005 School Year
Program Type:	District-Wide
Legal Authorization	State Administrator

Oakland School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	yes
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	no
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief-flat contracts, etc.	no
Oakland met 8 out of 10 school empowerment benchmarks.		

I. Program Overview

In 2008, the Oakland Unified School District enrolled 38,627 students and Oakland charter schools enrolled 7,553 students. Student demographics show that 37 percent of district students are African-American, 34 percent Hispanic, 16 percent Asian, 7 percent White and 4 percent other. Of these, 67 percent are eligible for the free and reduced lunch program and 31 percent are English language learners. Over the last four years, Oakland Unified has been California's most improved large urban district, adding 73 points to its Academic Performance Index over that time.

From fall 2000 to fall 2008 the district has experienced a decline in enrollment of over 15,000 students. All California school districts receive both unrestricted and restricted resources based upon the number of enrolled students. Over the course of the past eight years, the district's severe enrollment loss has been due primarily to two factors:

1. Families moving out of Oakland due to increased cost of living in the Bay Area and

2. Rapid growth of charter schools, which made up 16.8 percent of Oakland's public school enrollment in the 2008–09 school year.

Oakland Unified calls its student-based financing system "results-based budgeting." Oakland Unified's decentralization and student-based financing efforts started in the 2001-2002 school year under Superintendent Dennis Chaconas. According to the Center for American Progress 2008 report on Oakland's result-based budgeting system, the school board decided to exempt seven of the district's recently established small high schools from the district finance system.[1] Each small school received a budget based on the same way the district received its funding—the average daily attendance (ADA) of the students enrolled at that school. Principals were given control over use of these resources at the school level and by the 2003–2004 school year 14 schools were receiving funding based on ADA and the principals had discretion over the budget.

In 2003, the school district experienced a fiscal crisis that led to a state takeover of the district in exchange for a $100 million loan from the state of California. The state installed a state administrator in place of the superintendent.

The state takeover provided a unique opportunity to make rapid change in a school district with a long history of poor academic and financial performance. In partnership with the Bay Area Coalition of Equitable Schools (BayCES), new State Administrator Randolph Ward began a new initiative, Expect Success, to create a more accountable school district. Starting in spring 2004, Oakland Unified School District launched a fundraising campaign to attract national and local donors to invest in high achievement, equitable outcomes and public accountability.[2] District leaders and community partners used this seed funding to write the three-year reform plan "Expect Success" designed to transform the district into a model of urban reform. To date, Oakland has raised $30 million and succeeded in being the most improved, in terms of academic gains, of any urban school district in California over the last four years.

In 2004, Dr. Ward decided to expand the district's student-based financing system to include every school in the district. He

and other district administrators visited the Edmonton School District in Canada to learn more about best practices in student-based financing. Dr. Ward's implementation of results-based budgeting is an example of a top-down implementation of a school decentralization system. He asked a small group of district administrators in conjunction with a member of the Bay Area Coalition of Equitable Schools (BayCES) to quickly design the framework for Oakland's school finance policy. In a three-month period, Oakland's leadership created the framework for the new "results-based budgeting" (RBB) policy by developing new funding formulas and initial budgets for all schools.[3] Oakland implemented results-based budgeting district-wide, as part of the "Expect Success" reforms in 2004–05.[4]

Results-based budgeting (RBB) is OUSD's unique 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 increases equity, transparency, accountability and site-based decision-making in the budgeting process. The theory of action for results-based budgeting has been to provide maximum budget flexibility and funding equity for all school sites. The advantages include the ability for individual school sites to customize educational programs and support services to fit the needs of the students, staff and parents.

The allocation of funds achieves equity of resources under RBB as it is based on actual students (versus staff allocations) and schools have more control over directing their resources. Schools are also charged for actual salaries rather than average salaries. While sending schools revenue rather than staffing positions increases equity, it does not go far enough. In most school districts schools are charged for average teacher salaries rather than actual teacher salaries. This means that a more popular school with more experienced teachers is often subsidized by less popular schools with less senior staff members. In Oakland, schools are charged actual salaries. This increases equity because schools that have more beginning teachers with lower salaries will now have more resources based on the same number of students to invest in extra staff, teacher development or additional support mechanisms to help their students achieve.

Since budgets developed through RBB reflect the true costs to operate instructional programs for schools, school financing is easier for parents and the community to understand. RBB directly ties budgets to schools' strategic plans and each school site council (SSC) has oversight of categorical funds, which adds accountability for the results attained with school funding. Finally, leaders at the school sites have more control over the budgets, allowing the educators closest to the needs of the students to make decisions about the best use of funds.

American Institutes for Research (AIR) conducted a study of the implementation and results of RBB over the course of FY2007-08. The AIR study showed that even though results-based budgeting created more work for school administrators and district staff, school communities had a strong preference for RBB over traditional budgeting processes.[5] This was confirmed by the feedback the OUSD received from principals in 2008. The strong response from internal stakeholders is that RBB should continue and should be improved as needed and periodically evaluated for effectiveness.

II. Student-Based Budgeting Process

In 2004 the Oakland Unified School District transformed its budgeting formula from a centralized process to "results-based budgeting." Oakland allocates funds to the school in the same way it receives revenue from the state: unrestricted Average Daily Attendance (ADA) funding is allocated to the schools based on their current year enrollment.

Oakland does not have a traditional weighted student formula; instead Oakland gives schools the money for their students and makes school-level funding more equitable for students by charging schools for actual teacher salaries at the school rather than average district salaries.

Oakland district administrators created a basic per-student allotment for elementary, middle and high schools that it reviews each year to ensure that all schools can cover their operating costs. Since schools in Oakland with more veteran teachers had much higher costs than schools with less experienced teachers the district decided to have a "hold harmless" type clause that allowed individual schools to phase-out of their higher salaries over a number of years. The district provided additional resources to schools with higher veteran teacher costs to ease the transition to charging schools for actual salaries. This extra subsidy was gradually phased out by the 2008-2009 school year. In Oakland, the district also provides resources to small schools to help cover operational costs. The district is moving to identify the minimum number of students a school needs to be economically viable and is managing its school portfolio to move toward the goal that every school can cover basic operational costs.

Oakland weights only the grade level of students served in the school. Therefore, it does not technically have a weighted student formula. Oakland does not include traditional student need factors (poverty, EL status or disability) as weights for distributing unrestricted (discretionary) funds. According to the AIR study, not including weights for specific student populations was a conscious decision by district administrators, who focused on two other policy components to increase resource equity: instead of weighting the GP funds, Oakland relied on the distribution of categorical program funds (e.g., Title I or Title III), which commonly do take student need factors such as poverty and EL status into account and the use of actual rather than average salaries of school personnel.[6] Specifically, in the AIR study five district respondents mentioned that the large amount of categorical funds that Oakland receives would ensure school budgets that reflect the needs of the students. In addition, four district respondents mentioned that given that schools spend most of their budget on personnel costs, the decision to become the first district in the country to use actual salaries in school budgets to calculate school-level costs would better address equity.[7]

Oakland implemented the use of actual salaries so that schools with less experienced teachers would have lower teacher-related costs in their budgets and could redirect this money toward resources (e.g., professional development) that would support and help retain experienced teachers in schools serving larger percentages of high-poverty students.

Oakland weights the total enrollment at the school by the school's average daily attendance (ADA) from the previous year. For example, if the district calculates that a

school has an actual enrollment of 500 students and had an ADA the previous school year of 90 percent, the school would receive general purpose funds for 450 students (500 × .90 = 450).

According to the AIR study, this method of weighting enrollment by ADA has been somewhat controversial in Oakland. In the study three district administrators and one principal who mentioned the use of ADA appeared to favor this calculation. These respondents felt that the use of ADA creates a realistic count of how many students are actually in the school receiving the resources, creates an incentive for a school with low attendance to improve and creates accountability for the school's attendance rates. For example, one district administrator remarked that after the first year, six schools saw an increase of more than 5 percent in their average daily attendance. The principal asserted that this weighting "really did shift the school's culture" to focus on improving attendance to "bring in dollars."[8]

III. Autonomy

There are two ways to view school-level autonomy. First, autonomy at the school site can be evaluated by budget discretion—the proportion of funds sent to the schools versus retained at the district level. Second, one can evaluate by planning discretion—how much control over staffing and programmatic offerings do principals have?

Oakland's strength is the budgeting discretion it provides to schools as it continues to move larger amounts of unrestricted funds and restricted funds to the school level. For example, even as Oakland Unified is forced to make significant budget cuts because of declining enrollment and California's budget crisis, the majority of reductions were made at the central office and the district worked to protect the unrestricted funding that goes to schools so that more than 87 percent of the unrestricted budget would go to schools in 2009-2010.

Unrestricted Budget Cuts: School versus Central Office Reductions 2009-2010			
Location	2008-09 Budget*	2009-10 Proposed Reduction	Reduction as % of Budget
School Sites	179,203,025	(6,601,575)	(3.7%)
Central Office	51,342,139	(21,939,731)	(42.7%)
TOTAL	230,545,164	(28,541,306)	(12.4%)
2009-2010 Total Unrestricted Revenue to be Allocated			
Amount to be allocated to Schools			87%
Amount to be allocated to Central Office			13%

Source: Board Retreat-Impact of Governor's Budget Reductions in 2008-2009 and 2009-2010, January 24, 2009.

In terms of autonomy over staffing, principals in Oakland are still bound by a 277-page labor agreement between the Oakland Education Association and the district that spells out work rules and transfer and hiring rules based on the

seniority status of the employee. The AIR study reported 12 of 22 respondents in Oakland mentioned collective bargaining agreements as a constraint on autonomy. As one Oakland principal commented, "Sometimes it feels like we have all the responsibility but we actually don't have any of the freedom … because if you can't choose who you're going to hire …then some of your budgetary autonomy actually goes away."[9]

IV. School-Level Management Support

Oakland offers a strong program of assistance to principals and school staff from central office personnel. Principals receive support from the district's assistant superintendents (called Network Executive Officers). In addition, school principals can also hire operations support coaches (or "ops coaches") who help to create budgets and serve as liaisons to the district office. In the AIR study, one district administrator describes the operation support coaches as "executive assistants to help navigate the systems of the district." Another district administrator adds, "We couldn't live without him." In addition, the district created "drop in" hours with various district officials around the time the annual plans and budgets are due to answer schools' questions.[10]

Oakland also has a tiered approach to school support. It provides more intensive capacity building for the planning and budgeting processes of the lowest performing schools. The Network Executive Officers can veto decisions made at these schools that they perceive to counter the school's needs.

V. School Site Councils

In California the education code requires every school to develop a school site council with responsibility for developing a "single plan" for student achievement. In Oakland the school site councils focused on a plan for student achievement and were accountable for how categorical funding from the state and federal government for school improvement were used to advance student achievement.

As the AIR study reported, in Oakland the district left it up to principals to decide how much they wanted to involve the community in decisions beyond those regarding the categorical funding. A district staff member commented, "RBB certainly puts in place the conditions for greater participation for the parents and community, but it doesn't make it a [requirement]."[11] One Oakland district administrator noted that certain principals present the entire budget to the SSC for review and input, but the district does not mandate them to do so.

VI. School Choice Component

A major goal of OUSD has been to increase the number of high quality options for families in OUSD by opening new schools, improving existing schools and closing the lowest performing schools. The district's goal is to provide every family with access to at least two quality schools in their neighborhood and the ability to select from a diverse range of educational options throughout Oakland.

Oakland has managed its school choice process through a system known as "school

portfolio management." The system uses a simple color-coded scale. Blue and green schools are the highest performing and are eligible to apply for flexibility from district-wide curricula. Red are the lowest performing schools, followed by orange and yellow schools, all of which receive increased monitoring and support.

From 2007 to 2008, the number of blue and green schools nearly doubled, from 14 to 27 schools, including the first green high school. The number of red and orange schools also increased from 27 to 37 schools, due primarily to higher performance standards under No Child Left Behind. Over the last three years, OUSD has developed a strong model for school portfolio management (SPM) and has successfully made difficult decisions about individual school closures, openings and restructuring. There are currently approximately 30 schools that the district is considering for restructuring and possible closure based on low achievement or low enrollment or both. In the 2008-2009 school year the district is "phasing out" three schools by not adding any new students and letting the existing students finish before the schools are closed.

Since the 2005-2006 school year, Oakland Unified School District has used an enrollment system called "the options system" for its elementary, middle and high school levels. The options system lets families participate in and influence the process of selecting a school for their children. In 2008 OUSD had school tours, open houses and an elementary school "options fair" as part of the open enrollment process.

Elementary schools, middle schools and high schools host open houses and school tours targeted at prospective families throughout the month of December. These events offer existing and prospective families a unique opportunity to learn more about OUSD's educational options, speak directly with staff and determine where they'd like their children to attend school. Oakland also publishes updated school brochures that describe each school at the elementary, middle and high school level and their academic performance, as well as the percentage of students that chose the school as their first choice and were then enrolled.

The options process is designed to help families and students choose a school that they believe will meet their particular needs. The options process does not guarantee that every family will be accepted into its first-choice school. It does, however, significantly expand the social and educational options available for Oakland families.

The options process reinforces OUSD's commitment to offering a diverse portfolio of high-quality schools that expands opportunity for public schools students. By increasing access to a range of academic programs, many of which would otherwise be out-of-reach for disadvantaged students, the options process serves the district goals of achievement, equity and accountability.

VII. Accountability

Oakland Unified School District has instituted specific accountability goals for both the overall district and individual schools. The three main accountability goals or milestone assessments are as follows:

1. All students will read and write by the end of third grade.

2. All students will succeed in algebra by

the end of ninth grade.

3. All students will graduate.

In addition, each OUSD school is required to publish a school score card that measures each school on three academic goals:

1. Absolute Performance. How is the school performing against Adequate Yearly Progress Targets?

2. Cohort Matched Student Level Growth (value added). How is the school accelerating growth for students who have been in the school over time (measured for both one and three years)?

3. Closing the Achievement Gap. Is the school closing the gap between school-wide performance and that of the lowest performing subgroup?

These school-level outcomes are used by the school portfolio management system to make decisions about which tier a school belongs to and how to manage school closures.

In addition to the specific accountability goals identified for the district and the schools, charging schools for actual salaries seems to also introduce more accountability between the teacher and the principal. In the AIR study, several district respondents mentioned that actual salaries were expected to make principals more aware of the actual costs of all teachers and encourage them to hold teachers accountable for their performance. In spite of the fear that principals might discriminate against veteran teachers, one district respondent claimed that using actual salaries did introduce the cost of the teacher into decisions to retain certain staff but also gave principals a lever for holding teachers to high standards:

We saw a lot of people opting for more experienced people when they were good. It didn't have anything to do with how much they cost. Yeah, you betcha that people didn't want to pay a lot of money for people who were mediocre! That's the accountability part that's supposed to be there.[12]

VIII.   Performance Outcomes

Since Oakland introduced results-based budgeting in 2004, the district has seen positive movement on a number of performance measures. OUSD has posted the largest four-year Academic Performance Index (API) gain among large urban school districts. The API is a state measure of the growth in student performance on the California Standards Test (CST), the California High School Exit Exam (CASHEE) and other examinations.
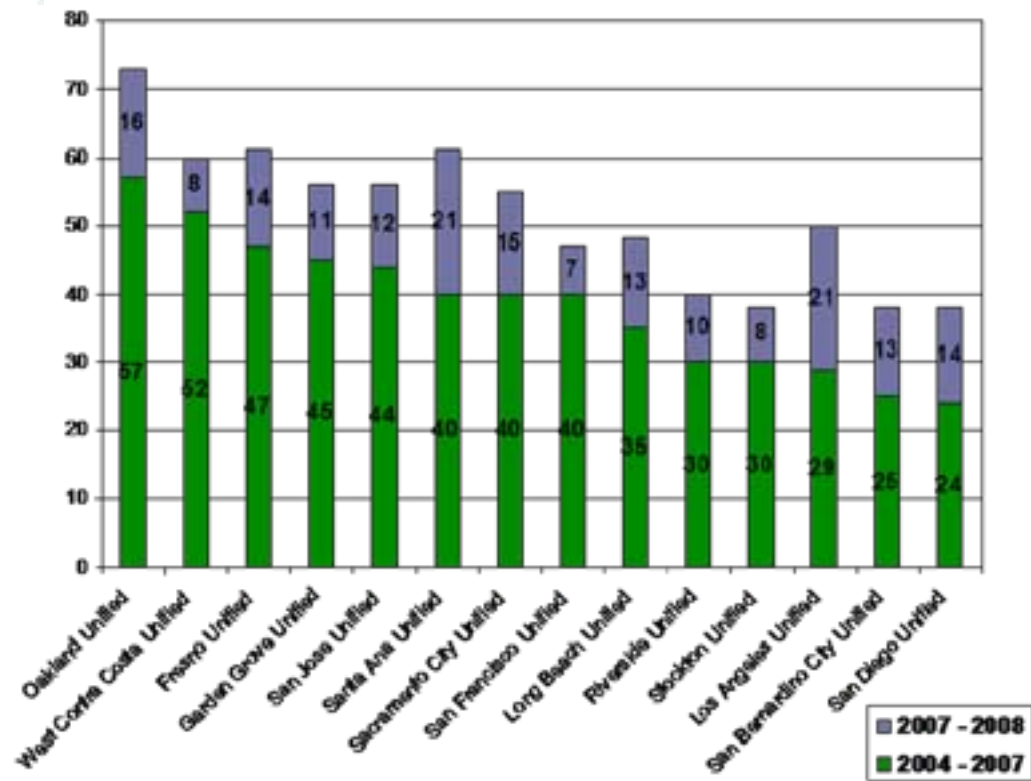
From 2004 to 2008, OUSD gained 73 points on its API growth score. Since 2004, Oakland Unified has seen its state Academic Performance Index rise from 601 to 674 in 2008. More specifically, African-American students saw their API scores go from 558 in 2004 to 609 in 2008, Hispanic students saw their API scores go from 558 in 2004 to 642 in 2008 and economically disadvantaged students saw their scores go from 580 in 2004 to 648 in 2008.

However, with an API score of 657 OUSD still ranks low compared to other large urban districts. The state of California sets a benchmark of 800 as the goal that every school and district should be scoring on the API.

- Oakland students have shown major improvement on the California High

OUSD Demonstrates Largest 4 Year API Gains Among Large CA Urban Unified Districts

Source: Oakland Unified School District

School Exit Examination, which all students must pass in English and math before graduating from high school. In 2008, 60 percent of high school students passed the English-language-arts portion, compared and 61 percent passed math. By comparison, in 2005 48 percent passed the English/language arts portion and 45 percent passed the math portion of the exit exam.

- Oakland has also increased the number of advanced placement courses for high school students. In 2003-04, for instance, Oakland's high schools offered 18 advanced placement classes with 512 enrolled. In 2007-08, they increased this total to 116 with 3,073 students enrolled. In 2008, 116 Oakland public high school students have been named AP scholars. That means they have earned a score of 3 or better (out of 5) on three Advanced Placement exams.

- In Oakland the graduation rate is also beginning to improve. According to graduation rates recorded by the California Department of Education using the National Center for Education Statistics graduation rate methodology the graduation rate for OUSD improved between 2005-2006 and 2006-2007 (the latest year which data is available). The overall graduation rate for 2005-2006 was 60.8 and for 2006-2007 it increased to 68.3 percent—an increase of 7.4

Case Study: Allendale Elementary

Allendale elementary is one of the most improved schools in Oakland. In 2008 Allendale improved its state API by 63 points to 741 and they made all of the No Child Left Behind goals for every subgroup and made adequate yearly progress (AYP). The school also made progress in closing the "achievement gap" that exists for African-American and Hispanic students. Both groups changed their performance dramatically. Allendale's Hispanic students raised their scores by 100 points. In addition, Allendale has seen their enrollment grow as a result of improvement in academic performance. They represent a case in point, of a school that improves academic performance and then sees an increase in the number of families that enroll in the school.

percent of students graduating. For African-Americans the graduation rate improved from 56.2 percent in 2005-2006 to 67 percent in 2006-2007—an increase of 10.7 percent. For Hispanic students the graduation rate improved from 57.8 percent in 2005-2006 to 63.2 percent in 2006-2007—a 5.4 percent increase.

- Twenty-one schools in OUSD made double-digit percentage point gains in 2008 in the number of kids who tested at "proficient" or better in reading and/or math.

- In 2008 Oakland schools also founded the Bay Area Urban Debate League with nine high schools. Debate is a competitive team sport that prepares students to critically read, research and speak their mind; the broader goal of this league is to point young people toward college scholarships and successful careers with positive social impact.

IX. Lessons Learned

1. Increased transparency for schools leads to demands for central office transparency. According to the AIR study, increased transparency in the schools because of results-based budgeting has led to an increased demand for transparency in the district office.[13] Respondents indicated that the RBB policy in Oakland and created an increased perception of transparency regarding how the schools received funding. An interesting side-effect heard from schools in both districts is that the schools, in turn, demanded increased transparency regarding how the district used its funds centrally. An example of this can be seen in the January 29th, 2008 Board retreat in Oakland to strategize about how to deal with budget cuts from the state budget crisis in California. The budget retreat documents include a transparent line-item central office budget that demonstrates how each program area will be cut to manage the budget crisis and direct more resources toward schools.

2. Categorical programs and restricted funding at state and federal level limit innovation and budget discretion. Respondents to a comprehensive AIR evaluation of results-based budgeting stated that the large number of categorical programs at state and federal levels inhibit innovation and reinforce a compliance-oriented mentality.[14] Despite recent provisions attempting to change the restrictions on federal funds, it has been very difficult to change the compliance mentality in states, districts and schools. If state policymakers are interested in creating avenues for more school-level innovation, they must re-examine how state funds are distributed and how districts are required to report the expenditure of these funds.

Respondents repeatedly voiced a desire to improve the state funding system to better promote innovation.

3. Districts should report school-level budgets and scorecards. One positive innovation from OUSD is that parents can easily find academic and school spending data at the school level by looking at school level budgets and scorecards. OUSD has an especially strong student report card because it evaluates schools based on sub-group progress, value-added and progress toward closing the achievement gap. Parents can also compare which schools are more popular by examining enrollment trends in school budgets.

4. Collective Bargaining limits school-level discretion. Collective bargaining remains a huge challenge even under a student-based budgeting system. Principals' autonomy to spend resources is constrained by work rules and personnel policies. Collective bargaining rules limited principals' perceptions of discretion and autonomy because in Oakland it was very difficult to make staffing decisions for hiring or firing or transferring personnel.

Resources

Jay Chambers et al., *A Comparitive Study of Student-Based Budgeting and School-Based Decision Making in San Francisco and Oakland Unified School Districts*, American Institutes for Research, October 2008, http://www.air.org/news/documents/A%20Tale%20of%20Two%20Districts_Final.pdf

Matt Hill, *Funding Schools Equitably: Results-Based Budgeting in the Oakland Unified School District*, Center for American Progress, June 2008, http://www.americanprogress.org/issues/2008/06/pdf/comparability_part4.pdf

Oakland Unified School District, *Expect Success: Making Education Work for Every Oakland Student*, Spring 2007, http://webportal.ousd.k12.ca.us/docs/26982.pdf

Oakland Unified School District, *Multi-Year Financial Sustainability Plan 2009-2011*, January 2009, http://ousd.legistar.com/LegislationDetail.aspx?ID=258159&GUID=5DA47F8F-08A8-417F-8292-3CC5720AB12C&Search=&Options=

To view Oakland Unified School level budgets for 2008-2009 go here: http://webportal.ousd.k12.ca.us/docs/7302.pdf

To view Oakland Unified school score cards for 2008 that include, student achievement, value-added student gains and data on closing the achievement gap go here: http://webportal.ousd.k12.ca.us/Schools.aspx?Tab=2

To view Oakland's most recent financial allocations and constraints, *Board Retreat-Impact of Governor's Budget Reducations in 2008-2009 and 2009-2010*, Saturday January 24, 2009. http://ousd.legistar.com/LegislationDetail.aspx?ID=314688&GUID=7996FF4C-33B8-4982-803C-787765D3F608&Search=&Options=

Contact Information:

Jason Willis
Budget Director
Financial Services Office
Phone: (510) 879-8188
1025 Second Avenue
Oakland, CA 94606

Endnotes

1. Matt Hill, *Funding Schools Equitably: Results-Based Budgeting in the Oakland Unified School District*, Center for American Progress, June 2008, http://www.americanprogress.org/issues/2008/06/pdf/comparability_part4.pdf

2. Oakland Unified School District, *Multi-Year Financial Sustainability Plan 2009-2011*, January 2009, http://ousd.legistar.com/LegislationDetail.aspx?ID=258159&GUID=5DA47F8F-08A8-417F-8292-3CC5720AB12C&Search=&Options=

3. Jay Chambers et al., *A Comparitive Study of Student-Based Budgeting and School-Based Decision Making in San Francisco and Oakland Unified School Districts*, American Institutes for Research, October 2008, p.12. http://www.air.org/news/documents/A%20Tale%20of%20Two%20Districts_Final.pdf

4. Oakland Unified School District, *Expect Success: Making Education Work for Every Oakland Student*, Spring 2007, http://webportal.ousd.k12.ca.us/docs/26982.pdf

5. Jay Chambers et al, *A Comparative Study of Student-Based Budgeting*, p. xiv.

6. Ibid., p.19.

7. Ibid., p.12

8. Ibid., p. 16.

9. Ibid., p. 33.

10. Ibid, p. 44.

11. Ibid., p. 50.

12. Ibid., p. 24.

13. Ibid, p. 89.

14. Ibid. , p. 91.

Poudre School District, Fort Collins, Colorado

Program Name:	Student-Based Budgeting
Implemented:	2007-2008 School Year
Program Type:	District-Wide
Legal authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	no
6.	Principal training and school-level management support	no
7.	Published transparent school-level budgets	yes
8.	Published transparent school level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief-flat contracts, etc.	no
Poudre school district met 6 out of 10 school empowerment benchmarks.		

I. Program Overview

The Poudre School District is located in Fort Collins, Colorado and has a student enrollment of 25,610 students with district student demographics of 78 percent White, 16 percent Hispanic, 3.5 percent Asian, 1.9 percent African-American and 22 percent of students participating in the free and reduced lunch program.

Following a year-long district study in 2006-2007 and an in-depth discussion with principals, Superintendent Jerry Wilson implemented a new funding allocation system called "student-based budgeting" (SBB). The district had multiple characteristics that fit well with the student-based budgeting design: about one-third of students choose their school, the district has practiced site-based management for over 13 years and the various sites have increasingly different programs based on the needs and characteristics of the students they serve.

PSD's school board adopted this more equitable, transparent, flexible, student-centered model in February 2007 to allocate funds to schools beginning with fiscal year 2007-08. SBB replaces a traditional staffing model that allocated full-time equivalent staff (FTEs) to schools. According to the Poudre School District, the new model will:[1]

■ Increase equity in the way funds are allocated to schools through identifying "factors" or student weights related to the cost of educating students,

■ Increase flexibility for budgeting during changing conditions, such as decreases or increases in enrollment,

■ Make the budgeting process easier to understand and more transparent,

■ Simplify and decentralize the annual budgeting process and

■ Focus funds on specific student needs.

In addition, according to Jim Sarchet, assistant superintendent of business services, PSD adopted student-based budgeting as a way to cope with declining enrollment in a more flexible manner.[2] For the Poudre School District, student-based budgeting allowed schools to align expenditures with revenue.

Enrollment in the district had been flat over the past five years. The traditional district staffing model that gave schools positions based on numbers of students worked with consistent growth in student numbers, but that method was not sustainable with declining enrollment. For example, before SBB budgeting, if three schools lost five students each, it was very difficult to reduce revenue at each school because the only way to reduce revenue was to cut one FTE position. Therefore, the district had to maintain a larger number of staff positions than was supported by student enrollment. In fact, according to Jim Sarchet, before implementation of SBB, the district was maintaining 10 more staffing units based on the rigid staffing model over and above what was justified by district enrollment. However, with student-based budgeting the district can now align resources with enrollment and make financial adjustments at the school level because the school receives dollars instead of staff positions. The bottom line is that principals have more flexibility to adjust class sizes to align funding but they cannot make adjustments when they receive a predetermined number of staff positions.

The Poudre School District followed several steps to implement SBB.[3] First, PSD administrators appointed teams to

develop a district funding model using SBB. Two committees studied numerous formula options during 2006-2007 year. These design and implementation teams of administrators, principals and parents studied successful models used around the country, studied many formula options and made the recommendation to adopt SBB.

Then district finance staff met with PSD principals over five months to explain SBB and ask for input on formula options. Each principal received a budget "preview" on February 19, 2007 comparing what his school would receive under the SBB formula with the staffing formula model previously used to allocate funds.

Schools received their final budget allocations on March 9, 2007. School allocations included funds they received based on projected enrollment for fall 2007: a per-pupil base amount and additional per-pupil funds for weighted student need factors such as at-risk, English language learners, grades K-3, gifted/talented, geographic location and school size.

II. Student-Based Budgeting Process

The theory of student-based budgeting is to allocate funds according to the needs of each student enrolled in a school. Each student allocation starts with $3,276. From there, additional dollars are added based on factors such as English language learners, gifted and talented, income qualification for free lunch, size of the school and geographic location. With the geographic factor, each student in the mountain schools of Stove Prairie, Livermore and Red Feather Lakes is allocated an additional $2,637.

SBB distributes dollars, rather than staff, to schools using a "student-centric" formula, "weighting" students' funding to reflect their individual educational needs and the cost to serve them. SBB is based on the idea that dollars follow students. Unlike the past formula, schools will have more predictable, consistent parameters for their budgets, along with more autonomy for targeting funds.

The following student weight or educational need factors are now a part of

Poudre Unified School District 2007-2008	Factors and Weights	Dollar-Weights Equivalent Per Student
Base Funding for Each Child	1.00	$3,276
* Gifted and Talented	0.100	$328
* English Language Learners	0.200	$655
* At-Risk	0.200	$655
* Both - English Language Learners and At-Risk	0.250	$819
Primary Level (K-3)	0.140	$459
Junior High School Level	0.005	$16
Geographic (or Mountain Schools)	0.805	$2,637
School Size - Tier 1	0.225	$737
School Size - Tier 2	0.140	$459
School Size - Tier 3	0.065	$213
School Size - Tier 4	0.045	$147
School Size - Tier 5	0.040	$131
School Size - Tier 6	0.030	$98

the PSD formula:

- At-risk – based on students who qualify for the federal free lunch program, an indicator of poverty

- English Language Learners (ELL) – students whose primary language is not English

- At-risk and ELL – students identified as being both at-risk and ELL

- Grade K-3 – continues PSD philosophy of reducing primary grade class sizes

- Gifted/Talented – for accelerated student academic opportunities

- Geographic – factor for isolated areas, such as PSD's three mountain schools

- Size – funds smaller schools that typically cannot enjoy efficiencies realized from larger enrollments

For 2008-2009 PSD changed the method for allocating the small school subsidy. The original size factor reflected a stair-step approach. Schools within enrollment ranges received a specific cost factor for each student. There were five factors for each level of school. The elementary school factor ranged from an added cost of 22.5 percent for schools from 0-100 students, to 4 percent for schools between 401 and 500 students. The junior high school factor ranged from a high of 22.5 percent for schools with enrollments between 0 and 450 students, to a low of 3 percent for schools with enrollments between 801 and 900 students. High schools only had one factor of 3 percent for schools with enrollment between 1000 and 1500 students.

A school that was right on the edge of the enrollment range could receive a very different factor depending on changes of only a few students. An example would be an elementary school with 100 students. Under the 2007-2008 factor, the school would receive a 22.5% cost factor for each of its 100 students, for a total increase of funding of $76,300. If the school was to add just one student for an enrollment of 101, the cost factor would decrease to 14.0 percent for each student and the total school funding would decrease to $47,975. The result would be a decrease of $288 per pupil in the school due to a single student added.

In 2008 the district appointed a small schools committee to examine issues related to school size. The committee determined that this aspect of the SBB system penalized schools for incremental enrollment increases. Thus, the committee suggested revisions be made to eliminate stair steps and create a smooth, incremental cost per student within the size factor.[4]

Poudre School District also recognized that moving all schools closer to equity produces actual gains and losses. The shift from staffing-based allocation to SBB will cause some schools to gain and others to lose resources.

To ease the transition, PSD has established a safety net so that no school will lose more than 20 percent of its current budget. To offset that cost, no school will gain more than 80 percent.

III. Autonomy

In 2007-2008 the new funding formula distributed approximately $83 million of the district's $170 million general fund budget. The remaining $87 million goes to areas excluded from PSD's SBB formula, such as such as special education, alternative programs, textbooks, athletics, utilities,

transportation, district service budgets, grants and custodial services.

The Poudre School District gives principals discretion over approximately 49 percent of the district's general operating budget.

In terms of autonomy over hiring, principals are bound by the collective bargaining agreement that restricts hiring based on seniority and other staffing rules.

IV. School-Level Management Support

Poudre Unified did not have a specific principal support system beyond the normal supports that the central office provides principals through the business service office.

V. School Site Councils

Poudre School District uses site-based management to help principals make effective budget decisions.

The school board policy states that a site-based, shared decision-making group be established at each school to hold open, publicized public meetings on a quarterly basis throughout the school year. This group will act at the discretion and direction of the principal or site leader. The site-based shared decision-making group is composed of three to five parents and/or community members, classified staff, teachers, administrators and (when appropriate) students.

The principal is accountable for both the implementation and results of his or her site-based decisions. This includes the school site's compliance with all applicable federal, state and local laws; district

policies, regulations and administrative guidelines, district contracts (including employee agreements) and district budgetary restrictions.

VI. School Choice Component

Poudre School District's school choice program allows families to select the school that best meets their child's educational needs. Parents may register their child to attend a school outside their neighborhood attendance area on a space-available basis. Round-trip transportation is the responsibility of parents. Approximately one-third of students choose to attend a school other than their neighborhood school.

Poudre School District implemented an online process for the 2009-10 school choice applications. The new process provides parents the opportunity to complete and submit their application from the comfort of their own home and eliminates the need to take the application to the school and/or schools where they are applying.

Other benefits of the online system include providing parents the opportunity to apply for multiple schools with one application. Parents will receive an automatic confirmation number that can be printed and kept on file for reference and the first consideration lottery process will now be automated.

PSD's annual school choice deadline is generally the last Friday in January for grades 6-12 and the second Friday in February for grades K-5 for the following school year.

Families can still submit applications after the above deadlines during the second consideration application period, during

which applications will be considered at the time they are received.

VII. Accountability

Poudre School District has several district-wide accountability goals:

Goal 1: Students achieve 3rd grade reading proficiency.

- 81 percent of students scored proficient/advanced.

- 63 percent of students in poverty scored proficient/advanced.

- 57 percent of Hispanic students scored proficient/advanced.

- Improvement target: Increase proficiency at least 2 percent annually until students reach 90 percent proficiency within 5 years.

Goal 2: Students achieve annual academic growth.

- The Colorado Growth Model shows current results. For the past three years, PSD students have met or exceeded the state norm for academic growth in writing and math in grades 4-10. In reading, PSD students scored one percentage point below the state norm for academic growth in grades 4-10.

- School improvement plans will identify interventions and strategies to meet targets.

- Schools will assure consistency of academic rigor through "common assessment" results.

- Improvement targets: PSD is in the process of identifying specific improvement targets for this goal.

Goal 3: Students prepare to become post-secondary ready.

- 55 percent of students achieved the target of taking at least one advanced course by graduation in 2008; 33 percent of Hispanic students achieved the target by graduation in 2008.

- Advanced coursework includes advanced placement (AP), International Baccalaureate (IB) or university and community college course credit.

- Improvement target: Increase the number of students taking advanced courses by at least 2.5 percent annually to reach 62 percent in three years.

Goal 4: Students experience successful transitions between grades.

Poudre uses dropout rates, graduation rates and post-secondary course enrollment to measure successful transitions.

- Current (2006–07) dropout rate 2.5 percent for grades 7-12.

- Improvement target: Decrease overall dropout rate by 1.5 percent over the next three years to rank PSD in the lowest five of Colorado's 25 largest districts.

- Current graduation rate 82 percent for PSD compared to 75 percent for top 10 Colorado districts.[5]

- Improvement target: Increase Hispanic graduation rate by 3 percent annually to rank in top five of Colorado's 25 largest districts.

- Improvement target: Increase overall graduation rates by at least 2 percent annually for next three years to rank in top five Colorado districts.

VIII. Performance Outcomes

Overall, Poudre Unified School District is an above average district in the state of Colorado. According to the PSD 2008 annual report:[6]

- On the 2008 Colorado Student Assessment Program students continued to perform higher than students state-wide in all 27 areas tested;

- District-wide averages remain well ahead of state averages, from 4 to 16 percent higher in all subjects, at all grade levels, as it has in the 12-year history of CSAP tests; and

- Proficiency scores improved or remained the same on 13 of 24 tests for which results can be compared to previous years.

- 81 percent of PSD's third graders are reading at or above proficiency according to the 2008 Colorado Student Assessment Program (CSAP) reading test. Of the 1,734 third graders tested in spring 2008, 10 percent scored advanced, 71 percent scored proficient, 13 percent scored partially proficient and 6 percent scored unsatisfactory. Over the 11 years the tests have been given, PSD third graders have surpassed the overall performance of students state-wide by 9-12 percentage points each year in the proficient and advanced categories.

- In addition, 81 percent of PSD third graders scored at or above proficient on the 2008 CSAP math test.

- During the 2007-08 school year 2,077 students (or 33 percent), participated in advanced courses. This number increased by 19 students from the 2006–07 school year when 2,058 students of PSD's 10th, 11th and 12th graders took one or more AP and/or IB classes.

- Poudre School District also runs a successful International Baccalaureate program for high school students. In 2008, 73 of 77 students who took the IB diploma exams in May received an IB diploma, giving the PHS program a 95 percent diploma rate, well above the 82 percent international average. Students who complete an IB degree automatically receive 24 credits at any Colorado public college or university. Seventy-six May 2008 IB graduates have gone on to universities and one to the Culinary Arts School in Denver.

IX. Lessons Learned

1. Unlike the majority of districts that have turned to student-based budgeting as a policy tool to increase equity within school districts and as a tool to help hold schools more accountable for school performance, PSD demonstrates that student-based budgeting can be a flexible and transparent tool for budgeting even in school districts with a consistent record of high performance. PSD demonstrates how student-based budgeting can be a flexible financial tool that is more effective at aligning enrollment with resources. In Poudre School District, student-based budgeting is better at allocating resources to individual schools than the previous staffing model.

2. Poudre School District's student-based budgeting program offers a transparent method to examine the cost

of maintaining small schools. PSD used student-based budgeting to determine the costs of schools of different sizes. Student-based budgeting makes it transparent how much small schools may need to be subsidized and the additional resources necessary for a district to support small schools.

3. Poudre School District demonstrates that the school choice process can be managed with online customer-oriented technology that allows families to apply to multiple schools without having to visit a district office or individual school sites to turn in multiple applications. The online choice process offers parents and the district a more efficient method to manage school enrollment.

Resources

Annual Accountability Report 2007-2008, Poudre School District, http://www.psdschools.org/documentlibrary/downloads/Board_of_Education/Annual_Report_2007-2008.pdf

Background and Rationale for Student Based Budgeting, Poudre School District, https://www.psdschools.org/documentlibrary/downloads/Superintendent_Office/Initiatives_06-07/Initiative_2-New_SE_Elementary_School/Background_and_Rationale_for_Student-Based_Budgeting.pdf

New PSD Budgeting Process Increases Equity, Transparency, Poudre School District, http://www.psdschools.org/documentlibrary/downloads/Superintendent_Office/Initiatives_07-08/Small_Schools_Study/Student_Based_Budgeting_Description.pdf

Small Schools Study, Poudre School

District, Prepared by the Small Schools Committee, May 2008, http://www.psdschools.org/documentlibrary/downloads/Superintendent_Office/Initiatives_07-08/Small_Schools_Study/Small_Schools_Study_Final_Report.pdf

Contact Information

Dave Montoya
PSD Budget Manager
Poudre School District
2407 LaPorte Ave.
Fort Collins, CO 80521
(970)490-3355
davem@psdschools.org.

Endnotes

1. *New PSD Budgeting Process Increases Equity, Transparency,* Poudre School District, http://www.psdschools.org/documentlibrary/downloads/Superintendent_Office/Initiatives_07-08/Small_Schools_Study/Student_Based_Budgeting_Description.pdf

2. JoAn Bjarko, "School Budgets Changing," *North Forty News*, March 2007, http://www.northfortynews.com/Archive/A200703schoolBudgets.htm.

3. *Background and Rationale for Student Based Budgeting*, Poudre School District, https://www.psdschools.org/documentlibrary/downloads/Superintendent_Office/Initiatives_06-07/Initiative_2-New_SE_Elementary_School/Background_and_Rationale_for_Student-Based_Budgeting.pdf

4. *Small Schools Study,* Poudre School District, Prepared by the Small Schools

Committee, May 2008, http://www.
psdschools.org/documentlibrary/
downloads/Superintendent_Office/
Initiatives_07-08/Small_Schools_Study/
Small_Schools_Study_Final_Report.pdf

5. The discrepancy between the graduation
   rate and the drop-out rate is based on
   students who take longer than four years
   to graduate and students who complete
   GED's as an alternative to diplomas.

6. *Annual Accountability Report 2007-
   2008*, Poudre School District, http://
   www.psdschools.org/documentlibrary/
   downloads/Board_of_Education/
   Annual_Report_2007-2008.pdf

Saint Paul Public Schools

Program Name:	Site-Based Budgeting
Implemented:	2002-2003 School Year
Program Type:	District-Wide
Legal Authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	yes
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief—flat contracts, etc.	no
Saint Paul met 8 out of 10 school empowerment benchmarks.		

I.   Program Overview

Saint Paul public schools enrolls 40,228 students. The student demographics are 30 percent African American, 29 percent Asian, 25 percent Caucasian, 13 percent Latino and 2 percent American Indian. In Saint Paul, 69 percent of students qualify for the free or reduced lunch program and 43 percent are students whose home language is not English.

Saint Paul public schools are in a period of declining enrollment. There are 6,000 fewer children living in Saint Paul since 1999 and charter schools are now competing for public school enrollment.

In 2002, Saint Paul began a discussion around site-based budgeting because schools were looking for more autonomy and the district felt that better budget decisions could be made closer to the children. It also became obvious that some schools were funded at different levels than others for reasons that could not be easily explained. The goal of the site-based budgeting initiative was to more equitably allocate resources to schools as a part of the new school funding formula.[1]

For fiscal year 2009 the budget philosophy is that each school site's School Comprehensive Improvement Plan (SCIP) will drive the school budget processes. Site-based management and budgeting have now been fully phased in at all schools and tied to the long-range goals adopted by the school board. They include:

High Achievement

- To improve student achievement
- To reflect accurately the anticipated costs of meeting the identified needs of students
- To propose budgets and expend funds in accordance with responsibility for results
- To provide schools with a common base allocation for elementary, junior high/middle and senior high schools

Meaningful Connections

- To involve all staff, students and community in the budget process
- To develop school budgets in accordance with the district Strategic Action Plan and the School Comprehensive Improvement Plan (SCIP)
- To develop budgets in accordance with generally accepted accounting practices, district policies and state law

Respectful Environment

- To maintain accountability of resources by planning, controlling and evaluating the results of their use
- To maintain formulas that are transparent to the users and relevant to the changing student needs

The district funds schools using a site-based budgeting model. Funds are allocated to schools using the legally mandated state formulas and each school's student demographics. Principals work with their site councils to determine how best to use these funds, which make up about 45 percent of their budget. The remaining 55 percent of their budgets is composed of the centrally funded budgets for programs and staff. The central office programs and staffing include budget items such as special education teachers, English as a second-language teachers, custodians, utilities, property liability insurance, payroll services and financial reporting.

II. Student-Based Budgeting Formula

In Saint Paul public schools the pupil funding formula provides revenue to schools in the form of a lump-sum allocation. This formula provides schools with a common base allocation for elementary, junior high/middle and senior high schools and more directly allocates categorical funds to school sites.

For fiscal year 2009, the schools receive $234,416,512 in total allocations. The percentage received from each source is as follows:

General Revenue	58.6 percent
Referendum Revenue	8.5 percent
Compensatory Education Revenue	25.4 percent
Integration Revenue	3.1 percent
Title I Revenue	4.4 percent

The general revenue allocation for all schools in 2008-2009 is a minimum of $4,900 per pupil at the elementary level, $4,500 per pupil at the junior high level and $4,000 per pupil at the high school level. In each case the school district has determined that this is the amount necessary to support a viable school program.

In addition to the general revenue, schools receive four other funding streams in their lump-sum allocation. Revenue from a local 2006 tax-supported referendum on a per-pupil basis, state compensatory revenue based on the number of students that qualify for the free or reduced lunch program at each school, integration funds provided by the state to create an inclusive environment for special education and Title I federal dollars, which are distributed to schools based on the number of students who qualify for the free or reduced lunch program.

III. Autonomy

In Saint Paul, principals have discretion over about 45 percent of their school-level budgets. In the 2009 fiscal year, out of a $516 million operating budget, 45 percent or $234 million was allocated to schools, 27 percent or $137 million was central office resources allocated directly to schools and 28 percent or $144 million was use to fund central office programs at the district level.

Principals in Saint Paul public schools have discretion over hiring through a voluntary transfer process where teachers can apply to open positions every year and the school principal and the school site councils conduct interviews and make the final decision about which teacher is hired at the school level.

IV. School-Level Management Support

Leaders from Saint Paul Public School District, Minneapolis Public School District, Minnesota Department of Education and the University of Minnesota have developed a coordinated inter-district partnership for professional development for principals called the Minnesota Principals Academy.[2]

The goals of the Academy are to increase current principals' capacity to provide instructional leadership that results in improved student achievement and teacher instruction in high-need schools and to improve retention of effective and experienced principals in high-need schools.

V. School Site Councils

Principals, with support and input from site councils, make budget decisions at each

school.[3] Parents, staff, community members and students can participate in the school's budget development process by joining its site council. The site council includes the principal and is made up of no more than 50 percent district staff. The areas a site council can influence include school improvement plans, school reform models, staffing, mission, budget and instructional strategies.

VI. School Choice Component

Saint Paul Public School District has a straightforward choice-based enrollment process. For elementary schools, parents go through an application process where the parents list their top three school choices for kindergarten. There is some preference given to students who live within an attendance area of each school. Saint Paul schools also include several citywide magnet and open-enrollment schools. The district has open enrollment for middle and high schools where students list two choices on an application.

VII. Accountability

Saint Paul Public School District launched a "Shared Accountability Framework" in fall 2008.[4] This framework is based on the following underlying principles:

1. The Shared Accountability Framework is goal-oriented, not compliance-based, although it recognizes legal and contractual requirements.

2. The federal No Child Left Behind (NCLB) requirements are important, but not enough. We have higher expectations for student achievement as reflected in the district's strategic plan.

3. Saint Paul Public School District is committed to supporting all of our schools and all of our departments on behalf of all our students.

4. All stakeholders play a role: the "shared accountability" model has expectations of both internal and external stakeholders.

5. The district will provide incentives, supports and interventions to assist schools and departments in their continuous improvement beyond NCLB.

6. The Shared Accountability Framework will be coherent, equitable and transparent for all stakeholders.

The Shared Accountability Framework seeks to integrate the accountability interventions for Title I and non-Title I schools. In addition, it expands accountability beyond schools to all levels of the organization including central office departments and programs.

Three major components work together to support the district's focus on student achievement and gauge its effectiveness in meeting performance expectations at all levels:

■ All Schools Shared Accountability Matrix - The district's network of incentives, supports and interventions that assists schools in ensuring high achievement standards for all students. The matrix applies to both Title I and non-Title I schools.

■ School and Systems Audits -A strategic, focused examination of how a school, program or department conducts itself to ensure high achievement for every student.

■ Shared Accountability Expectations – Research-based lists of learning supports, highlighting responsibilities for individual district stakeholders: students, teachers, non-teaching staff, school administration, central administration, school board, parents/guardians and community members.

As part of the Shared Accountability Framework, the district has a transparent data center at its Web site. The data center provides multiple district-level and school-level reports. Each school receives an annual report card called the "school accountability summary." It includes student performance data for each subgroup of students as well as trend data for each school. Each school is rated with a district performance category of excelling, meeting, progressing, static or declining. In addition, teachers and principals have access to integrated student data for research and analyses through online data tools that allow them to access all student information in one location.

VIII. Performance Outcomes

Overall Saint Paul public school students made gains across the board on state-wide tests in 2008. Yet, the district still scores lower than state averages and struggles with large achievement gaps between subgroups.[5]

The 2008 overall reading proficiency rate in all grades was 51.1 percent, an increase of 3.3 percent from 2007. This compares to a state-wide reading proficiency rate of 70.7 percent, a 2.5 percent increase over last year.

The 2008 overall math proficiency rate was 44.7 percent, an increase of 3.3 percent from last year. This compares to a state-wide math proficiency rate of 60.4 percent, a 1.8

percent increase from 2007.

Overall, the graduation rate improved from 2006 to 2007. The overall graduation rate was up from 80.5 percent to 82.4 percent. The American Indian graduation rate increased by 10 percentage points and Latino, Caucasian, African American, ELL and low-income students all saw increases in this measure ranging from less than one to four percentage points.
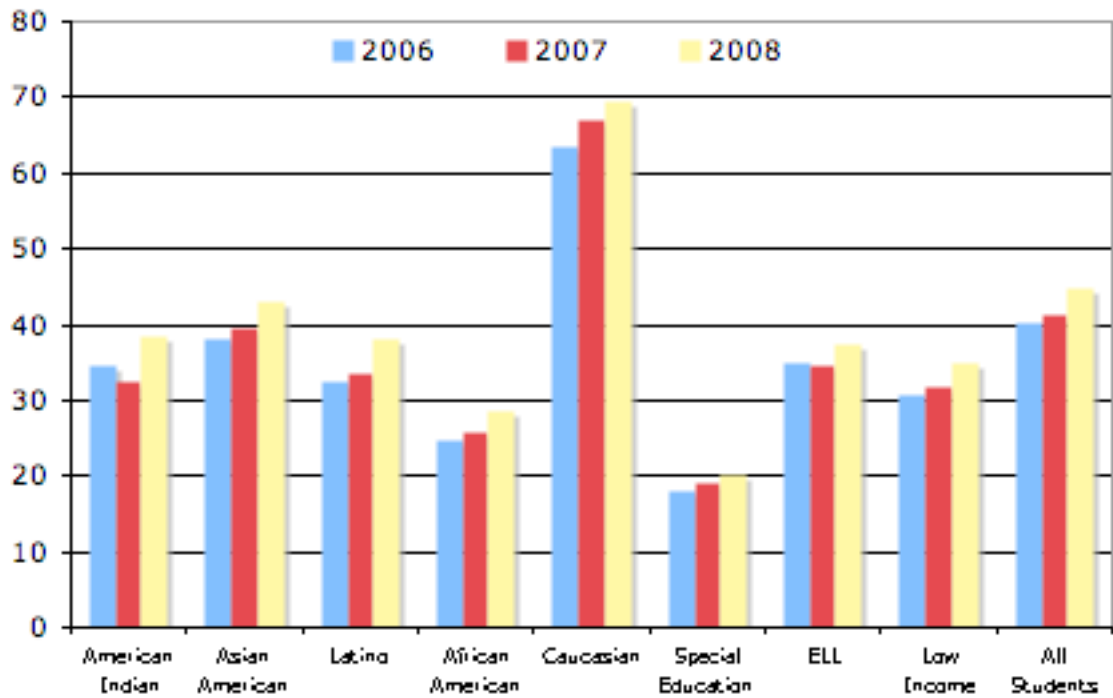
The district also saw increases in advanced placement participation from 19 percent of students taking an AP test to 21 percent in 2008; increases in students taking an honors course from 33 percent in 2006 to 40 percent in 2008 and increases in students enrolling in higher education from 58 percent in 2006 to 60.4 percent in 2007.
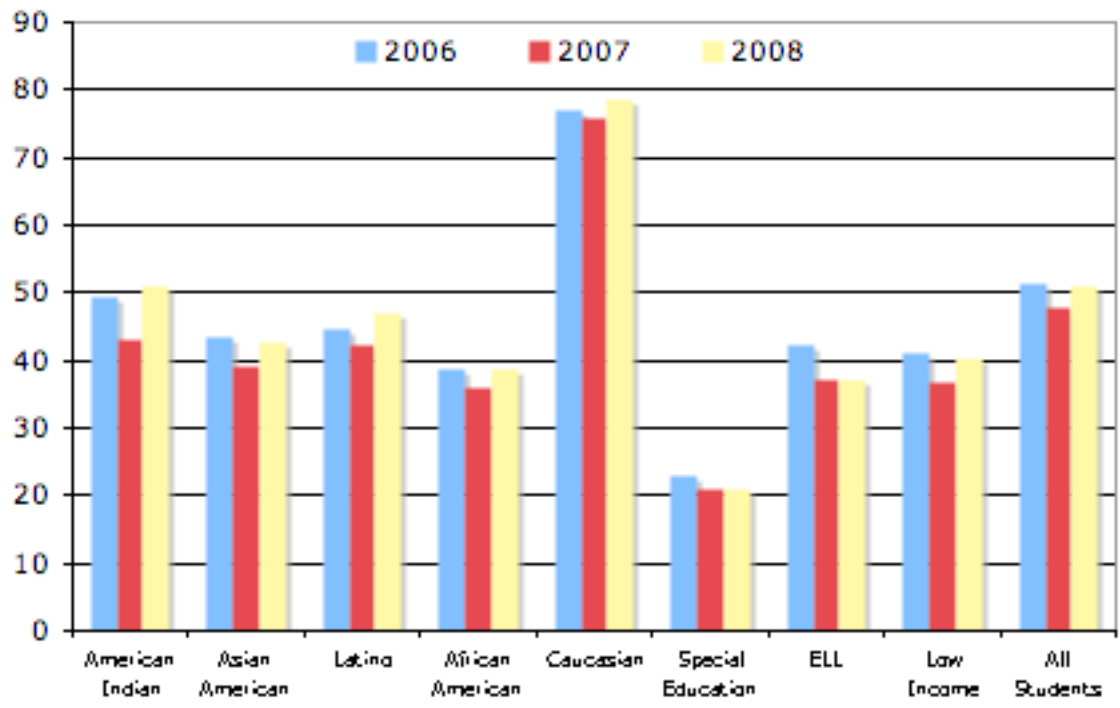
IX. Lessons Learned

1. Saint Paul has pioneered an impressive "Shared Accountability Framework" that makes explicit the district's performance outcomes and is goal-oriented to specific performance targets rather than compliance-oriented. As part of the framework schools receive a transparent school accountability summary on multiple performance targets and a school district rating based on those performance targets.

2. Saint Paul demonstrates that a school district can allocate resources on a per-pupil basis in the same way it receives the money from the state. The district also demonstrates that per-pupil funding for categorical programs can also be allocated to schools on a per-pupil basis in the same way the money is given to districts from the state. Districts do not have to run district-wide programs for

Saint Paul Public Schools: MCA-II Reading Percent Proficient Trend by Subgroup 2006-2008

Saint Paul Public Schools: MCA-II Math Percent Proficient Trend by Subgroup 2006-2008

all categorical programs required by each state or the federal government. Many categorical programs can have the funding devolved to the school level on a per-pupil basis. The challenge for Saint Paul is to move more categorical programs such as English language learners and gifted and talented into the lump-sum budget. Currently, only 45 percent of the district's operating budget is given to schools for discretionary spending.

Resources

2008 Annual Report, Saint Paul Public Schools, http://www.spps.org/sites/ 209472fd-849d-4015-bcbe-8839b20be25b/ uploads/AnnualReport08F.pdf.

2008-2009 Adopted Budget, Saint Paul Public Schools. http://www. businessoffice.spps.org/sites/6ddf745b- fdfd-452f-8c77-a44af8055848/uploads/ AdoptedBudgetBook08-09-FINAL.pdf

Per Pupil Funding in a Site based environment, Saint Paul Public Schools, April 2005. http://www.businessoffice.spps.org/ sites/6ddf745b-fdfd-452f-8c77-a44af8055848/ uploads/PerPupil_Funding.pdf.

Shared Accountability Framework, Saint Paul Public Schools, Spring, 2008. http://accountability.spps.org/ sites/f42ee0d1-1629-4940-887c- d0d839c0eedf/uploads/REVISED_ FINAL_SHARED_ACCOUNTABILITY_ FRAMEWORK_-_6.16.08.pdf

Saint Paul School level budgets are here: http://businessoffice.spps.org/sites/6ddf745b- fdfd-452f-8c77-a44af8055848/uploads/ AdoptedBudgetBook08-09-FINAL.pdf

Contact Information

Jaber Alsiddiqui
Chief Budget Analyst
Saint Paul Public Schools
Business and Financial Affairs
360 Colborne St.
Saint Paul, MN 55102

Endnotes

1. *Per Pupil Funding in a Site based environment*, St. Paul Public Schools, April 2005, http://www.businessoffice. spps.org/sites/6ddf745b-fdfd-452f- 8c77-a44af8055848/uploads/PerPupil_ Funding.pdf.

2. For more information see http:// leadership.spps.org/MN_Principals_ Academy.html

3. *What Can Site Councils Do in the Saint Paul Public Schools?*, Saint Paul Public Schools, August 2006, http://leadership. spps.org/sites/ce2bfd41-1d6f-48fd-819e- 2496a64b4920/uploads/What_Can_SC_ Do_-_Grid.pdf.

4. *Shared Accountability Framework, Saint Paul Public Schools*, Spring 2008. http:// accountability.spps.org/sites/f42ee0d1- 1629-4940-887c-d0d839c0eedf/ uploads/REVISED_FINAL_ SHARED_ACCOUNTABILITY_ FRAMEWORK_-_6.16.08.pdf

5. For detailed student performance outcomes see: *2008 Annual Report, Saint Paul Public Schools*, http:// www.spps.org/sites/209472fd-849d- 4015-bcbe-8839b20be25b/uploads/ AnnualReport08F.pdf.

San Francisco Unified School District

Program Name:	Weighted Student Formula
Implemented:	2002-2003 School Year
Program Type:	District-Wide
Legal Authorization:	School Board Policy

School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	yes
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	no
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief-flat contracts, etc.	no
San Francisco met 7 out of 10 school empowerment benchmarks.		

I. Program Overview

San Francisco has approximately 56,000 students with student demographics that are 47 percent Asian, 21 percent Hispanic, 12 percent African American, 9 percent White and 30 percent English language learners, with 54 percent of students qualifying for the free or reduced lunch program.

San Francisco's former Superintendent of Schools Arlene Ackerman introduced the weighted student formula (WSF), which allows money to follow students to the schools they choose while guaranteeing that schools with harder-to-educate kids (low-income students, language learners, low achievers) get more funds. Ackerman also introduced site-based budgeting, so that school communities, not the central office, determine how to spend their money. Finally, she worked to create a true open-enrollment student assignment system that gives parents the right to choose their children's schools.[1]

Immediately after assuming the superintendent position in San Francisco in 2000, Dr. Ackerman created a number of committees to focus on improving equity, including convening the Weighted Student Formula Committee.[2] The WSF committee provided a forum for stakeholders to discuss the possible design and implementation of WSF. The district began a pilot of a WSF policy with 27 schools in 2001–02. Based on the results of the pilot policy, in 2002, Dr. Ackerman created a five-year plan, "Excellence for All," which had three main goals: to improve academic achievement for all students, increase the equitable allocation of district resources and establish accountability for student outcomes.[3]

During 2002-03, the district moved toward school site-based authority in resource planning and budget development by implementing the weighted student formula (WSF) as the primary method of allocating local funds to schools. Instead of delivering resources through full-time equivalent (FTE) staffing allocations, as had previously been the case, resources are allocated and distributed in dollars. The funding levels of the WSF are based on student needs. A basic funding amount by grade level is provided for each student and supplemented by an additional amount if the student requires English language learner services or is from a low socio-economic household.

In addition, budgetary decisions using WSF resources are made at the school site by local school site councils (SSC) instead of centrally. In this way, the WSF method of allocation allows schools to be more creative, innovative and responsive to local needs. It also makes the SFUSD's system of resource allocation more accountable and transparent to parents and other stakeholders. After doing a thorough assessment of current conditions and needs each year, each school conducts a monitoring process to see how well the strategies they have been implementing are meeting their goals. Each school's annual academic plans, beginning in 2008-09, prioritize the continuing needs of the school and outline specific strategies to meet the school's objectives.

School site councils and principals prepare preliminary budgets using initial allocations based on enrollment projections. Each spring, schools receive preliminary budget allocations that serve as the basis for academic plans, as well as budgets and staffing plans developed using a schedule of average salaries. Funding and administrative responsibilities that are borne by school site

councils and by central offices are identified in the academic planning guide that is produced each year and disseminated to schools.

II. Student-Based Budgeting Formula

In San Francisco the weighted student formula gives each school a foundation allocation that covers the cost of a principal's salary and a clerk's salary.[4] The rest of each school's budget is allocated on a per-student basis. There is a base amount for the "average student," with additional money assigned based on individual student characteristics: grade level, English language skills, socio-economic status and special education needs. These weights are assigned as a percentage of the base funding. For example, a kindergartner would receive funding 1.33 times the base allocation, while a low-income kindergartner would receive an additional 0.09 percent of the base allocation. In 2005–06 San Francisco's base allocation was $2,561. Therefore, the kindergartner would be worth $3,406 and the low-income kindergartner would generate an additional $230 for his school.

In an American Institutes for Research study, district administrators in San Francisco explained the rationale behind the level of weights for different student populations.[5] For example, the district argues that the weights for grades K–3 are higher than those for grades 4 and 5 because California's class size reduction categorical funding requires more teachers and therefore greater resources, for the lower grades. In addition, the district indicates that the weights for lower performance

on the English language learner test—the CELDT—increase as the student gets older because it becomes more difficult to attain English in the higher grades. Finally, most special education staff are allocated centrally and the weights for special education students are intended for small expenses, such as additional instructional supplies or professional development activities.

The weighted student formula weights have not changed since 2006-2007. These funds are based on the total general purpose funding available for the weighted student formula at the district level. Weighted student funds make up approximately 56 percent of the district general operating budget and between 70 and 80 percent of individual school operating budgets. The weighted student funds and the weighted student special education funds constitute approximately 74 percent of the total funds a school receives in its budget.

III. Autonomy

Weighted student formula allows school leaders to more flexibly allocate staff in nuanced ways that are not possible using staffing ratios.[6] In the American Institutes for Research study comparing student-based budgeting in Oakland and San Francisco, school leaders reported on the multiple ways they used their discretion:[7]

■ Hire additional teachers to reduce class size or provide additional assistance to English learners.

■ Hire additional counselors, attendance clerks, parent liaisons and extra security officers.

■ Increase certain useful part-time staff

San Francisco Weights 2006-2007	
K	1.33
1-3	1.33
4-5	1.00
6-8	1.14
9-12	1.19
Low-income (K-12)	.09
English language-learners (K-5)	.0781
English Language learners (6-8)	.0937
English Language Learners (9-12)	.2070
English Language Learners Transition	.0605
Resource specialist (K-12)	.0097
Special Day Class (K-5)	.0179
Special Day Class (6-12)	.0189
Special Day Class (severe)	.0315

(such as a parent liaison) to full-time status.

■ Retain teachers to maintain their desired class numbers despite declining enrollment.

For example, one San Francisco principal indicated that the control over retaining teachers despite fluctuations in enrollment gave her a sense of stability and community that would have been lost if the district controlled her staffing ratio based only on student enrollment.

While the weighted student formula gives principals flexibility, full autonomy is limited. San Francisco principals are constrained in discretion over personnel and school-level innovations such as changing instructional minutes by collective bargaining agreements.

IV. School-Level Management Support

Through the district's leadership development office SFUSD offers Principal Training Institutes. This training includes instructional leadership, site-management, partnerships and collaboration with higher education, accountability, technology and closing the achievement gap.

V. School Site Councils

School site councils are required at every school in California as a condition for participation in certain state and federally funded categorical programs. SFUSD has expanded the role of the SSC to include oversight of the academic plan and budget, a recognition that all stakeholders (students, parents, community members, teachers, other staff and principals) must contribute to the success of the school. School principals are the critical leaders at school sites. They are responsible for establishing a vision for improving achievement for all students. Principals are ultimately accountable for achieving the goals of the school and the district. Therefore, principals must ensure that the academic plan and

budget are focused on meeting the identified needs of all students. If principals or any other members of school site councils are not confident that an academic plan, as drafted, is adequately focused on the needs of all students, they have recourse with the district to ensure that their concerns are heard.

VI. School Choice Component

Any student can apply to any SFUSD school. Parents are strongly encouraged to list seven schools; selecting a higher number of schools increases the likelihood of receiving a requested assignment.

The most significant determinants of a student's school assignment are parental choice and school capacity. Since SFUSD allows any student to apply to any school, there may be situations where there are more requests than openings. For example, for the 2008-2009 school year, Lawton K-8 had 60 seats available for new kindergarten students. Eight younger siblings were pre-assigned, leaving 52 seats available for non-sibling applicants. There were 741 applicants for Lawton's kindergarten class, which means there were approximately 14 applicants for every available seat at Lawton.

Whenever requests are greater than the number of seats available, SFUSD uses a process called the "student assignment system" (SAS) to determine which students get an assignment offer. The SAS is a formula, made up of five race-neutral factors, that calculates the probability that in a given grade randomly chosen students will be different from each other based on the five factors.

Whether students receive one of their

school choices depends on a range of factors, including the number of seats available at the schools chosen, the number of students requesting those seats, the number of siblings who get pre-assigned, the ranking of the choices, the diversity of the applicant pools for the schools listed and, in some instances, the application of the student assignment system.

If a student does not get assigned to one of his choices through the student assignment system, SFUSD assigns the student to a school with openings. SFUSD considers the student's home address as well as SFUSD's transportation infrastructure when selecting a placement for students who did not get one of their choices. In 2008-2009, 81 percent of kindergarten applicants received one of their choices, 92 percent of sixth-grade applicants received one of their choices and 91 percent of ninth-grade applicants received one of their choices.

SFUSD is currently revamping the school choice and student assignment process with changes scheduled for the 2010-2011 school year.

More than 40 percent of the city's children now attend schools outside their neighborhoods.

VII.   Accountability

In San Francisco the district uses the "academic plan" to guide school-level accountability. The academic plan outlines a school's programs and strategies for improving student achievement, as well as the responsibilities for everyone involved in that process. In this way it provides a framework for continuous improvement and holds schools accountable for improving student achievement.

The district's academic plan is useful for the following purposes:

■ To specifically define a school's targets for meeting the district's primary goals of improving student achievement and closing the achievement gap.

■ To identify and align the strategies, programs, services and resources that a school will use to meet its student achievement goals.

■ To identify and communicate to the whole school community the roles and responsibilities for implementing the components of the plan.

In addition to the academic plans, SFUSD is developing a new tool to measure school quality and overall district performance: The School Quality, Equity and Access Matrix. This tool provides a simple visual model of complex data to assist families, school sites and district policymakers in exploring important differences among the district's schools. It measures how well each school serves each and every student based on that school's ability to disrupt the historically predictive power of racial, ethnic, linguistic and socio-economic student attributes. The matrix is designed to measure relative peer-to-peer performance. This dimension is captured by benchmark analytics that adjust statistically for each school's demographic context and other starting conditions. In doing so, benchmarks level the playing field for meaningful school-to school comparisons. Thus, the matrix reveals positive trends and practices and will direct intervention with greater accuracy on behalf of the school's lowest performers.

The more precisely an intervention addresses a school's individual needs and builds on its strengths, the more effectively resources are used and the greater the chances of creating sustained improvement in student outcomes. For the district, truly meaningful school-to-school comparisons distinguish those low performers that have least managed to disrupt low performance associated with socio-economic student attributes and, on the upside, to pinpoint even among low performers the emerging positive outliers that are beating the district trend by a wide margin.

VIII.   Performance Outcomes

For seven consecutive years, SFUSD has outperformed the seven largest California school districts on the California Standards Tests (CST).[8] SFUSD students improved their California Standards Test scores for the seventh consecutive year in 2008. More SFUSD students have now earned a score of "proficient" or "advanced" (at almost every grade level in both English Language Arts and Mathematics) than students in similar districts across California.

Fifty-six percent of students tested in 2008 earned a score of "proficient" or "advanced" in English language arts, up from 35 percent in 2002. Sixty-two percent of students tested in 2008 achieved proficient or advanced scores in math, up from 37 percent in 2002.

A greater percentage of San Francisco students graduate from high school than almost any other large urban public school system in the country. According to a 2008 report from the EPE Research Center, San Francisco ranks five out of America's 50 largest cities. In 2008, 85.6 percent of San Francisco students graduated in 2008.

In 2007 San Francisco Unified School District was the only large urban district in California to meet the federal proficiency targets for students with disabilities who took the state tests in English language arts and mathematics.

SFUSD currently provides immersion education at 17 schools with Spanish, Mandarin, Cantonese and Korean programs. Studies show students in language immersion programs do as well—if not better—than their peers in English-only classes in all aspects of academic performance. Among the highest-performing elementary schools in SFUSD are West Portal Elementary and Alice Fong Yu Alternative, both with Cantonese Immersion Programs.

While SFUSD has high performance overall, the district's achievement gap—the discrepancy between the academic proficiency of students by race, ethnicity, class and language—has continued to widen. San Francisco has the highest average student performance of the large urban districts in California and the widest gap between the district average and the lowest performing students. The district's new strategic plan and the new accountability matrix is focused on analyzing performance outcomes and setting school-level targets to close the achievement gap.

IX. Lessons Learned

1. San Francisco demonstrates the importance of using a weighted student formula in conjunction with school-level academic plans that tie instructional strategies to budgets and outline specific academic goals for each school. The weighted student formula in isolation is just a funding mechanism, but when budgets are aligned with academic goals it helps school leaders to focus on how best to use school-level resources to raise student achievement.

2. WSF can increase equity. For example, the American Institutes for Research 2008 analyses of the San Francisco weighted student formula implementation found that high-poverty middle and high schools in San Francisco benefitted significantly from the implementation of the WSF policy. Focusing on the overall per-pupil spending, they found that San Francisco increased the proportion of total resources allocated to high-poverty relative to low-poverty middle and high schools after implementation of the WSF.[9]

3. San Francisco also demonstrates the need to focus on the achievement gap within a school district. San Francisco's new School Quality, Equity and Access Matrix allows comparisons between schools with similar student populations and a tool to examine negative and positive trends toward closing the achievement gap and connect those trends with specific instructional strategies and budget decisions.

Resources

Beyond the Talk: Taking Action to Educate Every Child Now, 2008-2012 Strategic Plan, San Francisco Unified School District, May 2008, http://portal.sfusd.edu/data/strategicplan/strategicplan_summary_

ENG.pdf

Jay Chambers et al., *A Comparitive Study of Student-Based Budgeting and School-Based Decision Making in San Francisco and Oakland Unified School Districts*, American Institutes for Research, October 2008, http://www.air.org/news/documents/A%20Tale%20of%20Two%20Districts_Final.pdf

Larisa Shambaugh, Jay G. Chambers and Danielle DeLancey, *Implementation of the Weighted Student Formula Policy in San Francisco: A Descriptive Study of an Equity-Driven, Student-based Planning and Budgeting Policy,* American Institutes for Research, August, 2008. http://www.air.org/news/documents/REL_2008061.pdf

For school-based budgets go here: http://portal.sfusd.edu/data/budget/FY08-09_Recommended_Budget_2nd_Reading.pdf

Contact Information

Reeta Madhavan
Director Budget Services
1550 Bryant St. #525
San Francisco, CA
415-241-6187

Endnotes

1. Lisa Snell, "The Agony of American Education," *Reason*, April 2006.

2. Larisa Shambaugh, Jay G. Chambers, and Danielle DeLancey, "Implementation of the Weighted Student Formula Policy in San Francisco: A Descriptive Study of an Equity-Driven, Student-based Planning and Budgeting Policy," American Institutes for Research, August, 2008.

http://www.air.org/news/documents/REL_2008061.pdf

3. Ibid.

4. Ibid.

5. Ibid.

6. Ibid.

7. Jay Chambers et al., *A Comparitive Study of Student-Based Budgeting and School-Based Decision Making in San Francisco and Oakland Unified School Districts*, American Institutes for Research, October 2008, http://www.air.org/news/documents/A%20Tale%20of%20Two%20Districts_Final.pdf

8. The following district level outcomes are compiled from San Francisco Unified School District, http://portal.sfusd.edu/template/default.cfm?page=about.didyouknow.

9. Shambaugh, "Implementation of the Weighted Student Formula Policy in San Francisco."

.

Best Practices for Weighted Student Formula Budgeting

If we aggregate the best practices from every district profiled in this yearbook we can imagine an "ideal" student-based budgeting model.

Best Practices for the Weighted Student Formula

1. Redirect central office resources to the schools.

Districts should redirect central office resources to support schools. Several districts including Oakland, Hartford, New York and Baltimore have significantly reduced costs at the central office and put the money into school-level budgets.

■ In Hartford's 2009-2010 budget, 70 percent of available resources will be allocated to schools and classrooms to support instruction. This contrasts to less than one-half of resources spent in schools and classrooms by the Hartford Public School District in 2006-07. The district redirected resources to the schools with a 20 percent reduction of central office expenses including the reduction of over 40 district-level positions.

■ In 2008 Baltimore City Schools faced a $76.9 million budget shortfall. In response the "fair student funding plan" identified $165 million in cuts from the central office to cover the funding shortfall and redistributed approximately $88 million in central office funds to the schools. By the 2010 school year, Superintendent Alonso will have cut 489 jobs from the central office, re-directing 80 percent of the district's operating budget to schools.

2. Use school-level academic plans to align resources with achievement goals.

A central role of the school site council is to develop a specific plan to describe areas of focus for improving student achievement and how resources will be used toward achieving the goals in the academic plan.

■ The Saint Paul Public School District's budget philosophy is that each school site's "school comprehensive improvement plan" (SCIP) will drive the school budget process.

■ San Francisco demonstrates the importance of using a weighted student formula in conjunction with school-level academic plans that tie instructional

strategies to budgets and outline specific academic goals for each school. The weighted student formula in isolation is just a funding mechanism, but when budgets are aligned with academic goals school leaders can focus on how best to use school-level resources to raise student achievement.

3. Publish detailed school-level budgets.

School-level budgets offer parents and community members transparency to see how money is spent at each individual school. The best school-level budgets offer detailed data about student populations and their specific characteristics and how much money each student population generates for the school. Good school-level budgets also report academic achievement data.

■ Hartford Public School District publishes very detailed school-level budgets that report the student populations at each school as well as the funds generated by each group of students. The school-level budgets also include the school's performance data.

■ In Houston Independent School District, the budgets report data broken down by the student sub-groups at each school and show the weights and funding for each group of students. In addition, HISD's school-level budgets also report student achievement data for each school.

4. Use foundation grants to support small schools.

Districts should give every school a foundation grant to cover the basic administrative costs of running a school. This allows schools of every size to cover the basics and it does not work against small schools. It allows districts to continue to embrace small schools even under a system that funds schools on a per-pupil basis.

■ In San Francisco the weighted student formula gives each school a foundation allocation that covers the cost of a principal's salary and a clerk's salary.

■ In New York City all schools regardless of size or type receive a lump-sum foundation grant of $225,000. The dollars are not tagged to particular positions and schools, not central administration, determine whether they need more core administrative staff and fewer teachers or the reverse. The foundation grant also allows small schools to maintain a core administrative staff.

5. Charge schools actual salaries to increase equity.

New York, Hartford and Oakland demonstrate that it is possible to achieve even more equity by charging schools for the actual cost of their teachers' salaries rather than each district's average salary.

■ In Oakland the district charged actual salaries to schools using the rationale that since schools spend most of their budget on personnel costs, the decision to use actual salaries in school budgets to calculate school-level costs would better address equity. Oakland implemented the use of actual salaries so that schools with less experienced teachers would have lower teacher-related costs in their budgets and could redirect this money toward resources (e.g., professional development) that would support and help retain experienced teachers in schools serving larger percentages of high-poverty students.

- New York City charges schools for the average of each school's teachers rather than the school district average. The school-level average more accurately reflects the mix of teachers' salaries at each individual school and allows principals to have more control over the cost of the teachers at their individual school.

6. Devolve district restricted funds into the weighted student formula.

School districts need to reduce their own restricted programs and devolve those resources into the student-based budgeting formula.

Hawaii has developed a good test for whether resources should be included in the student-based budgeting formula. Hawaii's "committee on weights" has very specific criteria to determine whether funds should be added to the WSF allocation. The committee asks a series of questions based on very specific criteria.

For example, in 2008 the Board added the Peer Education Program to the unrestricted weighted funds because all secondary students in Hawaii should have

Criteria for Funds to Be Included in WSF

Program funds are recommended for inclusion in WSF if the funds:

1. Were provided to all schools
2. Were provided to all schools of a particular level (i.e., HS)
3. Could be distributed equitably by formula
4. Would provide greater flexibility to the school community
5. Were previously distributed in a manner that resulted in an inequity.

access to the funds.

7. Frequently review the weighted formula

- In Hawaii the Committee on Weights presents a formal and transparent process for reviewing the weighted student formula. This yearly review offers districts a formalized process to review discretionary versus non-discretionary funding for individual schools. In Hawaii the committee has increased the amount of categorical funds added to the WSF allocation every year.

8. Connect student weights to academic achievement rather than poverty.

Districts should reward academic achievement by connecting the weights to academic performance rather than poverty, as Baltimore has. Low-scoring students and high-scoring students generate additional revenue rather than low-income students.

In Baltimore the district weights both academic need for students that score basic (below grade level) and academic need advanced (above grade level) at $2,200. In 2009, since performance outcomes went up, the overall number of students who qualify for "academic need basic" went down. On the other hand, the number of students who qualify for the "academic need advanced" went up. The basic and advanced weights demonstrate how Baltimore's Superintendent Alonso promoted academic achievement. In 2010 a smaller amount of unlocked dollars will be allocated toward the basic (lower-performing) weight and a larger amount of unlocked dollars will be shifted to the advanced weight. It is a positive outcome when the amount of money going to lower scoring students is shrinking and the amount

of revenue going to higher performing students is growing—based on higher overall achievement.

■ New York City has also fostered performance and school improvement by rewarding achievement. For example, New York schools that earn both an A on their progress report and the top score of "well developed" on their quality review are awarded additional funding. Schools can spend the "excellence rewards" of approximately $30 per student at their discretion on whatever programs or other school-related expenses will best support their continued progress.

9. Use hold-harmless strategies to phase-in equitable school-level budgets.

Most districts have a hold-harmless clause that transitions schools to budget equity over two-five years.

■ Poudre School District has established a safety net so that no school will lose more than 20 percent of its current budget. To offset that cost, no school will gain more than 80 percent.

10. Allow schools discretion over purchasing of central office services.

Give schools the resources in actual dollars to purchase central office services and let them choose between competing support systems to decide which central office support functions are necessary for each individual school.

■ Pilot schools show that individual schools can receive their portion of central office services in real dollars and decide which services to purchase from the central office based on their

individual needs. Belmont pilot schools receive access to central discretionary services and have the ability to select the services or instead receive the per-pupil amount for the service added to their lump-sum budget.

■ In New York City the Department of Education redirected $170 million as new "Children First Supplemental Funds" to schools to purchase newly organized school support services and other goods, services and staff that they determine help students succeed. The $170 million came from cuts to central and regional budgets. This brought to $230 million the amount the DOE has cut from the central office and sent to schools since 2006 to purchase support services at their own local discretion.

11. Implement weighted student formula to help with enrollment fluctuations.

Student-based budgeting can increase flexibility for budgeting during changing conditions, such as decreases or increases in enrollment.

■ Poudre School District demonstrates that student-based budgeting can be a flexible and transparent tool for budgeting when schools are faced with declining enrollment. Rather than schools losing entire teaching positions based on the staffing model when fewer students are enrolled, instead the school loses the money for the actual loss in enrollment—not an entire position. This allows the school to be more flexible about how to handle financial loss in the budgeting process.

Best Practices for Accountability

1. Use overall proficiency, value-added measures and movement toward closing the achievement gap to measure school progress.

■ In 2008, Denver Public School District launched a "school performance framework" to measure the progress of actual students against themselves and against peers from the entire state of Colorado. This metric not only ensures that all students move forward, it also measures and compares growth year by year. About 60 percent of the framework is based on student's growth and the rest is based on overall proficiency.

■ San Francisco also demonstrates the need to focus on the achievement gap within a school district. Its new "school quality, equity and access matrix" allows comparisons between schools with similar student populations and provides a tool to examine negative and positive trends toward closing the achievement gap and connect those trends with specific instructional strategies and budget decisions.

■ Oakland Unified School District requires schools to publish a score card that measures each school on three academic goals:

　■ Absolute Performance. How is the school performing against Adequate Yearly Progress Targets?

　■ Cohort Matched Student Level Growth (value added). How is the school accelerating growth for students who have been in the school over time (measured for both one and three years)?

　■ Closing the Achievement Gap. Is the school closing the gap between school-wide performance and that of the lowest performing subgroup?

2. Report school-level report cards with user-friendly rating systems.

■ In Denver, every public school, except those in their first year of operation, is assigned one of the following accreditation ratings every September using data collected during the previous school year: distinguished, meets expectations, accredited on watch or accredited on probation. Ratings affect how much support schools receive, corrective action taken and compensation earned by principals, assistant principals and teachers.

■ In New York City progress reports grade each school with an A, B, C, D or F to help parents understand how well their school is doing and compare it to other, similar schools. These progress reports are the centerpiece of the City's effort to arm educators with the information and authority they need to lead their schools and to hold them accountable for student outcomes. The reports also provide parents with detailed information about school performance, both to hold their schools accountable and to inform family decisions.

3. Use performance-based pay as an incentive for school improvement.

Several districts have combined performance pay with student-based budgeting to provide even more incentive for teachers and principals to raise student achievement with the resources at their discretion.

- As part of the accountability framework, Denver Public School District operates a groundbreaking teacher pay system called ProComp, along with a principal compensation system that rewards improved student achievement and commitments to work in hard-to-serve schools and hard-to-staff assignments. ProComp is a nine-year bargained agreement between the Denver Classroom Teachers Association and Denver Public Schools that is designed to link teacher compensation more directly with the mission and goals of the district and DCTA.

- In 2008 the Houston Independent School District implemented a new accountability process called the ASPIRE (accelerating student progress and increasing results and expectations) model. This overarching initiative connects all of HISD's educational improvement efforts and encompasses innovative technology solutions, professional development and communications. ASPIRE's system of value-added analysis helped HISD increase student achievement and reward those who help students make strong academic progress. As one of the largest performance-pay plans in the nation, in 2008 the ASPIRE Award Program recognized more than 10,000 teachers and other school personnel with more than $23 million in bonuses.

4. Invest in data systems that offer teachers and principals "one-stop" data-centers for student information and strategic planning for academic goals.

- The New York City Department of Education has invested in the technology and data systems necessary to allow schools to use evidence from student performance to inform their strategic planning and accountability goals. The "achievement reporting and innovation system" (ARIS), is a groundbreaking tool introduced in 2007 to help teachers and principals raise student achievement. As of 2008 it has been available to all New York City classroom teachers. ARIS gives educators access in one place to critical information about their students—ranging from enrollment history, diagnostic assessment information, credits accumulated toward graduation and test scores to special education status and family contact information. ARIS combines this information with an online library of instructional resources and with collaboration and social networking tools that allow users to share ideas and successes with other educators in their school and across the City.

5. Give parents real-time online access to information about their student's performance and classroom assignments.

- In Cincinnati an online program called Parent-Connect offers every parent in the district real-time access to their student's progress including assignments and grades. Each classroom maintains a computer with Parent-Connect to allow parents access at the school.

6. Close habitually low-performing schools and redirect resources to expanding higher-quality school options.

- Hartford has employed an aggressive strategy of closing low-performing schools and redirecting resources to

higher quality new schools.

- Denver demonstrates that closing under-enrolled and low-performing schools can redirect scarce district resources to students who previously were enrolled in the closing schools and that money can follow those students into newer higher-performing schools. It also can provide additional resources to create new high quality schools.

Best Practices for School Choice

1. Embrace open enrollment.

Several districts including Saint Paul, New York City, Hartford and Denver have "all choice" districts where students can enroll in any school on a space-available basis and schools that are oversubscribed use a lottery to allocate spaces.

- Saint Paul has a straightforward choice-based enrollment process. For elementary schools, parents go through an application process where the parents list their top three school choices for kindergarten. There is some preference given to students who live within an attendance area of each school. Saint Paul Public School District also includes several city-wide magnet and open-enrollment schools. It also has open enrollment for middle and high schools where students list two choices on an application.

2. Use technology to manage the school choice process and create an online enrollment process.

- Poudre School District implemented an online process for the 2009-10 school choice applications. The new process

provides parents the opportunity to complete and submit their application from the comfort of their own home and eliminates the need to take the application to the school and/or schools where they are applying. Other benefits of the online system include providing parents the opportunity to apply for multiple schools with one application. Parents will receive an automatic confirmation number that can be printed and kept on file for reference and the first consideration lottery process will now be automated.

3. Offer open-enrollment for middle and high school students to start.

Several districts started their open-enrollment systems by allowing older students to choose between schools. This policy can help high school students select a school that better meets their interests and ultimately help to retain students in secondary education.

Best Practices for School Autonomy

1. Give principals discretion over 70 to 90 percent of a school district's operating budget at the school level.

- Oakland's strength is the budgeting discretion it provides to schools as it continues to move larger amounts of unrestricted funds and restricted funds to the school level. For example, even as Oakland Unified is forced to make significant budget cuts because of declining enrollment and California's budget crisis, the majority of reductions were made at the central office and the district worked to protect the

unrestricted funding that goes to schools so that more than 87 percent of the unrestricted budget would go to schools in 2009-2010.

■ Pilot schools in Boston and Belmont offer principals discretion over the equivalent of 90 percent of resources because they give the schools the operational resources that are equal to the average operational funding provided to all public schools in the district, on a per-pupil basis. The schools also receive a proportional share of state and federal categorical funds, subject to applicable grant requirements and obligations.

2. Negotiate flat contracts with unions.

Several districts demonstrate that it is possible to negotiate with unions for a range of concessions that give principals more autonomy over school-level decisions that were previously constrained by collective bargaining rules.

■ In Boston and Belmont pilot schools, teachers are exempt from teacher union contract work rules, while still receiving union salary, benefits and accrual of seniority within the district. Teachers voluntarily choose to work at pilot schools. When hired, they sign what is called an "elect-to-work agreement," which stipulates the work conditions in the school for the coming school year. This agreement is revisited and revised annually.

3. Give principals discretion over personnel decisions.

■ New York and Denver have an "open market" teacher hiring process where principals can interview multiple

candidates and make decisions about which teachers will best fit with their schools.

■ Most student-based budgeting programs give schools discretion over hiring teachers at the front end of the process but they do not give principals an alternative to transfer teachers who are incompatible with the school model. Clark County School District's union contract has a provision that details how empowerment schools can deal with teachers that are incompatible with the school. The contract states that the school empowerment team, in conjunction with the school principal, may implement a peer review model and may remove and replace a teacher deemed to be incompatible with the model established at the school. The principal ultimately has the authority to make staffing decisions.

Best Practices for School-Level Management Support

1. Set the level of district intervention and support based on student performance.

■ In 2009 Cincinnati begins a new initiative in which schools will be grouped according to performance, with a progression of services provided according to need. High-performing schools will receive coaching only by request, improving schools will receive part-time coaching and schools in need of academic intervention will receive intensive, prescriptive coaching. The district will create three "turnaround teams," each consisting of a principal and two lead teachers, to work with the district's 16 lowest-performing

elementary schools.

- Hartford demonstrates the value of a clear accountability matrix that evaluates and sets the level of autonomy for each school based on student performance. Low-performing schools face intensive intervention from central office teams and eventual closure if performance does not improve.

2. Create "principal academies" to train principals to be entrepreneurial leaders.

Many districts that have implemented student-based budgeting from New York to Denver provide intensive professional development and training for principals using independent principal academies that are developed by nonprofits, universities or through other district partnerships. These principal academies are designed to train and empower principals to be strong entrepreneurial and instructional leaders.

3. Provide extra district support during the budgeting cycle.

Many districts offer intensive support during the budget cycle with hotlines for principals or specific one-on-ones with budget analysts to provide extra support during the months principals are developing their budgets.

4. Redesign central office support.

- In Baltimore in 2010 the central office is restructuring the way it provides support to principals and schools. As schools assume more responsibility the administrative role of the district central office is becoming more targeted to focus on three key functions: guiding schools, supporting schools and holding schools accountable for student

achievement. The central office would improve support to schools by creating "school networks." Under this plan, 14 networks would each serve up to 15 schools and each would be composed of four people—two in the area of academics, one in special education and student supports and one in operations such as finance, facilities, etc. The networks would assume and improve the school "support" or liaison functions now performed by the central office. They would spend most of their time in schools and they would offer schools one-stop shopping solutions, keeping them from having to navigate the central office's myriad departments. To measure and ensure the quality of this school support, school principals would evaluate the networks and provide these evaluations to district leadership.

- Oakland offers a strong program of assistance to principals and school staff from central office personnel. Principals receive support from the district's assistant superintendents. In addition, Oakland school principals can also hire operations support coaches who help to create budgets and serve as liaisons to the district office.

State Recommendations for Weighted Student Formula

The weighted student formula report, *Fund the Child*, by the Thomas B. Fordham Institute offers solid state-level recommendations arguing that states are in the best position to advance weighted student formula. This yearbook concurs with the Fordham recommendations and argues for four essential state-level policies

that could increase weighted student formula budgeting at the local level.

1.   States should centralize education funding and redistribute it based on a weighted student formula. States that provide a larger share of education funding can compel school districts to distribute resources more equitably at the local level. The state of Hawaii implemented weighted student formula because it had one centralized funding stream. When states distribute equitable funding between school districts based on student characteristics, it encourages districts to attach funding to students. Then states can require districts to pass on the weighted allocations to the school level. For example, in New Jersey in 2008, after years of court-driven, ad-hoc approaches to school funding, Governor Corzine pushed through a weighted student formula school financing reform to create an equitable and predictable mechanism to distribute funding to all children in New Jersey based on individual student characteristics. Governor Corzine's weighted student funding formula will be equitably applied to all school districts and charter schools beginning in fiscal year 2009. However, this weighted student formula does not yet require individual school districts to have funding follow students into schools. It does not offer incentives for principal autonomy over resources or school choice. However, this is a promising first step, which would make it easier for New Jersey to implement state legislation to require districts to allocate funding based on a weighted student formula as a next step. Many states, such as California and Michigan, have already moved toward centralizing school funding.

2.   States should allocate funding to schools based on a weighted student formula. States should pass specific legislation that makes state money follow the child, according to need. The state's role should be to ensure that districts allocate state and federal funds according to weighted student funding principles. States should require districts to pass through as much state and federal funding as possible to schools, based on the state's WSF model. In essence, states could encourage more robust weighted student formula by funding every child as if he or she was enrolled in a charter school and the funding followed the child into the school.

The Fordham Foundation also argues that states should encourage districts to allocate local funding according to weighted student formula principles. It argues that states could require districts to allocate local funding based on WSF principles in order to be eligible to receive their share of state funding.

3.   States should invest in budgeting software and require districts to report school-level data. School districts could benefit greatly from better budgeting systems. If funding were available for states to implement a standard budgeting system, it would alleviate the fears of many districts to migrate to a new budgeting process. The Oakland Unified School District, for example, had to develop its budgets during the first year using Microsoft Excel spreadsheets because the district's existing finance system could not support the new process. A new state budgeting system would need to break down revenues and expenses on a site-by-site basis. States should require districts to report current spending at the school level based on actual dollars rather than district averages. Having

transparent budget information is the first step toward weighted student formula and will point out any inner-district inequities for each school district.

4.   States should resist categorical programs and restricted funding. California's has a $40 billion budget crisis that has had a real impact on local school budgets. To help mitigate this impact, the state gave school districts a waiver which gives districts discretion over most categorical programs. This demonstrates the need that local districts have for control of their resources, especially during budget deficits. As districts receive unrestricted funding, they can pass this money to schools as real dollars rather than programs. For example, in Oakland Unified, district administrators report that the large number of categorical programs at state and federal levels inhibits innovation and reinforces a compliance-oriented mentality.

Acknowledgements

The Eli and Edythe Broad Foundation

The Eli and Edythe Broad Foundation is a national venture philanthropy established by entrepreneur and philanthropist Eli Broad to advance entrepreneurship for the public good in education, science and the arts. The Broad Foundation's education work is focused on dramatically improving urban K-12 public education through better governance, management, labor relations and competition. The Broad Foundation's Internet address is www.broadfoundation.org.

the
broad foundation
education