

## SCHOOL SPENDING EQUITY & TRANSPARENCY

### Recommendations

1/30/18

### Agenda

1. Review attribution categories
2. Discuss questions

### Facilitators:

- Jess Gartner, CEO & Founder, Allovue
- Jason Becker, Chief Product Officer, Allovue

### Panelists

- Angela Alvarez, executive director, New Initiatives Department, City Schools
- Ericka Brockman, executive director, Southwest Baltimore Charter School
- Cheryl Casciani, chair, Board of School Commissioners
- Courtenay Desabaye, special assistant to the Chief Financial Officer, City Schools
- Ben Dalbey, parent, Hamilton Elementary/Middle School
- Andy Frank, commissioner, Board of School Commissioners
- Corey Gaber, teacher, Southwest Baltimore Charter School
- Amanda Henck, director of finance, Monarch Academy
- Danielle Henson, principal, Hilton Elementary School
- Tina Hike-Hubbard, parent, Tunbridge Public Charter School
- Jamal Jones, Parent and Community Advisory Board
- Joe Manko, principal, Liberty Elementary School
- Toby Pitts, director, Baltimore Curriculum Project
- Marsha Reeves, executive director, KIPP Harmony Academy
- Johnette Richardson, commissioner, Board of School Commissioners
- Craig Rivers, principal, Frederick Douglass High School
- Kim Wiggins, member, Charter and Operator-led Schools Advisory Board
- Jennie Wu, special assistant to the CEO, City Schools

**Review of Current Charter Formula**

*FY18 Charter Funding Formula*

Row	Description	Dollars	Formula	Categories
A	General Fund Revenue	\$1,151,691,798		
B	Districtwide exclusions	\$159,929,918		21 <sup>st</sup> Century Debt, Pre-K Early Learning, Specialized Transportation, Non-Public Schools, Retiree Health
C	Needs-based exclusions	\$263,951,506		ESOL, SWD, Pre-K Early Learning
D	<b>Subtotal</b>	<b>\$727,810,374</b>	<b>A-B-C</b>	
E	2% District Administrative Costs	\$14,556,207	<b>D*2%</b>	
F	<b>Subtotal</b>	<b>\$713,254,167</b>	<b>D-E</b>	
G	<b>Projected Enrollment</b>	<b>76,789</b>		
H	<b>Per Pupil</b>	<b>\$9,288</b>	<b>F/G</b>	

**Review of Excluded, Central, Attributed, and Allocated**

*Allocated*

Allocated dollars are formally provided to school sites during their planning process to use when budgeting. These dollars include the Fair Student Funding for traditional public schools, the charter allocations for charter schools, dollars provided to school sites for students with disabilities, ESOL students, and any grant dollars that have site-level spending and planning.

When analyzing actual spending, there are some dollars that are recorded at school sites that are not formally allocated during the budgeting process. These dollars are *allocated* for the purpose of equity analysis, because no estimation is required to know how these resource support specific schools, even though they are *not allocated* for the purposes of developing the funding formula.

### *Attributed*

Attributed dollars are planned for in central office departments but are used for the direct benefit of students in schools. These dollars include contract employees supporting students with disabilities, building utilities and maintenance, and transportation, for example. In each case, we can use an *attribution rule* that estimates the level of support these dollars represent at each school site. *Attributed* dollars do not support all schools equally by design, but it can be hard to understand how different schools receive different supports prior to applying the attribution rules. When reviewing the funding formula, *attributed* dollars are traditionally considered *not* school site responsibilities for traditional public schools and are therefore excluded from the Fair Student Funding dollars for schools. Charter schools receive most of their attributable resources from grants or supports for students with disabilities, both of which are excluded from the charter allocations. However, they may receive other attributable resources that are paid for by a fee for service model, like in the case of maintenance and utilities for charters housed in BCPSS buildings.

### *Central Office*

Central Office dollars are those resources associated with running a system of schools. Baseline infrastructure like human resource systems, finance and accounting, legal, and data systems fall under administration. Although these services could be offered by individual entities, the cost of providing these services do not scale linearly with students or services to students and would represent substantial duplication if offered in school sites. These dollars are properly recorded in the central office and the dollars of support would be expected to be the same across all schools. Note, these costs do not include the administrative costs of grants, students with disabilities, or ESOL. Those

offices do provide different support levels to different schools and would be expected to scale with the populations they are supporting, unlike these central office costs and so they are attributable.

*Excluded*

There are some expenses that are uniquely responsibilities of the school district. These include long term debt, capital expenditures, legal obligations to serve students in non-public schools, and retiree benefits. These are not a part of delivering the annual K-12 educational program, and are therefore excluded from analysis for the formula (which is used for operational expenses) and for most equity analysis (because they cannot be tied to particular students, schools, or central programs).

SSET Grouping	Formula Allocations	Equity Analysis
Retiree Health Benefits	Exclusion	Exclusion
Debt Service/Capital	Exclusion	Exclusion
Pre-K/Early Learning	Exclusion	Exclusion
Grant Supported Pre-K	Exclusion	Exclusion
Non-Public Schools	Exclusion	Exclusion
Home and Hospital	Exclusion	Exclusion
ESOL Centralized	Attributed	Attributed
ESOL School-based	Allocated	Allocated
SWD Centralized	Attributed	Attributed
IDEA Centralized	Attributed	Attributed
SWD School-based	Allocated	Allocated
IDEA Schools	Allocated	Allocated

Specialized Transportation	Attributable	Attributable
Long Term Substitutes	Attributable	Allocated (actual site-based spending is known)
Utilities	Attributable	Attributable
Central Services to HS	Attributable	Attributable
Central Services to ES	Attributable	Attributable
Central Services to All	Attributable	Attributable
Gifted and Talented	Attributable	Attributable
Ingenuity	Attributable	Attributable
Athletics	Attributable	Attributable
School Police		
Title II	Attributable	Attributable for traditional public schools, allocated for charters
All other grants centralized cost (but food services)	Attributable	Attributable
Food Services Centralized	Attributable	Attributable
Fresh Fruit and Vegetable	Attributable	Attributable
All grants, school-based	Allocated	Allocated
Central Office	Central	Central
Regular Transportation	Attributable	Attributable
21 <sup>st</sup> Century Building Plan	Excluded	Excluded
Building Maintenance and Upkeep	Attributable	Attributable
Lease costs	Excluded	Attributed
Seed School	Excluded	Excluded

Third-Party Billing/Medicaid	Attributable	Attributable
Benefits Contractors	Attributable	Attributable
Non-distributable Benefits		
School-based FSF/Charter Allocation	Allocated	Allocated

\* Needs review to add benefits data.

**Definitions**

SSET Grouping	Filter/Rule
Retiree Health Benefits	Subobject 0222 – Retiree Health
Debt Service/Capital	Category 0215 Capital Outlay OR Category 0216 Debt Service
Pre-K/Early Learning	Pos Job Title contains Pre OR Judy (for Pre-K or Judy Centers) AND fund 3001 General Fund OR Cost Center 0662 Early Learning
Grant Supported Pre-K	Fund 4345, 4521, 5204
Non-Public Schools	Cost Center 0495 Non-Public Schools or Cost Center 0552 Non-Public Placement Services
Home and Hospital	Cost Center 0303 Home and Hospital
ESOL Centralized	Cost Center 0664 ESOL
ESOL School-based	Pos Job Title contains ESOL and in schools
SWD Centralized	(Department 2005 Special Education Officer and not non-public schools) OR (Category 0206 Special Education but not non-public schools or department) OR (Not Category 0206 and not non-public and not department 2005, and Award 03 or 06 or 16) AND not Cost Center in Schools AND NOT Cost Center 662 Early Learning

SWD School-based	Same as Centralized, but in school
Specialized Transportation	Cost center 0712 Specialized Transportation
Long-Term Substitutes	Subobject 130 Long-Term Substitutes
Utilities	Subobject 0521 Gas and Electric, 0526 Sewer/Water, 0522 Heating Fuels
Central Services to HS	General Fund dollars in Cost Center 0689 Office of Learning to Work, 0569 Guidance, 0679 Secondary Services, 0829 School Counseling, 0694 Secondary Instructional Leadership
Central Services to ES	Cost Center 0692 Elementary Instructional Leadership
Central Services to All	0806 Libraries Support Systems, 0825 Instructional Technology, 0532 Office of Health and Science, 0672 Mathematics Education, 0561 Drug Abuse and Violence Prevention, 0520 Chief Academic Officer, 0661 Office of Teaching and Learning, 0675 Office of Extended Learning, 0533 Office of Humanities, 0696 Visual and Performing Arts, 0699 Literacy Administration, 0534 Student and School Operations Support, 0541 Academic School Support, 0559 Suspension Services, 0561 Drug Abuse and Alcohol Prevention, 0698 Multi-tiered Systems of Support, 0491 Whole Child, 0489 SEL Climate and Wellness, 0697 School Transformation and Turnaround
Gifted and Talented	Cost Center 0680 Gifted and Talented Education
Ingenuity	Cost Center 0388 Ingenuity
Athletics	Cost Center 0685 Interscholastic Athletics
School Police	Cost Center 0740 School Police Administration
Title II	Fund 4663 Title II
All other grants centralized cost (but food services)	Fund code starts with 4, 5, or 6, but not Title II, not 4602 (Medicaid reimbursement), or fund 4519/4520 (IDEA) and not Office of Early Learning or ESOL.
Food Services Centralized	Fund 2001 Food Services, 2002 Great Kids Cafe
Fresh Fruit and Vegetable	Fund 2005 Fresh Fruit and Vegetable Program

Title I school-based	Fund 4501 in schools
Central Office IT	General Fund dollars in Cost Centers 0801 Office of the CITO, 0802 Call Center Services, 0803 Decision Support Services, 0805 Libraries Support Systems, 0810 Human Resource Management Systems, 0811 Financial Resource Management Systems, 0812 Business Support Systems, 0813 Security and Data Center Services, 0814 Phone Support, 0815 Technical Support Systems, 0817 ERate Managed Projects, 0818 Teacher Support Systems, 0546 Chief Operating Officer, 0520 Mail Distribution
Central Office Not IT	0501 - Board Of School Commissioners, 0502 - External Audit, 0504 - School Support, 0506 - Knowledge Management Department, 0508 - Teacher Effectiveness, 0510 - Chief Executive Officer, 0511 - Office Of The Internal Auditor, 0513 - Chief Of Staff, 0514 - Parent & Community Advisory Board, 0515 - District Office Effectiveness, 0516 - Hc Knowledge Management & Strategy, 0518 - Employee And Labor Relations, 0519 - Contract Implementation & Compensation, 0527 - School Community Family Involvement, 0529 - Office Of New Initiatives, 0530 - Organizational Development Office, 0542 - Legal Affairs, 0543 - Office Of Communications, 0587 - Certification, 0588 - Payroll, 0589 - Accounts Payable, 0590 - Chief Financial Officer, 0594 - Finance And Accounting, 0596 - Budget Office, 0607 - Director-Procurement, 0620 - Chief Accountability Officer, 0622 - Department Of Assessments, 0623 - Data Monitoring And Compliance, 0627 - Department Of Research Services, 0650 - Office Of Human Capital, 0719 - Employee Services Admin, 0654 External Assignments, 0517 Evaluation and Training, 0524 Grants Administration, 0853 Student Records but not object 0525 Telephones
Regular Transportation	0710 Director of Student Transportation, 0711 Regular Transportation, 0713 Vehicle Maintenance - Transportation OR Subobject 0531 Auto Insurance, 0532 Liability
21 <sup>st</sup> Century Building Plan	Cost Center 755, 0526 21 <sup>st</sup> Century Building Office



Home and Hospital	Cost Center 0303
Building Maintenance and Upkeep	Cost Center 0730 Director of Facilities, 0731 Health and Safety, 0736 Energy Management, 0749 Grounds Shop, 0752 Repair Shop, 0753 Contract Maintenance, 0754 Mechanical Services, 0776 Manager Maintenance of Operations, 0772 Director Facilities Design and Planning, 0784 Facilities – SE Cluster 4, 0787 Architecture, 0788 Engineering, 0723 Solid Waste Removal, 0611 Planning, 0789 Construction
Lease costs and state-mandated costs	Cost Center 1614, 1616
Seed School	Cost Center 0497
Third-Party Billing/Medicaid	Fund 4602, not Early Learning or Non-public
Office of Enrollment, Choice, and Transfers	Cost center 0612
State Retirement Local Share	Subobject 0224
Benefits Contractors	Cost Center 0790 and Subobject 0311
Remaining Non-distributable benefits	Subobjects 0231 Tuition Reimbursement BTU, 0232 Tuition Reimbursement Other, 0280 ERIP Termination Benefits Paras, 0281 ERIP Termination Benefits Paras, 0260 Physical Exams AND Cost Center NOT schools. Note: Subobjects 0115, 0140, 0145 are non-distributable for budget purposes, but are recorded in the actual cost center that incurs the expense during the year.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Week Topic: \_\_\_\_\_

**Flag for Later Slip**

The purpose of this slip is for you to capture questions or concerns. We recognize that you are seeing important information each week that may spark critical ideas and thoughts that should be revisited. We will keep a running list of the insights on your flag slips every week and provide them to the board and district in the final report.

**Question/Comment:**

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