Tough Times Enable Resource Transformation:
State Role in Districts’ Doing More with Less

GEPA Institute, Miami, Florida
April 26, 2010
Education Resource Strategies

- ERS is a non-profit consulting firm, head-quartered in Boston
- We work with leaders of public school systems to rethink the use of district and school-level resources
- We analyze district spending, human resources, school organization and performance data to generate insight around resource strategies
- We leverage this insight to design new ways to allocate and organize resources at the district and school level
- Our work is grounded in over a decade of experience, working with school districts across the country

Fundamental Message: It’s not just how much, it’s how well
Despite increased spending achievement gaps persist

- Real spending doubled from $3,800 to $8,700 per pupil
- 80% of increase went toward adding staff positions and increasing benefits while educator salaries remained flat in real dollars*
- Spending on special education programs has gone from 4 to 21% of district budgets while regular education spending has dropped from 80% to 55%**

* Parthenon group analysis, 2008
**Richard Rothstein, Where has the money gone? 2009
Overall class sizes have decreased, but basic structure of schooling has remained the same.
New spending has increased the number of staff, but not the quality.

Source: The Parthenon Group, 2007 from NCES; Educational Research Service; Parthenon Analysis.
Despite federal stimulus funding, trends in revenue and spending continue...

- Teaching salaries growing at ~3-5% annually
- Benefits growing at ~10+% annually
- SPED staff/student continues to grow

- Tax revenue falling
- Enrollment declining
- State stabilization funds are filling the revenue gap (but only temporarily)
In tough times, districts usually hunker down…

- Across the board spending cuts
- Cut “non-classroom” spending
  - Teacher professional development
  - Collaborative planning time
  - Coaches
- Layoff junior teachers without regard to teacher results or contribution

Less support for teachers  Less support for students
The districts we have are not the systems we need

<table>
<thead>
<tr>
<th>WE NEED</th>
<th>WE HAVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equitable, transparent, and flexible funding across schools</td>
<td>Schools and students with same needs receiving different levels of resources</td>
</tr>
<tr>
<td>Effective teaching for all students</td>
<td>Unintelligible or unreported school budgets</td>
</tr>
<tr>
<td>School designs that maximize teaching effectiveness, academic time and individual attention</td>
<td>Rigidly defined budgets that don’t match needs</td>
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<td></td>
<td>Limited investment in recruiting, screening, &amp; induction</td>
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<td></td>
<td>Teaching jobs that promote burnout and isolation</td>
</tr>
<tr>
<td></td>
<td>Salary and job structures that do not encourage effectiveness and contribution</td>
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<tr>
<td></td>
<td>Traditional schedules and staffing that do not match time and individual attention to priority needs or foster professional working conditions</td>
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## The districts we have are not the systems we need

<table>
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<th>WE NEED</th>
<th>WE HAVE</th>
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<tbody>
<tr>
<td>Aligned curriculum, Instruction, assessment, PD</td>
<td>• Underinvestment in formative assessments and fragmented professional development</td>
</tr>
<tr>
<td>Strong school and district leaders</td>
<td>• Limited investment to build and reward leadership effectiveness over career</td>
</tr>
<tr>
<td></td>
<td>• Principal jobs that don’t allow for innovation</td>
</tr>
<tr>
<td>Central services that foster empowerment, accountability and efficiency</td>
<td>• Central office services that are not designed to improve productivity or customize support to school needs</td>
</tr>
<tr>
<td>Partnership with families and communities</td>
<td>• District pays too much for social services and non-core instruction that could be provided through community partners</td>
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Teacher compensation is the biggest single expense category in education – how is it directed?

**Breakout of district spend on teacher compensation**

- **District A**
  - Salaries: 60%
  - Social Security: 20%
  - Benefits: 10%
  - Pension: 10%

**What drives that spend on teacher compensation?**

- **District B Spending**
  - Contribution: 40%
  - Education: 40%
  - Experience: 20%
  - Base: 10%

ERS Estimates based on district salary schedules and budget data

District B has a “pay for performance” program
We see a cycle of isolation and specialization developing that pushes resources away from core instruction.

1. Create supplemental service requirements
2. Teachers under-prepared to provide core instruction to all
3. Diverse, high-needs classes
4. Administration to coordinate, monitor special services
5. Resources and responsibility move **away from core instruction**
6. Provide additional support:
   - Extended learning opportunities
   - Instructional aides
   - Pull-outs
7. Class size reduction can weaken teacher quality
Which is reflected in a huge gap between a regular education class size of 23 and 7:1 staff to student ratio in this district.

![Graph showing staffing ratios in an example district]
Mandates and inflexibility make differentiating time and attention where needed difficult to do.
Top 10 things states can do in “tough times” to focus resources to their most productive uses …

1. **Revise funding systems** to promote equity and flexibility

2. **Revamp teacher compensation**, including benefits and pensions, **to increase compensation for teachers** who have the best results and contribute the most to improving student performance

3. **Overhaul regulations** that strictly define specific staff positions and use of school time

4. **Rethink graduation requirements** that are linked to taking specific courses rather than demonstrating skills and knowledge
5. Create new models of accountability and support for special education and English language learners that redirect resources to more integrated settings

6. Insist on turnaround strategies that restructure existing resources and consider district-wide impact, including the challenge of displaced teachers

7. Invest in statewide leadership development and succession planning, including providing information tools
Top 10 things states can do…

8. Remove barriers to creative provision of education and support services by untraditional providers

9. Promote the use of technology as a productivity improvement tool in education and school support services

10. Report useful comparative data on school and district resource use that includes information on spending by student as well as on the use and organization of resources
States need to adapt and create the conditions to help districts excel in current environment

<table>
<thead>
<tr>
<th>Industrial Model</th>
<th>Information Age</th>
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<tbody>
<tr>
<td>Rules</td>
<td>Guidance &amp; Best Practice models</td>
</tr>
<tr>
<td>Compliance</td>
<td>Information &amp; Accountability</td>
</tr>
<tr>
<td>Enforcement</td>
<td>Support</td>
</tr>
<tr>
<td>Qualification - Inputs</td>
<td>Quality - Outcomes</td>
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As we heard, there is no silver bullet, one size fits all – it is important to thoughtfully prioritize strategies.

<table>
<thead>
<tr>
<th>Ease of Implementation</th>
<th>District Impact</th>
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<tr>
<td>(barriers ex: contracts, required, human capacity and political will)</td>
<td>(magnitude of misalignment)</td>
</tr>
<tr>
<td>EASY</td>
<td>LOW</td>
</tr>
<tr>
<td>NO</td>
<td>the time and effort don’t make sense</td>
</tr>
<tr>
<td>MAYBE</td>
<td>if you need a quick or political win</td>
</tr>
<tr>
<td>HARD</td>
<td></td>
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</tbody>
</table>
Thank You!

New Web Address: www.erstrategies.org