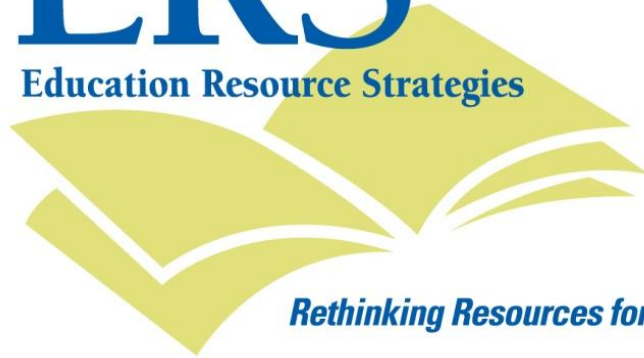


ERS

Education Resource Strategies



Rethinking Resources for Student Success

Tough Times as Opportunity?

June 29, 2009

Turning Tough Times into Opportunity?

- The Federal ARRA has provided **much needed relief** to severe budget shortfalls
- Increased IDEA and Title 1 and competitive grant funding present an unprecedented opportunity to **jumpstart innovation**
- But **one-time funds** alone will not bring about sustained change
- Districts need to address fundamental misalignment of **existing resources** to create high performing schools at scale

Budget stabilization or reform?

- The majority of state fiscal stabilization funds will be directed towards **filling budget gaps**
- Many districts and states will **still have shortfalls**
- It will be difficult for districts to **absorb millions of dollars**, while **ensuring compliance** with reporting and planning requirements and **thinking strategically** about how to use funds



Is the deck stacked against reform?

More than half of ARRA funds are still to come, including all of the competitive grants

State Aid for Schools, Title I, Special Education Resources, TQ, Technology - \$80 B

FEDERAL	SFSF \$48.6B	IDEA: \$11.3B	Title I \$10B	Competitive \$10.1B
	April 1: \$32.6B	April 1: \$5.65B	April 1: \$5B	
	July – Oct: \$16B	July – Oct: \$5.65B	July – Oct: \$5B	

Allocated by Population

Allocated by Existing Formula

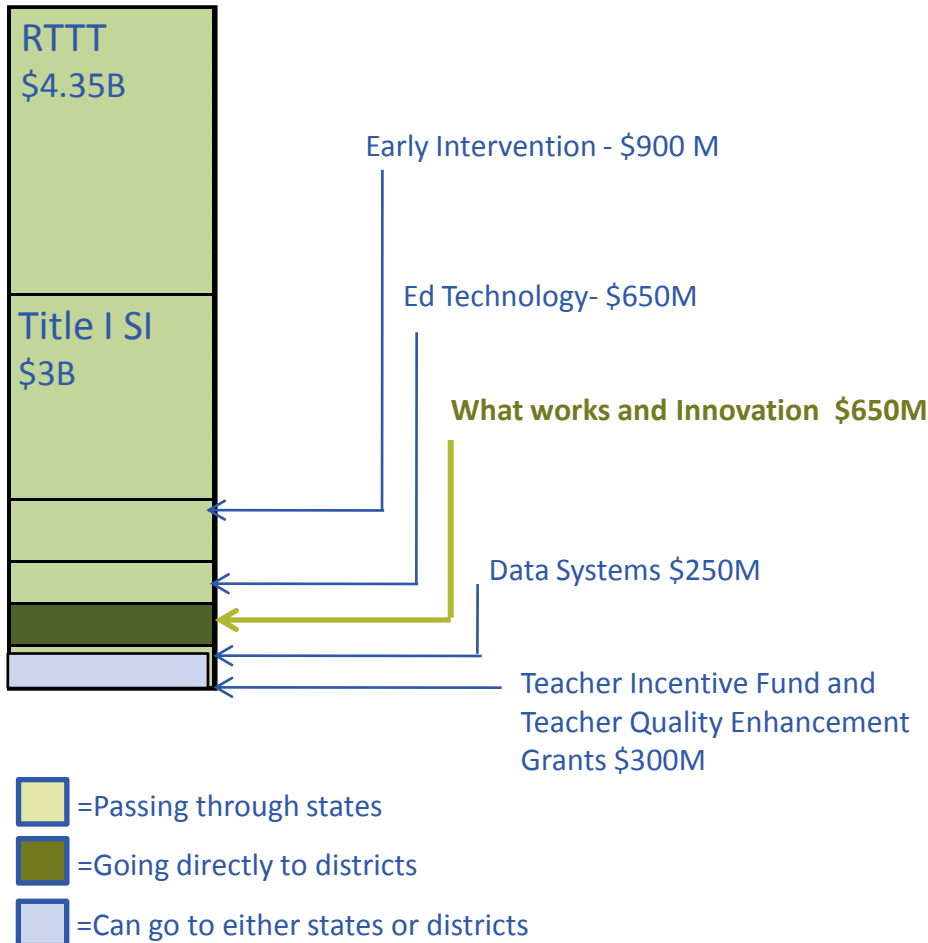
Competitive

=Has already been allocated

=Has not yet been allocated

Competitive funds are intended to drive reform; ED will favor innovation-minded states/districts and programs proven to raise achievement

Competitive Grants - \$10.1 B



Teacher Incentive Fund provides possible avenues for improving Teaching Quality

- TIF getting huge increases
 - \$200 million in stimulus
 - Over \$500 million in FY10 budget
- Pay for performance program to reward top teachers and provide incentives for them to teach in low-performing schools
- Both districts and states eligible for these funds

Districts must first understand their current resource use in order to have the necessary data to:

1. Make fully informed decisions that restructure resources to support **long-term** transformational strategies
2. Develop strategies for leveraging federal and other funding sources to sustain the transformation and restructuring beyond two years
3. Craft a data-driven case for change for both internal and external stakeholders
 - a. Understand comparative resource use of other top urban districts
 - b. Quantify misalignments

The Process

1

Clarify system level transformational strategies

2

Assess current practice and resource use compared to similar districts

3

Quantify opportunities to redistribute resources: investments and redistribution

4

Prioritize implementation of transformational resource strategies

5

Identify and assess barriers to (1) implementation of resource strategies and (2) addressing resource misalignments

6

Craft long-term implementation plan that addresses barriers and identifies success factors and dependencies

7

Build the internal and public case for change

8

Set targets (Intermediate and long-term) and measure changes in resource use and practices.

Core Transformational Strategies

Top Strategies for Restructuring Resources for High Performing School Designs



1

Ensure equitable funding across schools

2

Restructure the teaching job

- Measure teaching effectiveness
- Hire and distribute high capacity teachers strategically across schools and teacher teams
- Support new teachers , promote individual growth, and ensure expert support and time for teacher collaboration
- Create new compensation plans and career paths that reward the greatest contributors and attract top talent to hard to staff schools

3

Create school designs that strategically organize teaching teams, time and individual attention to match instructional design and student needs

4

Rethink models for high needs students

5

Build school and district leader capacity

6

Redesign central roles to empower and support school leaders in the use of data

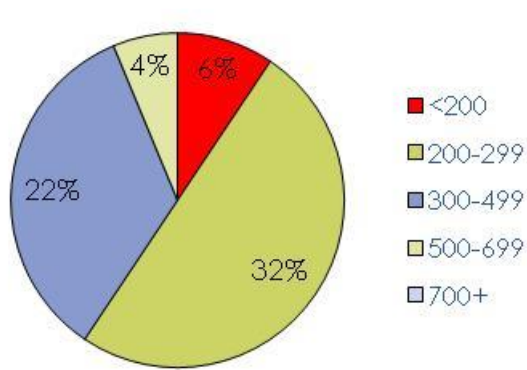
Reaching new visions will require fundamental restructuring of resources and difficult trade-offs

Districts need:	We see:
Equitable resources aligned with need	<ul style="list-style-type: none">• Unplanned variation across schools• Neediest schools receive the least qualified teachers and principals
Aligned curriculum, instruction and assessment	<ul style="list-style-type: none">• Underinvestment in formative assessments and support to use them including technology and professional development
Strategic use of school resources	<ul style="list-style-type: none">• Inflexible, uniform class size and time use, unlinked to student needs or instructional model• Limited time and support for teacher teams• Remediation, not intervention• High cost, low quality sub-scale school sizes

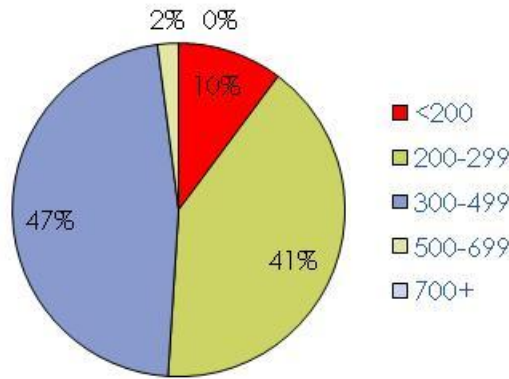
Comparative data on school size can be a powerful tool. Even in Philadelphia, where elementary schools are larger than in many districts, size differences drive significant cost variation...

... what does this mean for districts with even more small schools?

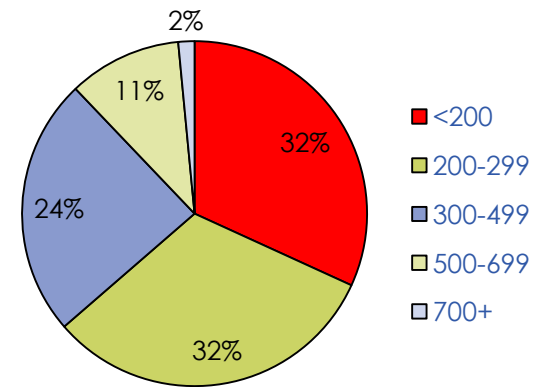
Oakland (Median Size 289)



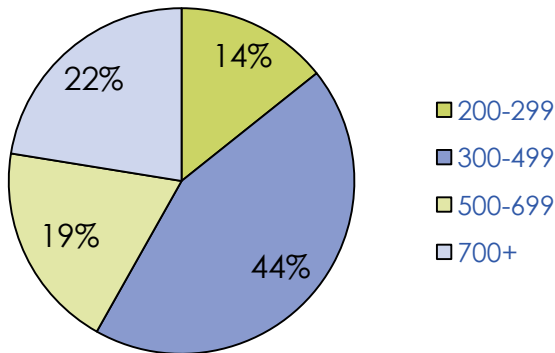
DC (Median Size 293)



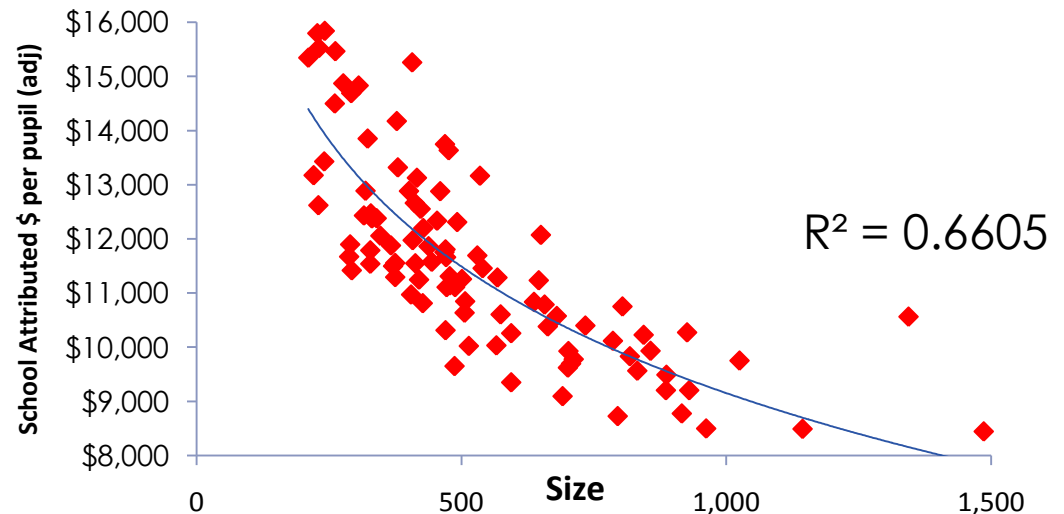
Boston (Median Size 258)



Philadelphia (Median Size 471)



SCHOOL ATTRIBUTED \$ PER PUPIL (ADJUSTED) VS. SCHOOL SIZE



Reaching new visions will require fundamental restructuring of resources and difficult trade-offs

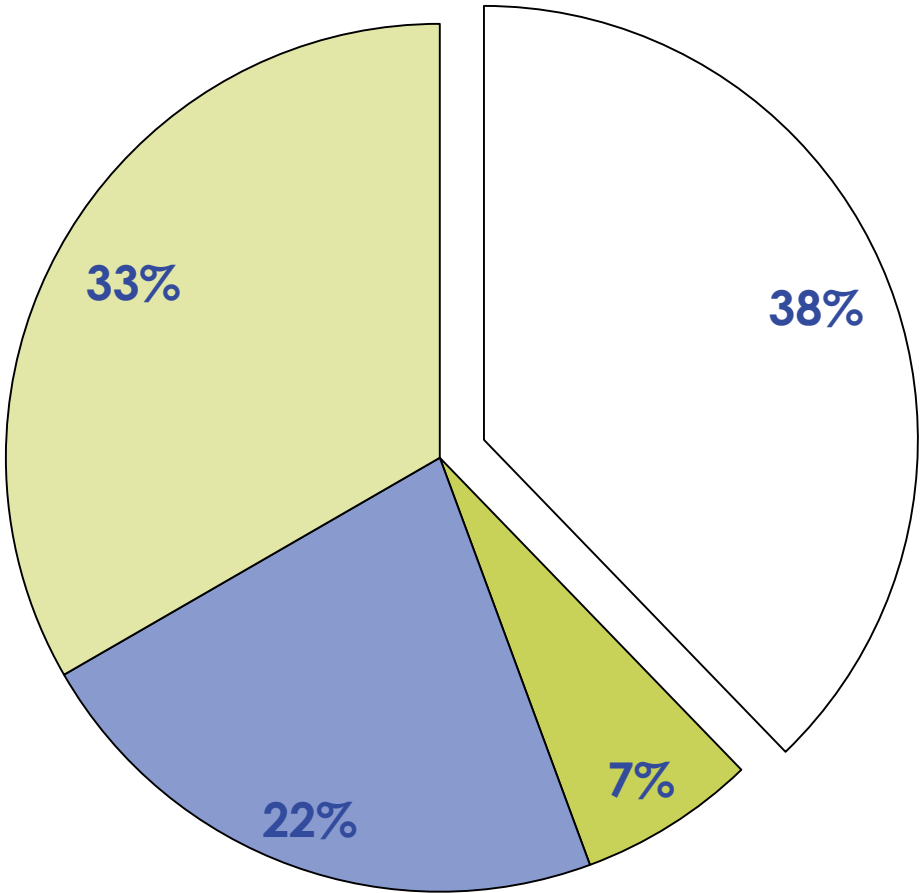
Districts need:	We see:
Build Teaching and Leadership Capacity	<ul style="list-style-type: none"> • Limited definition and measurement of teaching effectiveness • Limited investment in recruiting, screening and induction support • Professional development fragmented, unstrategic • Support to low performing schools uneven and uncoordinated • Compensation systems that don't reward contribution
Accountability for Results	<ul style="list-style-type: none"> • Limited investment to measure progress and provide timely reports • Central office structures emphasize compliance vs. support
Efficient school services and operations	<ul style="list-style-type: none"> • Outmoded technology and data systems raise cost • Central structures haven't downsized to new level

Teacher Compensation: Salary structures currently reward experience and education credits—which research tells us does not necessary link to student learning

	Boston	Philly	Seattle	Rochester	Baltimore
Total potential growth over career	100%	92%	95%	121%	95%
Maximum % from education	32%	36%	25%	3%	82%
Maximum % from experience	68%	64%	75%	100%	18%
Last year for which increases awarded	35	11	15	35	9

Education and experience tend to make up the majority of teacher compensation spending; For example, this typical urban district spends just 38% on base salary

Total Spent on Teacher Compensation



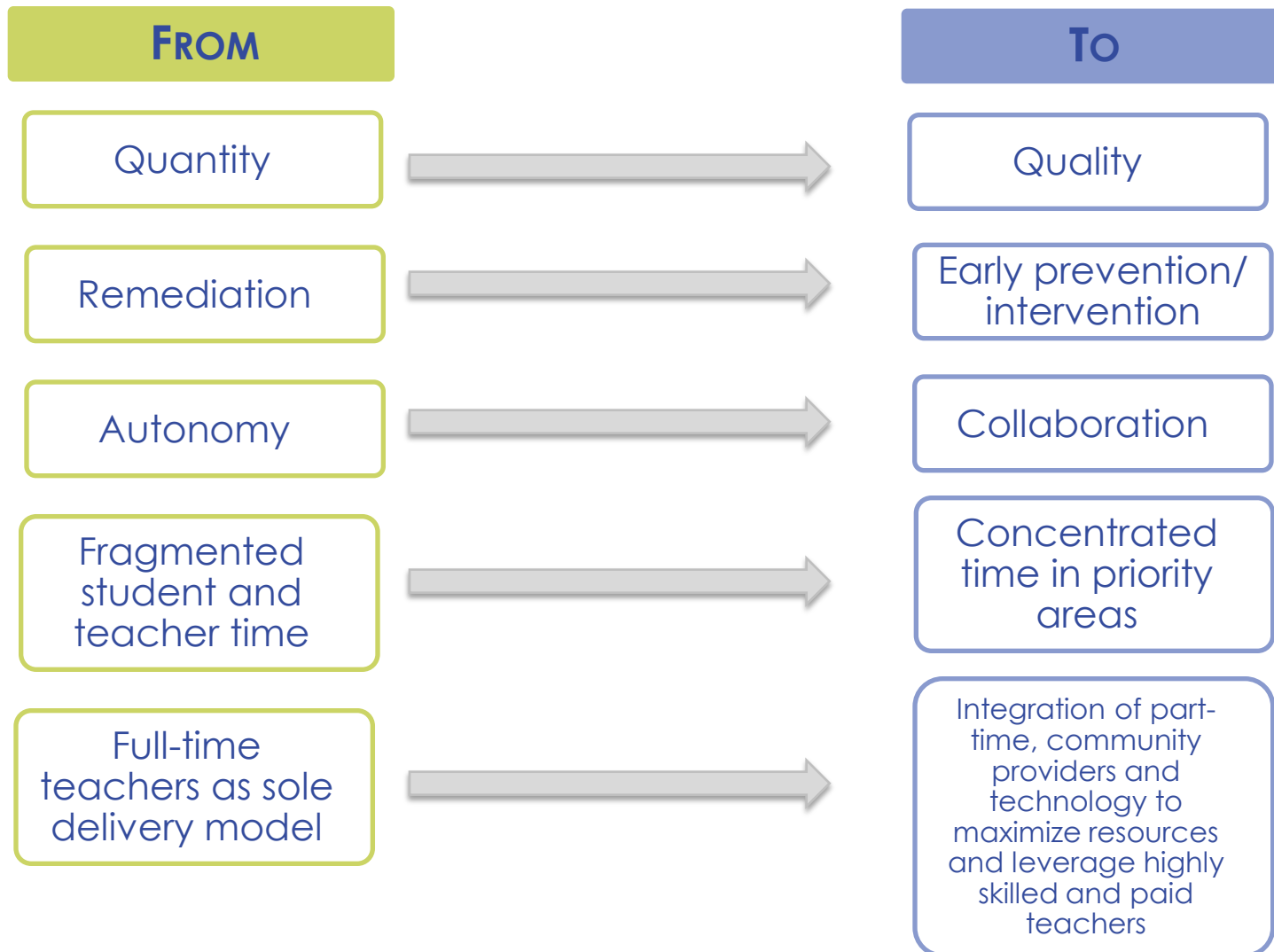
- Base Salary
- \$ spent on education credits
- \$ spent on experience
- Benefits

45% of this district's teachers are currently at the highest seniority level.

How will this impact cost and opportunity in five years?

Note: Benefits in this district average 50% of salary
EDUCATION RESOURCE STRATEGIES, INC.

To dramatically improve student performance, districts must *fundamentally* shift resources:



To leverage ARRA funds, districts need to:

1

Invest one-time Recovery dollars to build infrastructure and ease transition

2

Make short-term spending decisions that begin to reallocate resources to new priorities

3

Take on the tough resource tradeoffs to position districts for the future

Adding new money on top is “easy”—it's restructuring beneath that's the challenge

It is “EASY” to ...

It is HARD to ...

... Build a new student data system	... Create teacher teams that can use the data well
... Add \$s for coaches	... Create time for teachers to utilize the expert coaching
... Add time to the school day	... Strategically restructure the use of ALL student time
... Collect data on teacher results	... Build principal expertise to use that data to effectively manage resources
... Obtain waivers for corrective action schools for hiring and use of time	... Change collective bargaining constraints for all schools

To leverage ARRA funds, districts need to:

Invest one-time Recovery dollars to build infrastructure and ease transition

1

Make short-term spending decisions that begin to reallocate resources to new priorities

- Make required lay-offs strategically to retain expertise and shift toward core subjects
- Strategically manage class size and flexible grouping to target student needs and free resources for other areas
- Find lower cost ways to provide instruction in non-core subjects
- Rethink the use of student and teacher time
- Rethink student support and administrative roles including aides
- Tighten requirements for step salary credits
- Seek operational efficiencies in non-instructional areas

2

Take on the tough resource tradeoffs to position districts for the future

3

To leverage ARRA funds, we need to:

Invest one-time Recovery dollars to build infrastructure and ease transition

1

Make short-term spending decisions that begin to reallocate resources to new priorities

2

3

Take on the tough resource tradeoffs to position districts for the future

- Close or redesign unfilled schools and rethink assignment policies
- Renegotiate benefits
- Develop a comprehensive approach to teacher salary revision
- Explore contract changes to allow scheduling flexibility, common planning time and selection of the most highly qualified teachers