



New
American
Schools

District Issues Brief

Money Matters: Rethinking School and District Spending To Support Comprehensive School Reform

By Karen Hawley Miles



District Services

New American Schools partners with school districts and states to provide support and assistance in the implementation of comprehensive school reform designs throughout an entire school system. New American Schools also recognizes that for comprehensive school reform to make a significant difference in public education, it must be widely implemented within systems.

New American Schools has put together a team of experienced educators and leading experts to create a District Services division with staff who serve as consultants to school districts in five areas critical to the successful implementation of a comprehensive school reform design:

- Leading and managing a focused, comprehensive, and coordinated plan for improvement at all levels;
- Identifying and reallocating resources to support the implementation of comprehensive school improvement strategies;
- Enhancing and aligning professional development systems to help build teacher capacity

through design-based assistance and comprehensive school reform;

- Developing a process for summative and formative evaluation of school improvement strategies; and
- Engaging parents and the community to build broad-based support and long-term commitment to a continuous improvement process.

New American Schools is partnering with a number of school districts implementing and interested in implementing comprehensive school reform designs.

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Money Matters: Rethinking School and District Spending To Support Comprehensive School Reform

The School District Spending Challenge

As schools implement comprehensive school reform, the work of changing teaching practices at the school level requires that both districts and schools rethink their spending and organization. Nationwide, districts seeking to improve student performance are crying out for new dollars to support four critical needs. First, they need *investment funding* for the introduction of new curriculum and teaching practices. Second, districts need dollars to *create time and buy the expertise to support principals and teachers* in planning and learning the new strategies. Third, they must find ways to *ensure teacher salaries that will attract and retain powerful teachers*. Finally, they need to provide *more individualized attention and time for students* in academic subjects.

New dollars will be important for many districts in raising student performance, but not if they are added on top of flawed programs, practices and structures. Comprehensive school reform involves a holistic re-examination of the entire school's practices and organization. This means that districts and schools must look closely at how existing resources—time, staff and dollars—might better support new comprehensive school designs, improved teaching practice and chosen academic priorities.

In our work with districts implementing comprehensive school reform over the past six years, we have found that district leaders typically need to:

- Re-align district spending levels and patterns to better support comprehensive school designs and academic priorities;
- Support and encourage schools in re-structuring their use of resources to support their comprehensive school reform designs and academic priorities; and
- Redesign district practices to give schools and their principals more control over the use and organization of their resources.

This *New American Schools District Issues Brief* provides an overview of these three challenges related to

the use and organization of resources as districts move to create higher performing schools. Four additional briefs listed in the end-notes discuss these critical areas of resource allocation in more detail.¹

Realigning District Spending Levels and Patterns

New American Schools' District Services Division focuses on helping districts rethink their existing activities and spending levels to better support comprehensive school designs and complementary professional development for teachers. But, along with considering how to realign *existing* dollars, school districts need to be sure they have enough to start with. So, when considering spending levels and patterns, districts need to address three questions:

- Is there enough money to support high quality education?
- Does each school get its fair share according to the district's strategy?
- Does spending on district level activities focus on instruction and align with a comprehensive school reform/standards-based reform strategy?

First, district leaders need to articulate priorities and direct spending regardless of overall spending levels, but they must ensure that the community has enough money to begin the task. There is no one way to define how much money is enough, but a few test questions help put district spending in perspective. These include:

- How does spending per pupil compare to other districts with similar student populations?
- How do teacher salary levels compare?
- How does the community's tax rate compare to other similar districts?

Second, districts must be sure that each school has received its fair allocation of dollars to begin its redesign work. All of the New American Schools Designs require that schools examine their resources to make sure that they devote as much funding as



possible to academic instruction and provide more individual attention to students where appropriate. The designs demand that schools take more responsibility for how they organize and use their resources. As schools begin to realign their resources to better fit their designs and goals, they often request changes in staff or budget. For example, the school's principal may ask to convert staff positions to professional development dollars or to trade support staff for instructional staff. While the desired changes are often quite small at first, districts need to: 1) know how much each school should have and 2) have clear guidelines for school-level resources so that they can respond flexibly and fairly to each school.

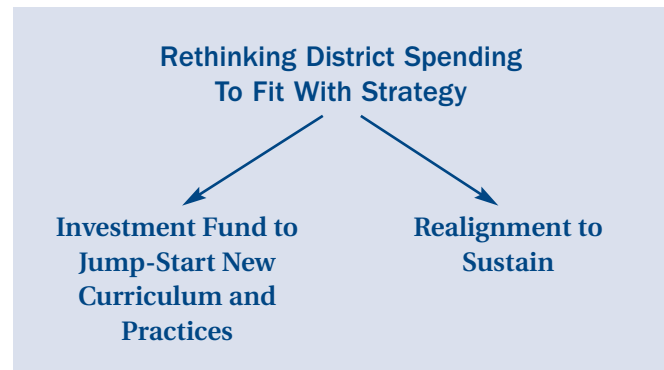
If district leaders are not clear about how much of the total district budget should be allocated to each school, they risk confusing decentralization with budget cutting and wasting a school's energy developing plans to spend money that will not be there. To avoid this, a district might review:

- How much has the district allocated for the elementary grades relative to middle and high school including all funds?
- Has the district distributed dollars equitably? In other words, do schools at the same grade level, with the same number and mix of students get the same level of resources?

It may seem as though districts should have clear answers to these questions, we have found that this analysis yields surprising results. Districts typically allocate staff positions rather than dollar amounts to schools. Often they allocate each type of staff position separately, changing allocated positions depending on budget conditions each year. In addition, they may use different allocation rules depending on the funding source. The result is that districts may not have a clear sense of total spending for each level of school and type of pupil (Title 1, bilingual or special education for example). So, despite apparently objective formulas, schools can end up with very different levels of resources. At the beginning of the process of implementing comprehensive school reform, it helps to see the bottom line in terms of dollars allocated as well as total staff.

With the "how much" questions answered, the district can look at how the dollars are spent to support improved schools. Aligning district spending with a comprehensive school reform strategy is a two-stage process. In the first stage, districts need to

find or free dollars to "jump-start" the introduction of a comprehensive school reform design. These dollars support the purchase of new materials and the outside experts to work with teachers and principals as they learn the new practices. In the second stage, districts need to look critically at how they have organized to support schools and teachers in sustaining their efforts to change practice. And they need to examine whether resources match their stated strategy and academic priorities.



Investment Funding

Often, schools and districts can find new money to support comprehensive school reform efforts such as state grants to implement comprehensive school reform (from the federal Comprehensive School Reform Demonstration Program) or other funding aimed at school innovation.² Through its website at www.newamericanschools.org, New American Schools provides regular information regarding Federal Grants districts might be able to access.

Even with extra dollars, most districts need to free funds to help schools pay for the initial effort. Depending on the comprehensive school reform design chosen, the cost of the new materials, design and assistance provided can range from \$50,000 to \$75,000 per school per year for three years. This may sound like a forbidding amount. However, we have found that many districts can find a portion of the necessary dollars by reallocating school level and district level spending on professional development. Most of these dollars are used for staff positions that cannot be freed in the short term. However, in each district, we have found dollars that are more easily redirected, such as stipend and substitute funding and "hidden" vacant positions.



Realigning Districts to Sustain Comprehensive School Reform

Once the comprehensive school reform effort has been funded, a district can best help schools by aligning its support and supervision of schools to complement, deepen and ensure implementation. This means rethinking the work and spending across most district departments. A quality instructional and school support system revolves around professional development, but also includes other supports like curriculum development, program research and evaluation and provision of standards and student assessments. It is common to see districts providing school support through dozens of departments and on scores of topics with little communication and coordination. These scattered, often superficial, support activities can dilute and sometimes conflict with the very intensive school level implementation of comprehensive school designs.

Organizing around a comprehensive school reform strategy requires that most districts realign their activities and spending to focus more on three priorities:

- defining and setting standards for student performance;
- supporting schools and teachers in improving teaching practice using comprehensive school designs; and
- creating accountability.

Understanding the school district's current activities and spending on "instructional and school support"

Aligning Spending to New District Role		
Setting Standards	Supporting Schools	Creating Accountability
1. Define standards for use at grade and classroom level	2. Ensure more and better school based professional development 3. Provide access to proven, powerful curriculum and instructional materials aligned with district standards	4. Provide useful, timely accessible data on student performance and assessment tools 5. Create and support school level accountability for improving instruction

is a first step toward better integration and alignment of activities. To support this work, New American Schools³ has partnered with four reform-minded districts to analyze spending on school and instructional support. Based on this experience, we have created an analytic tool that other districts may use to understand and compare their own efforts.⁴

Supporting Schools in Restructuring Resources

The basic structure of schools is strikingly similar across districts. New resources have largely been added around the regular classroom rather than into it. Despite familiar calls for "restructuring," public schools rarely engage in major reorganization of resources.⁵ From 1960 to 1995, the number of pupils per teacher dropped from 26 to 17 while regular education class sizes changed very little.⁶ At the same time, the proportion of school staff classified as teachers dropped from 70 to 53 percent, of which only about three-quarters are regularly engaged in classroom teaching.⁷ So, even though resources at the school level have increased dramatically, life for most teachers and students has changed little. Nationwide, schools average one adult for every nine students, but most teachers and students complain that they do not have enough resources to provide the necessary individual attention to students. In addition, teachers say they cannot find time to work together to improve student performance.

Successful schools find ways to harness the increased resources and focus them on improving student performance. The New American Schools comprehensive school reform designs use different ways to organize time, people, and money to achieve higher performance. Despite differences, there is a common set of principles that hold true in each New American Schools design at the elementary or secondary level. These principles were identified through research on high performing schools conducted by Karen Hawley Miles and Linda Darling Hammond and then further developed by New American Schools.⁸

New American Schools Designs all have guidelines for organizing resources, and some have specific models which schools must implement. For example, the New American Schools' Design Teams of Roots and Wings, America's Choice, and Expeditionary Learning Outward Bound each specify that schools must create



New American Schools High Performing Schools

Guiding Resource Principles

Schools organize time to:

- Incorporate *common planning time* for teachers into the everyday school life; and
- *Maximize the time and create longer blocks of time* for academic subjects—especially literacy and math.

Teaching staff and student are organized so that there are:

- *Smaller group sizes and reduced teacher loads* in academic subjects where needed to better meet student needs—contributing to instructional focus by reducing specialized and “pull-out” programs for specific groups of students and teachers;
- *Student groups that vary* over the course of a day based on education needs—not staffing formula;
- Structures that support *personal relationships* between students and teachers; and
- More resources in *prevention than remediation*.

Schools use teachers and hire other adults in ways that:

- Have the *largest percentage of teachers working in the academic focus area*;
- Give *all adults* (specialists, administrators, paraprofessionals, and others) an explicit role in *supporting improved student learning*;
- Use *significant resources for professional development* that supports the school’s comprehensive school reform design; and
- Ensure that all *new staff hired fit the schools needs* in terms of knowledge, attitude and work schedule.

Schools use additional programs and funds to ensure that:

- *All school programs and funds*—including funds from special programs and external and private sources—*support the comprehensive school reform design*; and
- *Technology is integrated* as a tool to support the design.



90 minute blocks of time to focus on literacy. These guidelines provide a useful starting point. Nevertheless, regardless of the design implemented, districts have an important role in supporting and encouraging schools in making difficult resource decisions. To support this work, New American Schools has developed a *Resource Review Guide* which systematically guides schools in reviewing their resources. To date, we have worked with two districts to help schools conduct a resource review, using the *Resource Review Guide* as well as a training and support program which has included orientation, review and follow-up, and individual work with school leaders.

The principles and *Resource Review Guide* described above help schools become aware of opportunities to better use resources and plan for long term changes. But, schools often identify the need for staffing changes that they are unlikely to make quickly on their own. Our work suggests that improving student performance and implementing comprehensive school reform designs can lead to six common categories of staffing changes at the school level. These are:⁹

- Investing more in staff who help provide professional development that is continuous, school-based and linked to student performance priorities;
- Shifting more teachers to teach literacy in grades K-3;
- Reducing spending on non-academic teaching staff in secondary schools;
- Reducing student support and administrative staff at the school and district levels;
- Increasing the use of part-time and adjunct faculty, especially in non-academic subjects; and
- Reducing the use of separate, pull-out programs for bilingual, Title I, and some categories of special education.

These sorts of changes can be painful and often conflict with tradition, regulation and other district procedures. In order to make lasting changes, many schools, especially secondary schools, will need district direction and support. New American Schools provides materials and support to help districts examine these six issues more fully.

Rethinking District Practices to Give Schools More Control Over Their Resources

As schools begin to organize differently to support new designs, we have found that they need more control over their resources than most districts provide. There are two large categories of issues here: staffing practices and procedures and budget flexibility. With regard to staffing, schools need to be able to recruit and retain the right people for their design and school. Implementing new teaching strategies in the context of a new design requires teamwork and a substantial investment of teacher time. Schools need to retain teachers who are committed to the success of this work, and to hire new teachers who will be equally supportive. Districts need to review their personnel policies to ensure that schools and teacher teams can exercise the necessary control over the selection, hiring, and retention of staff.

With regard to the school budget, school administrators often find they need more flexibility in the use of their budget than most districts typically provide. New designs require that schools be able to use staff where they are needed most to ensure more time for academic instruction, more individual attention and more time for teachers to work together. School administrators may also find they wish to move dollars into or out of a staff position from other line items. For example, they may choose to purchase technology or instructional material instead of hiring an instructional assistant, or to contract with an outside provider for art instruction. Overcoming the many barriers to flexible use of resources can drain the energy of school staff. Districts can support the school-level work of comprehensive school reform by organizing to provide schools with budget flexibility.

To address both issues of school-level staffing and budgeting, New American Schools has created a self-assessment tool that helps districts determine whether schools will be likely to run into problems in these areas as they implement comprehensive school reform. To address budgeting in particular, New American Schools has created analytic tools to help school districts examine the extent to which their spending practices are centralized, and to help them consider moving to a less centralized system. In addition, we have worked with a number of districts to analyze spending and allocation practices to support



comprehensive school reform at the school level. For example, the work of New American Schools with Cincinnati Public Schools contributed to the adoption of a new budgeting process that allocates dollars, not staff, based on the number of pupils.¹⁰

For further detail on strategies and issues involved with giving schools more control of resources, please see the Issues Brief: “Freeing School Resources for Learning.”

Conclusion

For educators, the analysis of budgets and organization can seem like a tedious, even painful diversion from the “real” work of schools, teaching children. But, through our work with schools and districts we have discovered time and again that improvements in teaching and learning trace back to the way that schools use time, people, and money. And, using resources well requires both conscious attention and courage to make difficult changes. Our work has also shown us that in many districts and schools, the *first* problem is not so much lack of resources, as it is the need to better focus the resources they do have.

Endnotes

- 1 Further information on these resource topics is also available from the New American Schools web site at www.newamericanschools.org.
- 2 Susan J. Bodilly, “Lessons From New American Schools’ Scale Up Phase,” Washington, D.C.: RAND, 1998, pages 99 to 102.
- 3 With primary support from Pew Charitable Trust.
- 4 Karen Hawley Miles and Matthew Hornbeck, “Reinvesting in Teachers: Aligning District Professional Development Spending to Support a Comprehensive School Reform Strategy,” New American Schools, Fall 2000.
- 5 For a discussion of resource changes high performing schools make, see Karen Hawley Miles and Darling-Hammond, “Rethinking the use of Teaching Resources: Lessons from High Performing Schools,” in *Education Evaluation and Policy Analysis*, Spring 1998.
- 6 The number of pupils is adjusted based on the number of students qualifying for free lunch, special education, and bilingual services.
- 7 Rettig, M.D., and Canady, R.L., (1993) “Unlocking the lockstep high school schedule.” *Phi Delta Kappan*, 70, pages 310-314.
- 8 Miles, K.H., (1997) “Finding the Dollars to pay for 21st Century Schools: Taking Advantage of the Times, School Business Affairs,” 63(6), pages 38-42.
- 9 National Commission on Teaching and America’s Future (1996). “What Matters Most: Teaching for America’s Future,” NY: Author.
- 10 For a discussion of resource changes high performing schools make, see Karen Hawley Miles and Darling-Hammond, “Rethinking the Use of Teaching Resources: Lessons from High Performing Schools,” in *Education Evaluation and Policy Analysis*, Spring 1998.



New American Schools District Support in Resource Reallocation

Redesigning schools to generate higher student performance requires districts to rethink their use and allocation of resources. Districts need to adjust spending priorities in order to fund the initial transformation of schools to new designs. At the same time, districts need to review their spending levels and resource allocation practices and procedures in all areas to ensure they are supportive of comprehensive school reform. To do this, New American Schools has found that districts typically need to:

- Re-align district spending to better support its comprehensive school reform strategy and academic priorities;
- Implement a district level initiative to support and encourage schools to rethink resources to generate higher student performance; and
- Redesign district practices surrounding the allocation and control of resources so that schools and principals can reorganize staff and dollars to support and maintain new designs.

New American Schools offers an evolving set of district services including, analysis, introductory presentations, self-analysis and reference tools, and ongoing consulting and training to help districts address these issues. Though districts face similar issues, each confronts the need to rethink and reorganize resources with a different history and a unique set of leadership skills and experience. Whatever actions a district takes to change its spending and allocation of resources need to fit with and build on the initiatives it has underway. New American Schools works closely with districts to understand the combination and timing of services that make the most sense for the district. Our goal is to share what we are learning from our work with other districts in a way that builds leadership capacity in the district from the inception of the work. There are three major areas of district work in resource reallocation as conceived by New American Schools.

1) District Spending Levels and Strategy

Supporting comprehensive school reform requires two kinds of changes in district spending. First, districts need to invest in buying the new curriculum, assessments, computer equipment and professional development to support the new designs. Typically, districts need to pull together a multi-year investment fund to support the cost of introducing the new designs. Second, most districts find that they need to change the way they spend their dollars at the district level to focus more on academic priorities and building teacher capacity. Services and tools to support this work include:

- Introductory presentations and reading materials outlining the issues and experience from other districts;
- District Issues Brief: “Matching Spending with Strategy: Aligning District Spending to Support a Strategy of Comprehensive School Reform”;
- District Issues Brief: “Money Matters: Rethinking School and District Spending to Support Comprehensive School Reform”;
- District Issues Brief: “Reinvesting in Teachers: Aligning District Professional Development Spending to Support a Comprehensive School Reform Strategy”;

- Ongoing updates of funding sources available to support comprehensive school reform investment funds in the first years; and
- Analysis framework and tool kit for understanding spending on professional development and instructional and school support.

2) Rethinking School Resources

Tools here aim at giving district leaders a way to support schools in re-examining and redesigning their use of resources to support new designs. For example, all of the designs call for significantly more planning time for teachers than most districts provide and most urge the creation of smaller, more individualized learning environments. Even though the individual designs provide guidance to schools in reorganizing to support new designs, we are finding that concerted district reinforcement and support is required to enable the necessary changes. Tools and services here include:

- Introductory presentations and reading materials for schools;
- District Issues Brief: “Rethinking School Spending: Organizing Schools to Support Comprehensive School Designs”;



- District Issues Brief: “Many Programs, One Investment: Combining Federal Funds to Support Comprehensive School Reform”;
- Training of district staff to support resource reallocation work;
- A tested calendar and process for training and supporting school efforts;
- A “Resource Review Guide” that supports schools in systematically reviewing their existing staff and dollars and aims at helping them prioritize areas where they need to make or investigate changes;
- Case studies of schools that have significantly reorganized staff time and dollars to support improved student performance and new designs; and
- Ongoing consulting.

3) District Practices and Procedures

Tools here aim at helping district leaders identify how district practices and procedures need to change in order to enable schools to align their resources to better support their instructional priorities, strategies and design. Services and tools here include:

- Introductory presentations and reading materials on school resources and levers for change;
- District Issues Brief: “Freeing School Resources for Learning”;
- Self-analysis tool: “District Practices and Procedures” for districts to identify which policies, practices and procedures need to change to support more autonomy in the use of school resources; and
- Consulting services to support the self analysis and the development of new practices and procedures.

Author’s Note

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About the Author

Dr. Karen Hawley Miles, of Education Resource Management Strategies in Dallas, Texas, specializes in strategic planning in public schools and district and school resource allocation. She works with school districts nationwide to rethink the use of resources and the organization of districts and schools. She has worked to design school improvement and planning processes in several districts. Working at the intersection of research and practice, she has also coordinated national research projects of school district and school level resource allocation. She has focused especially on how districts and schools can find the necessary resources and time to invest in building teacher capacity. She co-directed the recent study by Economic Policy Institute, “Where Has the Money Gone?,” which traced the growth in school spending since 1967. She recently concluded a study for the Consortium for Policy Research in Education (CPRE) on resource allocation in high performing schools. Prior to this, she worked at Bain & Company as a strategy and management consultant for hospitals and corporations. She has a B.A. in Economics from Yale University and a Doctorate in Education from Harvard University, specializing in school organization, change, and finance.





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