

# Making Strategic Resource Decisions: Finding the Resources to Invest in Teachers and Students

(Prepared for the January 2009 Aspen Institute Session on Strategic Cuts in Tough Budget Times)

## More money for schools isn't the only answer

Schools are not working for all students. While many argue that schools need more money, data suggest that simply spending more dollars isn't likely to increase student learning. Consider this—Between 1970 and 2005:

- Real spending on K-12 education more than doubled, growing from \$3,812 to \$8,701 per pupil
- 80% of this increase went towards adding staff positions and increased benefits<sup>i</sup> while educator salaries remained flat in real dollars<sup>ii</sup>.
- But for most students, education didn't change much. Secondary school general education class sizes inched downward only slightly, from 27 to 25<sup>iii</sup>.
- Most importantly, performance improvements were modest and the achievement gap between rich and poor continues to loom large, even in comparison to other countries. Our neediest children continue to be left behind.

Some cite these figures and argue that schools need more money to succeed. But the experiences of beat the odds urban schools across the country (and of numerous other countries) show that poor students can learn and that schools can begin to narrow gaps, at varying funding levels.

Why, then, do so many well-funded schools fail?

## How *well* schools use people, time, and money can have more impact on kids than how *many* resources schools receive

When it comes to helping students learn, how well schools use people, time, and money can be even more important than how many resources they receive. To improve performance and address the achievement gap, **schools and districts must fundamentally restructure the way they use their resources to focus less on the *quantity* of staff and more on the *quality* of leadership and instruction.**

Education Resource Strategies (ERS) has identified six highly leveraged strategies for fundamentally restructuring resource to focus on teaching quality. The priorities and specifics will depend on each district's local context, capacity, and needs, but we argue that these strategies apply to all urban systems, regardless of whether they pursue a highly decentralized or decentralized strategy.

<b>Top Strategies for Restructuring Resources for High Performing School Designs</b>
Ensure that schools and students receive equitable resources that reflect need and can be used in ways that fit student and school needs
Redefine the job of teaching with a focus on teaching quality and <i>teacher teams</i> <ul style="list-style-type: none"> <li>• Restructure the teacher career path to keep and leverage the best teachers and provide flexible options for talented teachers to contribute and lead in ways that match their skills and life-style needs.</li> <li>• Create new compensation plans that reward the greatest contributors at significantly higher levels and help the neediest schools recruit and retain top talent</li> <li>• Reallocate dollars to professional development to better support new teachers, promote individual growth and ensure expert support and time for teacher collaboration</li> </ul>
Create or provide schools access to 'state of the art' school designs (course-offerings, staffing templates and schedules) that strategically organize resources to ensure teaching quality, individual attention and academic time
Implement or provide access to consistent-cost effective models for teaching high-need student populations that integrate with the general education program and enhance accountability
Build school and district leader capacity to lead instructional improvement and organize people, time and money strategically.
Redesign central spending and practice to empower school leaders and provide timely information on student, teacher and school performance to guide support and strengthen accountability.

## Now is the time to act

The barriers to making these vital changes are often political rather than technical. The intense budget pressure created by the current economic crisis can be seen as a catalyst to finally make these trade-offs and build support for transformational change. **Tough economic times create both the opportunity and the imperative to make the difficult changes required to improve student learning.**

Tough times may embolden school districts to confront the underlying resource trade-offs required to implement the strategies above. These include:

- Increasing class sizes strategically to free resources for teaching quality
- Allocating the same staff positions for all schools versus ensuring similar dollar resources organized in ways that fit school needs
- Compensating all teachers the same vs. restructuring compensation to reward and retain the highest contributors

- Automatically raising compensation at the end of careers vs. at mid-career based on contribution
- Contract changes to allow scheduling flexibility, common planning time and selection of the most highly qualified teachers.

**Action requires a process for moving forward**

Getting all the right players to the table, clarifying vision and priorities, undertaking the needed analyses, and identifying specific budget cuts and reallocations requires a thoughtful process with at least six major steps.

- Step 1:** Clarify High Level Priorities and Improvement Agenda
- Step 2:** Map current spending and if possible compare spending to similar districts
- Step 3:** Quantify large opportunities for redistribution consistent with this vision

<b>Categories of Budget Cuts Consistent with District Transformation</b>
Strategic Class size <ul style="list-style-type: none"> <li>- Grade Level</li> <li>- ELA &amp; Math</li> <li>- Core vs. Elective</li> </ul>
Redistribution/Equity <ul style="list-style-type: none"> <li>- Staffing practices</li> <li>- Small school designs</li> <li>- Special programs</li> </ul>
Restructure teacher compensation and career ladder <ul style="list-style-type: none"> <li>- Eliminating lane increases for credits</li> <li>- Comprehensive stipend review and integration</li> <li>- Reducing seniority increases</li> <li>- Rethinking teacher workday/year and options</li> <li>- Benefits</li> </ul>
Service Delivery Models and student assignment for Special Education and ELL
Reduce # of low performing staff
Central Office Reinvention <ul style="list-style-type: none"> <li>- Outsourcing</li> <li>- Redefinition of central vs. school responsibilities</li> <li>- Devolving resources to schools</li> </ul>
Efficiencies in Services/Programs <ul style="list-style-type: none"> <li>- Renegotiating purchasing contracts</li> <li>- Utilities efficiencies</li> </ul>
Efficiencies and Elimination of Services/Programs <ul style="list-style-type: none"> <li>- No German</li> <li>- Close TV Station</li> </ul>
<b>Investments Required for Transformation</b>
Teacher Quality <ul style="list-style-type: none"> <li>- Recruiting</li> <li>- New teacher support</li> <li>- Teacher evaluation</li> <li>- Expert support</li> <li>- Common Planning Time</li> </ul>

- Early Retirement Incentives
Leadership Development
Research and Assessment
Information Technology to improve productivity

**Step 4:** Focus Leadership Discussion on “high return” actions

	Potential to Improve Performance	
	Limited or No Impact	High
\$ Impact	X	XXX
High Savings		
Low Savings		
Investment		XX

**Step 5:** Weigh political concerns in the context of potential impact and complete vision for actions

**Step 6:** Conduct line item reviews by department

<sup>i</sup> The Parthenon Group, 2007 from NCES: Educational Research Service; Parthenon Analysis

<sup>ii</sup> The Parthenon Group, 2007 from NCES: Educational Research Service; Parthenon Analysis

<sup>iii</sup> Digest of Educational Statistics 2007: Tables 16, 64, and 66