



CONNECTICUT STATE DEPARTMENT OF EDUCATION

***BUILDING SUSTAINABILITY:  
A Strategic Look at Optimizing  
District Budget Resources***

Kathy Demsey, CSDE Chief Financial Officer

Mike Kent, CSDE Turnaround Office

October 8, 2015

# ***The New Normal...***

High attention on constantly improving student outcomes and college/career readiness, while managing with:

- Level or reduced grant and municipal budget funding
- Higher health, pension and benefit costs
- Public deficit realities
- CBA and multiple stakeholder considerations
- Infrastructure improvement and investment needs
- Fluctuating/declining enrollments
- Sustained, multi-year funding gaps
- Challenges, student needs, complexity and number of potential learning initiatives and programs are all up!



# ***The Opportunity and Goal***

Revenue increase solutions can't be automatically assumed...Planning for sustainability is paramount!



Realigning budgets by taking a strategic approach to analyzing, evaluating, and implementing more optimal approaches to school and district operations in order to free up funds for student learning impact!



# *Today's Format*

- **Presentation: Strategies and ideas for consideration** (45 min)

Adapted from District Management Council's "Spending Money Wisely: Getting the Most from School District Budgets", N. Levenson et al., District Management Council, 2014.

- **Discussion: Idea-sharing and best practices discussion** (20 min)

- **Grant and bond funding updates** (15 min)



# ***Guiding Factors***

- Building on existing district strategies and direction.
- Moving from anecdotal to data-driven decisions that have budget impact.
- Incorporating and balancing operational analysis with academic/pedagogical priorities.
- Recognizes many practices already exist, but to varying degrees across districts, and that no “one size fits all”.
- Multiple stakeholder considerations and trade-offs.
- Concept of compounding impact from small changes for significant overall total \$ impact.
- Don't disqualify potential ideas based on perceived pushback until fully evaluated.
- Consider only one or a few ideas to get started.
- Think of related exemplar ideas you can share with the group!



# *Idea Assessment*

Top 10 opportunities for resource realignment, assessed by DMC on:

- Financial benefit
- Student achievement impact
- Political feasibility
- Certainty of gain



Opportunities and strategies are  
“Tools for your toolbox”



# **#1: Calculating “Academic ROI”**

- Anecdotal evidence for adopting programs is insufficient for student success decisions
- A-ROI can help with decisions to expand and/or terminate programs

$$\text{AROI} = \frac{(\text{Increase in student learning}) \times (\# \text{ Students helped})}{\$ \text{ Expended}}$$



# ***Determining Cost Effectiveness***

- A-ROI requires:
  - Determining program-specific cost allocations
  - Isolating program-specific student impact
  - Stepping away from “cultural reluctance” of ranking programs for efficacy and cost-effectiveness
  
- “A-ROI has a great A-ROI”



# ***A-ROI Implementation***

1. Build A-ROI into most aspects of teaching/learning & central office work
  - Capturing costs and progress by program
  - Hard to do after the program starts
2. Strong support from Superintendent & BOE
  - Mindset shift
3. Small staff who can make data actionable
  - Insight and objectivity
  - Senior leadership access
4. Establish new ways of making decisions
  - Thoughtful processes (eg., multi-year budget development, EOY retreat, guided approach to high impact decisions)



# ***Where to Start...***

- Prioritizing which programs to evaluate and/or which are most actionable.

Examples:

- Instructional coaching
  - Professional development
  - Discrete intervention programs
  - More controversial ideas
  - New programs
- Create ranked or “tiered” lists of programs.



## #2: Managing to Class Size Targets

GOAL: Achieving class size targets the district has already set by more precisely managing student enrollment.

- Class size targets often viewed as “maximums” vs. “targets” (big difference!)
- Goal: Reducing empty seats up to target (no judgments made on what size is best)



# *Implementation*

## 1. Manage elementary school grade configuration.

- # classrooms per grade level makes a big difference in achieving size targets
- More classrooms per grade allows more effectively managing to size targets and reducing empty seats
- Academic considerations are critical too, naturally!



Example: 2 Buildings @ 18 classrooms each  
112 students in Gr. 1; **25/class target**

Two  
K-5

### 6 Grades, 3 Classes per school

- Gr. 1 Teachers needed: **6** (56 students/school)
- Avg. students/class: 18.7

K-2  
& 3-5

### 3 Grades, 6 Classes per school

- Gr. 1 Teachers needed: **5** (for 112 students)
- Avg. students/class: 22.4



# ***Implementation (con't)***

## **2. Optimizing school size**

- Impact on building/expanding school(s) and/or deciding which school(s) to close.
- Larger schools will result in more efficiency (not exceeding class size targets).
- Impact can be minimized by incorporating design features such as academies or SLC's.



# *Implementation (con't)*

## 3. Address Student Assignment Policies

- Flexibility re school assignment can similarly optimize.
- Consider adding “*Minimum*” class size targets to reduce frequency of very small classes and trigger a school reassignment opportunity.
- Potentially higher transportation \$ is usually more than offset.
- Initiate by first applying concept to new enrollments for easier implementation.



# ***Implementation (cont'd)***

4. Use P/T or shared staff for secondary.
  - At secondary level, # teachers is more an input, class size is an output (vs. elementary).
  - Staffing *precisely* to fractional teacher needs is key (eg. overhiring 9 teachers when only 8.4 are needed).
  - Requires taking a closer look at part-time and/or shared positions across schools.
  - Union considerations.



# ***Implementation (cont'd)***

## **5. Design specialized programs with class size in mind.**

- Specialized programs can unintentionally decrease class size, magnifying inefficient staffing.
- Consider small adjustments to program design highlighting improved efficiency.



## **#3: Adding Precision to Remediation and Intervention Staffing Levels**

- Potentially significant opportunity given resource need and imperfect methods for determining staffing levels (overstaffing).
- “Fear” of consequences to understaffing federal/state mandated programs.
- Requires team decision-making perspective beyond SPED/ELL/Title I coordinator alone.



# *Necessary Data*

Direct Service Time

Target Group Size

- Set guidelines for delivery based on current practices and/or benchmarking.
- Biggest variable -> Meeting time allocation
- Service delivery model (eg., pull-out, push-in) will impact group size.



# ***Determining Staffing Needs***

- Potential pushback:  
Unrealistic, unreasonable, unfair
- “Targets” create more equity for students and staff; provide positive rationale.
- Place the highest value on serving students and manage meeting times around that.



## **#4: Finding Acceptable Ways to Increase Class Size/Teaching Load**

- Single largest driver.
- Small changes have a major spending impact.
- High potential for being unpopular (regardless of research) and union issues.
- Concentration must be on quality of instruction and teacher effectiveness.



# *Potential Strategies*

1. Incentives to teach larger classes or more periods.
2. Opportunities for more effective teachers.
3. Instructional models that accommodate larger classes and yield better learning (eg. blended learning, college-style).
4. Teaching teams, all including a master teacher.
  - Focus on expanding reach of effective teachers, not on “class size.”



## **#5: Strategically Spending Federal Entitlement Grants**

- Federal rules provide more flexibility in grant use than typically recognized, but tend to have more limited district scrutiny.
- Lower political pushback (off the radar).
- Need expert information and to overcome “raw” fear of non-compliance.



# *Strategies*

1. Coordinate federal grant budgets with total district budget to properly analyze programs.
2. Get clear understanding on use restrictions.
3. More decision-making with district leadership in order to manage risk decisions.
4. More creative, allowable uses of federal funds:
  - Title I for school-wide programs;
  - Portions of staff time spent with eligible students;
  - “Necessary and reasonable use” flexibility;
  - Meeting “supplement not supplant” without creating separate programs;
  - IDEA for students without IEPs;
  - Combining multiple grants for a single program



## **#6: Ensuring More Students Read on Grade Level**

- Substantial resources dedicated to reading as a top priority; challenge is to spend differently.
- 1<sup>st</sup> step is to understand all current spending on reading from all budgets, including % of all staff time.
- Limited student outcomes drive spending “fixes” → Reallocate existing resources for better student results and improved efficiency.



# ***Potential Strategies***

1. Focus on teacher quality, not quantity or small group size (eg. risk of overuse of undertrained non-certifieds/paras, even when less expensive)
2. Shift resources to improve core reading instruction, especially for urban districts where the bulk of students may struggle.



# ***Potential Strategies (con't)***

3. Integrate other existing systems, departments, and spending. Scrutinize schedules:
  - Protect reading blocks.
  - Analyze all reading resource spending under a reading leader.
  - Identify, expand and monitor common approaches to teaching reading.



## **#7: Ensuring Cost-Effectiveness of PD**

Issues: Providing effective PD that raises student achievement, and understanding its true cost.

- Total PD cost is often not well understood.
- Buried costs across multiple departments and funding sources.
- Many costs not labeled as PD.
- Lack of comprehensive systems to measure effectiveness.



# *Steps Forward*

- Know full PD costs to measure and drive action, including:
  - Teacher time (S&B, stipends, sub coverage)
  - External (tuition, consultants, travel, fees)
  - Pay increases directly tied to PD (salary bumps)
  - Other (Principal/AP evaluation time, coaches, central office PD staff, supplies & equipment, facilities)



# ***Steps Forward (cont'd)***

- Measure effectiveness
  - Teacher behavior – observation rubrics, pre/post surveys
  - Student learning – aligned to specific goals of the PD, use control group vs. baseline



# ***Recommendations***

1. Don't pay for time that can be had for free.
  - Assess cost info, especially for teacher time.
  - Use expert scheduling for in-school PD time.
  - Tight use of “non-teaching” and summer days.
2. Free up funds to invest in coaching.
  - Shifting funds to high-value coaching from workshops and other less effective PD.



# ***Recommendations (cont'd)***

## 3. Target PD strategically.

- Target resources differentially to teachers based on experience and effectiveness.

## 4. Consider evaluation systems as PD, not separate.

- An opportunity to connect evals and PD for specific feedback to improve teaching.

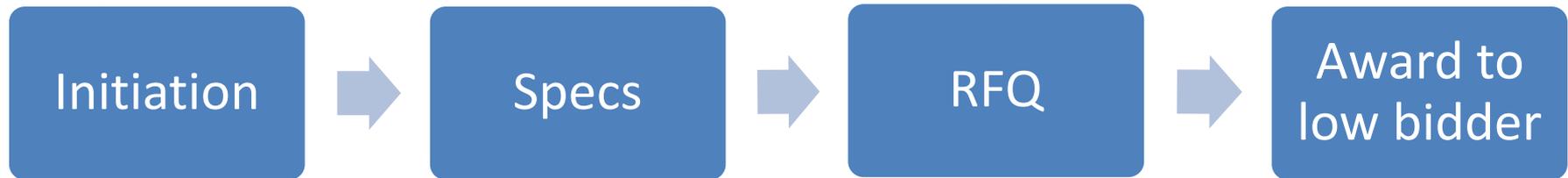


## #8: *Rethinking Purchasing*

It's not just what gets purchased, but how.

- Can reduce costs and increase value (can amount to ~20% of budget)
- Savings can be redirected to learning initiatives

Typical process is tight and regulated:

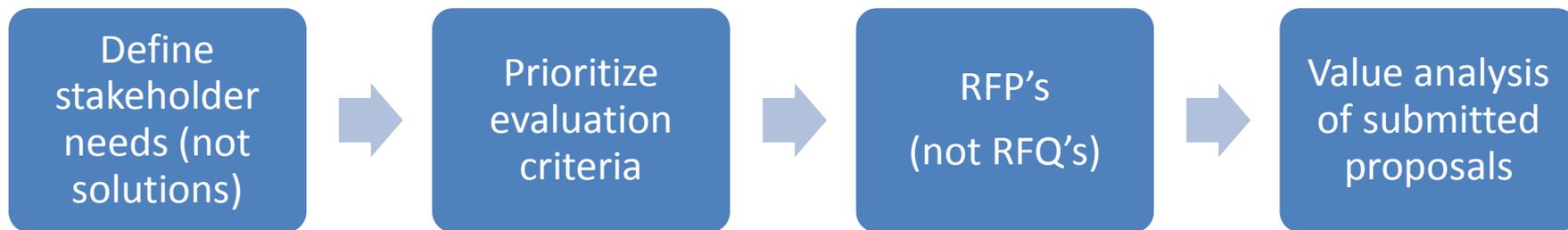


Rarely provides sufficient flexibility to consider trade-offs and alternative solutions.



# Framework

- Districts can incorporate elements of value and trade-offs while staying compliant, fair, and transparent.
- Purchasing dept. not as “experts,” but as facilitators of a team that creates a weighted valuation rubric.
- Create an RFP with statement of need versus an RFQ with unchangeable specifications.
- Shift burden of advancing solutions to vendors.
- Requires mindset shift and comfort with ambiguity.
- Balances strategic approach with public reqt’s.



# ***Other Expensive Purchasing Pitfalls***

- Vendor contracts with lopsided language
- Uncapped services (include “not to exceed”)
- Inflexible termination language
- Vendor indemnification at district expense
- Allowing diffuse (non-expert) district contract signatories
- Blindly accepting S&H charges
- Failing to negotiate hard with sole-source vendors



# **#9: Lowering the Cost of Extended Learning Time**

## Challenges:

- Increasing student learning time and teacher planning cost-effectively
- Sustaining a grant-initiated program long-term once grant funding declines.

 Options that extend time for students, but not for teachers are lower cost alternatives.



# ***Ideas:***

1. Staggered teacher start times; staggered teacher vacation time to extend year
2. Blended learning supported by paras (also increases utilization rate of technology)
3. Better use of existing school day hours
4. Reallocate teacher extra non-teaching duties to paras



# ***Ideas (cont'd)***

5. Longer regular school day (negotiated extra cost may be more manageable)
6. Lengthen class periods (from transitions, lunch, homeroom, dropping a period)
7. Target pay increases strategically (understanding precedent effect)
8. Explore lower cost enrichment options (external)
9. Engage scheduling expertise



# **#10: Targeting New Investments**

Ineffective mindset: Minimizing the constant pain of cuts – “survival” vs. “mission”

New mindset: Finding and funding improvement efforts while simultaneously and courageously cutting the budget, programs and/or staff → Leadership mindset



# ***Guiding Principles***

1. Believe doing more with less is possible  
(utilize performance measurement, data, and benchmarking)
2. Saying “you believe” – advocacy messaging
3. Zero-based budgeting approach
4. Smart out-of-classroom investments  
(eg., clerical time which frees up P/AP, data analysts, instructional coaches, purchasing management skill set)



# ***RECAP***

1. Calculating A-ROI
2. Managing to existing class size targets
3. Adding precision to remediation and intervention staffing
4. Finding acceptable ways to increase class size or teaching loads
5. Strategically spending federal entitlements
6. Ensuring more students read on grade level
7. Improving cost-effectiveness of PD
8. Rethinking purchasing
9. Lowering the cost of extended learning time
10. Targeting new investments



# *In Summary...*

- Every district's needs and implementation history differ
- Can't realistically attempt too many strategies, but even one can make a difference
- Many considerations, especially academic and contractual, but highlights an analytical approach
- Need appropriate staff expertise
- Different time horizons for different initiatives
- Managing pushback
  - Work within existing targets
  - Set targets and abide by them
  - Keep student needs front and center
  - Change isn't always easy, but can be done thoughtfully and fairly



*(Add in district exemplars as set up for idea-sharing and group discussion around room)*



# *Grants & Bonds Update*

- New DAS Grant Opportunity: Improvements to Alliance District School Buildings
  - \$50M for FY16-FY17
  - For deferred facility maintenance and repairs not eligible for School Construction Grants
  - Three application deadlines (10/30/15, 1/29/16, 3/31/16)
  - District grants dependent on student population



# ***Grants and Bonds Update (cont'd)***

- Priority School District Grant Distribution
- Low-Performing Schools Bond RFP process
- Bond award alternative project use request



*(Hold for additional input from Finance on issues/updates/notifications)*



