

Thriving in Tight Times

School districts are continuously being asked to educate students for less money. Making fundamental changes by following these five strategies can help

Nathan Levenson



I recently attended a school board meeting that was downright depressing. The chief financial officer told the board: “Costs are growing faster than revenue. Next year we will have a large budget gap to close.” Before board members started to throw questions at him, he added, “We forecast it will get worse in each of the next five years.”

After a stunned silence, every board member wanted to speak. Most lamented the situation, and many said it was unfair and unreasonable. The board chair stepped up and said, “Folks, stop complaining and let’s start planning. We have just three choices: 1) Raise taxes, which won’t pass at the polls, 2) draw down the reserves, which won’t last long, or 3) cut programs and staff.” Much of the discussion centered on what and whom to cut.

These three tried-and-true options have helped many a school board pass a balanced budget and still, somehow, provide a decent education for all. The depth and length of this unprecedented financial crisis calls for different, equally unprecedented, strategies. Most districts can’t keep cutting back and provide a 21st century top-quality education. They need a fourth option: 4) Do things differently—better and less expensively, not just less of the same.

Districts need to reimagine how to educate their students at a permanently lower per-pupil spending level. I know that school boards have made many changes over the last few years to balance their budgets, changes such as larger classes, turning down the heat, and cutting electives or extracurricular activities. Reductions like these are not fundamental changes on the order of how Orbitz changed buying an airline ticket and Best Buy affected the corner television sales and repair shop.

School districts can alter how they serve students in a world of declining resources, and serve them better by embracing five strategies.

1. Let academic ROI guide spending

This may sound cold and corporate, but it is 100 percent child centered. The idea is simple: for each program or teaching strategy, find out how much students learn, how many students are being served, and the costs associated with the effort. The formula is: Academic return on investment (ROI) equals increase in student learning times the number of students helped divided by the money spent.

Three powerful concepts are hidden inside this formula: Not all money spent to help kids learn is effective, all money spent should lead to positive student outcomes, and spending \$1,000 to help a student is better than spending \$2,000 for similar gains.

School leaders always try to fund what they think works, but the new normal calls for having hard data that proves a program works. They can’t afford to guess. Fortunately, the treasure trove of information from common formative assessments, end-of-unit tests, and progress monitoring allows most districts to determine what works—and works cost effectively without adding new assessments or relying on state tests.

2. Trade down, because we must

When I was a child, a trip to the doctor’s office usually meant saying hello to the nurse and being examined by the physician. Today, a secretary signs me in, a lab tech takes my blood, an LPN takes my history, and a physician’s assistant exams me. Only if the problem is serious might I see the doctor.

In medicine, two positions have splintered into many. Each new position shifted some work to a lower-cost person doing just the part of the job that is appropriate. This is an example of trading down—having lower-skilled, thus less-expensive, staff perform the less skilled and less critical work. You may be thinking, “I don’t like this, especially in my schools.” Neither do I. When done thoughtfully, however, it can be better than simply cutting teachers, pro-

grams, and services completely.

Some districts have traded well-trained paraprofessionals for elementary librarians, interned graduate student social workers for full-time social workers, or even aerobics instructors for PE teachers. Another flavor of trading down is subcontracting instructional activities from teachers who may have above-market wages and benefits similar to professionals in the private or nonprofit sector.

3. Manage class size in a nuanced way

As a parent and former school board member, I know small class sizes are popular. As a superintendent with shrinking budgets, I learned quickly that adding a few students to a class can reduce costs dramatically. Rather than wrestle with what is the right class size, set lots of different class size targets—one for each type of class and student.

Many districts set one class size target for all elementary classes. Could first and fifth grade be different? These class size decisions often carry over to special classes. If 25 students are in Ms. Smith's class, then just these 25 students go to PE. Could two classes go to PE at once, thus increasing the size of a noncore class, without impacting the more critical regular class?

This theme has many variations. Could high school seniors have lecture-style classes of 100, just like they will take as college freshman? Could honors and advanced placement classes have 40 students, while struggling students have just 15 to a class? While some of these numbers may seem big, successful examples abound. After-school sports often have 50 students to each adult, band class is often 60 students to a teacher, and some districts routinely place 75 elementary students in a PE class.

Larger classes have an upside, as well. Great teachers can serve more students and teacher salaries also could rise. A high school teacher who teaches 180 students a day (say six periods of 30 students), rather than a more typical 120 (five periods of 24 students), could be paid 50 percent more without hurting the budget. Imagine a school where master teachers earned \$90,000 to \$120,000. Would this attract and retain staff that could do wonders despite more desks in the room?

4. Consolidate the many separate budgets

All budgets do not get equal scrutiny. The operating budget is the largest and typically the most tightly managed. Off in the shadows sits the special education budget funded by IDEA, the early childhood budget funded by a state grant, the Title 1 budget, the food service revolving account, and the health insurance reserve fund.

In my conversations with school board members across the country, I discovered that few have seen all these budgets and fewer have reviewed them in detail. No one is intentionally hiding them. However, wildly different report-

ing requirements; limitations on use of funds; staggered fiscal calendars—many grants start in September, not July, like the operating budget does; and incompatible line items mean each of these budgets is managed separately. How many of these budgets did you review last year?

Having separate budget managers tends to lead to lots of separate programs. One district of just 5,000 students had five different reading programs and five different teams of reading teachers—one paid for by the operating budget, another by Title I, a third by integration funds, another by Title III, and the last by a state grant. The staff worked separately and used different materials. The only thing they had in common was all were understaffed and not very effective. By combining funds, they developed one program with extensive coaching and unified leadership. Reading scores skyrocketed as a result.

5. Technology to the rescue—maybe

Technology has been key to many recent advances. Unfortunately, so far technology has increased costs for schools, not lowered them. Worse yet, despite billions of dollars spent on K-12 technology, much of it in support of reading, NAEP reading scores over the last two decades have remained essentially flat.

The lack of transformation may be because many districts have tried to use technology within the current structures. This means that a classroom where students are using software to learn a foreign language still will have a teacher in front of the room, 25 students at desks, plus a bunch of PCs. Will some combination of online learning, full-class instruction, virtual field trips, and software-generated personalized lessons allow one teacher to help 200 students master a foreign language? Maybe, and districts should experiment (and, of course, measure the academic ROI).

Back-office computers have helped Southwest Airlines and FedEx lower their costs through powerful scheduling and robust data analysis. This kind of technology isn't as exciting as online instruction, but it has a proven track record of stretching limited resources. Since data can drive instruction and scheduling drives staffing, technology to manage district operations deserves more attention in a future, leaner world.

These five ideas won't make balancing the district budget fun or easy. The impact on staff is significant, but so are the benefits to students. Some of the ideas may (do, in fact) seem unusual and uncomfortable, but the world's finances have changed and the old tried-and-true approaches may no longer meet the needs of our children. ■

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