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Schools and the Stimulus

COMMENTARY

Using Stimulus Funds to Build a Bridge to Better Practice

By Karen Hawley Miles

Schools are bracing for budget cuts of from 5 percent to 10 percent this year, with more to come. At the same time, however, the federal economic-stimulus package being readied for distribution includes more than $100 billion for education. Districts and states will use this emergency federal funding to backfill their budgets and prevent teacher layoffs. But, if they do *only* that, they will miss a historic opportunity: to use this confluence of tight budgets and short-term stimulus money to also make a down payment on reforms that will pay off for students long after the two-year federal stimulus program has ended.

At a recent retreat hosted by the **Aspen Institute Education and Society Program**, I met with chief academic and chief financial officers from leading urban school districts about these issues. They ruefully agreed that the processes most school systems were using to find budget savings would produce poor results. The drill looks something like this:

• Ask every central-office department to cut 10 percent;
• Ask principals for smaller budget cuts, providing them with little guidance on where or how these should be achieved;
• Avoid any changes that require contract renegotiation;
• Minimize investment in nonclassroom initiatives, including data systems and professional development; and
• Eliminate junior and vacant positions without regard to performance or importance of the role.

Those officials also observed that when federal stimulus funding becomes available, districts will restore as many of the cuts as possible.

Notice that the terms "strategy," "priority-setting," "restructuring," and "teaching quality" are not mentioned as parts of this exercise. It is an omission virtually guaranteed by the nature of the process: severe time-pressure, budget-office led, and with separate consideration of each department and school. The result? A plan to do a little less of everything—and probably a little less well.

It is not just how much money is spent, but how well resources are used.

The districts we work with at the nonprofit **Education Resource Strategies**, which I lead, have high-priority strategies for improving performance. Yet when we help these urban districts map their resources systematically, to see whether they are spending to do the things that will advance their priorities, the districts' leaders find significant misalignment. Here are some of the strong priorities districts set, with the actions that work to undermine them:

Equitable resources across schools and students but find significant differences in resource levels and quality across schools and students;

Aligned curriculum, instruction, and assessment but invest inconsistently, especially in formative assessment and timely information;

Strategic use of time, people, and money but emphasize class size over teaching quality, uniform rules over flexible use of time and assignment to best meet student needs, and remediation rather than early intervention;

Teaching and leadership effectiveness but invest little in recruiting, screening, and induction; invest much in compensation and career structures; and don't reward contribution;

Accountability for results but invest little in data; and

Efficient school services and operations but have outmoded technology, data systems, and union contracts that raise the cost of services.

Businesses have options to write off restructuring costs and go into debt to finance new approaches. Without such options, school districts are forced to make incremental changes only.

Clearly, it is not just how much money is spent, but how well resources are used. Reallocating resources toward priorities often requires “bridge funding” to finance current obligations as the district makes the transition to new systems. Businesses have options to write off restructuring costs and go into debt to finance new approaches. Without such options, school districts are forced to make incremental changes only.

Districts can use this tough economic climate to get going in new directions. In fact, they might look to trim more than the expected revenue shortfall, knowing that further budget cuts may be ahead. At the same time, they might target some federal stimulus dollars to “build the bridge” to their top priorities—technology infrastructure, teacher and school leader training, new ways of measuring student progress and teacher contribution, and others. Here are three examples of short-term changes that move in those directions:

• *Strategically raising class size to refocus on teaching quality.* The evidence is clear that class-size reduction makes little difference in student performance except in the early-elementary grades. Low class size can even work against teaching quality if, as a result, schools hire less-qualified teachers or provide less support to teachers on the job. Despite this, districts typically try to keep class sizes as low as possible in every grade and every subject, treating math and English the same as noncore courses.

The class-size decision has large financial implications for a district’s ability to finance its improvement priorities. One district we worked with discovered they could free over $3 million dollars to pay for teacher coaches and leaders by raising 4th and 5th grade class sizes from 20 to 23.

• *Reducing spending on specialized courses to invest more in core subjects.* Our work at ERS consistently shows that districts spend more on elective and advanced courses than they do on the core academic courses that most students take. In fact, one ERS district found that it spent $500 per student in teaching 9th grade English, as compared with more than $4,000 per student for an advanced foreign-language course. The low number of students taking these latter courses, combined with the practice of using fully certified, often senior teachers to teach them, makes them high-cost offerings. Using stimulus funds to invest in new technologies and community resources might allow schools to facilitate even richer learning in electives, at significantly lower cost.

• *Reducing spending on teacher compensation that rewards longevity and course-taking and redirecting it to reward contribution and teamwork.* In most districts we have worked with, teachers' salaries can double over their careers, based almost entirely on the number of years worked and course credits earned. As districts try to fundamentally reconfigure the teacher-salary structure, they might begin to reduce spending that doesn't link to contribution by limiting payments for taking additional courses and using those dollars to provide higher salaries based on contribution, meaning such activities as serving as teacher-leaders or helping to meet multiple student needs by teaching both special education and math.

The typical budget-cutting process will not lead to this kind of analysis and decisionmaking. We suggest a different process:

Step 1: Clarify high-level priorities in the improvement agenda.
Step 2: Map current spending and, if possible, compare spending with similar districts.
Step 3: Quantify large opportunities for reallocation consistent with this vision.
Step 4: Focus leadership discussion on high-return actions.
Step 5: Weigh political concerns in the context of potential impact and complete vision for actions.
Step 6: Conduct line-item reviews by department to determine both cuts and investments.
Step 7: Ensure that new investments (including new stimulus funds in Title I and the Individuals with Disabilities Education Act) are managed by staff members who can advance the strategic priorities.

Of course, at every step of the process, it is important to have the right people at the table, including union leadership.

Acting on these challenges requires political will and long-term focus. It is difficult to cut well-intentioned programs and people, even if they are not generating improved results for kids—and especially if there is pressure to use the stimulus money to maintain the status quo, rather than invest in the people and programs that will help students most.

Federal and state governments can help school districts use the stimulus funds most productively by providing guidance, models, and even requirements that will support their efforts. And communities can ask the important questions about how districts are investing the money to build teaching quality and leadership capacity, as well as the data systems to support them.

Karen Hawley Miles is the executive director of Education Resource Strategies, a nonprofit organization, headquartered in Watertown, Mass., that works with urban public school systems to improve resource use and instructional strategies. Additional information for districts on navigating tough economic times can be found on the group's ***Web site****.*

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