Doing More with Less: Three Strategies for Improved Resource Alignment

Patrick Murphy, Ph.D. and Ashley Jochim, Ph.D.
Center on Reinventing Public Education
University of Washington

May 2013

In a perfect world resources would be abundant and flexible. As those who work in state education agencies (SEAs) know all too well, neither of those adjectives applies to their institutions. State legislators have historically (and notoriously) been reluctant to support positions in the SEA, and years of recession-driven cuts have only made resources tighter.

Despite these constraints, SEAs are being asked to advance ambitious reform initiatives in an effort to significantly improve student achievement. For example:

- The U.S. Department of Education granted 34 states flexibility in the requirements of the No Child Left Behind Act (U.S. Department of Education, 2013), simultaneously freeing them from some accountability provisions while committing them to a wide range of new reform mandates.

- Forty-five states (and the District of Columbia, four territories, and the Department of Defense Education Activity) are implementing Common Core State Standards (Common Core State Standards Initiative, 2012), which require changes in instructional materials, professional development, assessments, and accountability systems.

- Twenty-five states are piloting or implementing new teacher evaluation protocols, often in a highly charged political environment (Donaldson, 2012).

At the Center on Reinventing Public Education (CRPE), we spent the past two years talking to state chiefs and their staffs and collecting data on the activities of SEAs.   As part of this work, we analyzed budget documents for 17 SEAs, uncovering a variety of patterns in terms of how states allocate resources and approach the work of performance management. This essay reports on some of these findings and their implications for SEAs seeking to implement ambitious reform agendas without significant new resource investments.

Very few of these reforms are accompanied by additional resources.[1] As a result, SEAs must be strategic and, at times, creative, in how they go about meeting these new demands. This is what we call the "productivity challenge," because in the absence of new funds, improved performance can only be attained through changes in how the SEA manages its existing resource set.

Better utilizing existing resources is easier said than done. Our research[2] on SEAs revealed three key leverage points SEAs can use to better align resources and build upon their existing assets to operate more strategically. These include improving resource transparency, seeking flexibility, and reimagining talent and talent pipelines. These approaches are neither exhaustive of what SEAs

[1] This is especially true for states that committed to ambitious reform agendas as part of unsuccessful efforts to win implementation dollars though the federal Race to the Top grant program.

[2] CRPE research on SEAs has been supported by a grant from the William and Flora Hewlett Foundation.

The SEA of the Future

will need to accomplish nor novel to the work of SEAs.   Nonetheless, they are important tools for addressing the productivity challenge and worth utilizing more consistently than has been typical in SEAs.

We do not offer a set of step-by-step instructions or roadmap for reform because we do not have one. Rather, the intent here is to provide a framework for thinking about resources within the SEA and to offer examples of choices some states have made in this regard. In the future, as part of our work with the Department of Education's Building State Capacity and Productivity Center, we will document the experiences of states as they seek to align resources to better service their new reform agendas. Those lessons should prove useful as SEAs continue to develop their capacity to manage performance and improve outcomes for students.

Improving Resource Transparency

Aligning resources towards strategic objectives can only be accomplished if existing resource investments are identified. States routinely generate and publicly release expenditures on K-12 educational programs. Yet, few SEAs systematically identify the share of resources devoted to administering programs (that is, netted out of dollars passed through to schools and districts). Even fewer SEAs publicly report those figures.[3]

This is not the result of an intentional effort to conceal information; in most cases, the SEA is simply following reporting mandates. State legislatures and budget offices typically focus their reporting and analysis requirements on broader K-12 budgets, which make up a much larger share of the state's budget and are of greater interest to policymakers. But, just because external reporting requirements are driven by such constraints does not mean that internal agency analysis must be so as well.

An accounting of how agencies target resources across reform areas can reveal inconsistencies between reform intentions and resource allocations. To determine how well resources aligned with reform objectives, we analyzed staffing data for eight states to assess how SEAs allocated one, particularly important, type of resource across different domains of work.

[3] See, for example, Center for American Progress & Education Resource Strategies (2009).

[3] Over the course of two projects, we examined the budget documents of 17 states. Of those, program-level information for how personnel and administrative expenses were being allocated within the SEA could be found on only two departments' web pages. Often, some of these data were gleaned from the state budget office submissions, but in most cases, central budget process information offered little insight into the programmatic spread of resources. Even SEA fiscal officers contacted directly did not have the information readily at hand, and in two cases lacked a formal staffing table. We are not alone in identifying a lack of fiscal transparency; see Brown, Hess, Lautzenheister, & Owen (2011).

The results are informative. On average, the set of eight states assigned just under 16 percent of personnel positions to functions related to the prime mission of the new SEA: improving the performance of districts and schools (Figure 1). This includes divisions responsible for designing and administering assessments, establishing and monitoring accountability standards, and providing support to low-performing schools—functions that are central to managing teacher quality, school accountability, and turnaround and are prominently featured in Race to the Top and flexibility plans. That 16 percent figure represents about twice as many positions as are allocated to overseeing school nutrition programs but about one-third the resources dedicated to departmental administration.

Figure 1. Distribution of SEA Positions by Function, Eight States (FY2010)
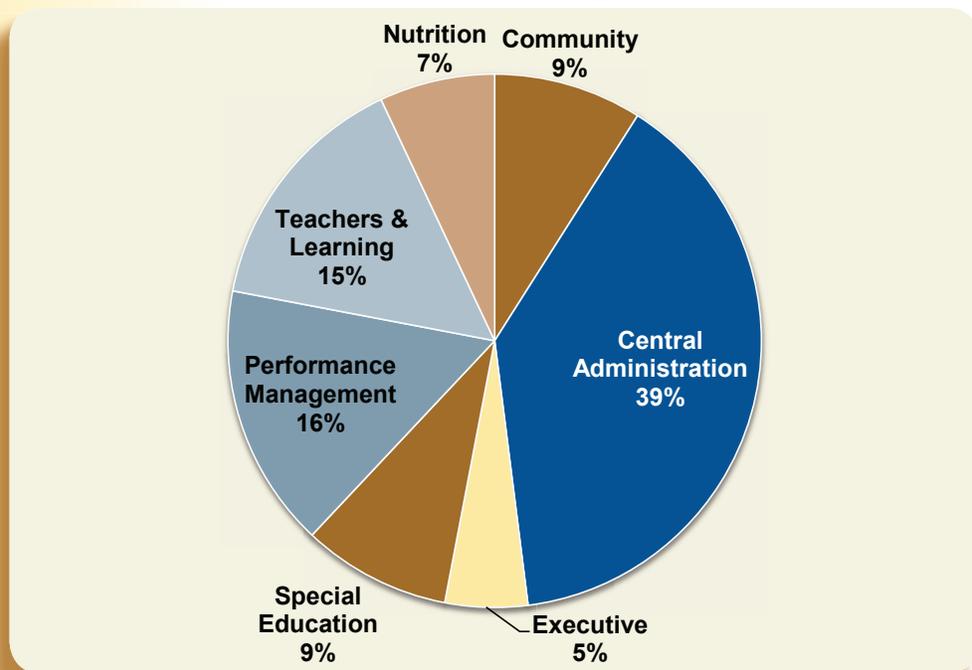

Disaggregating the data into sub-functions further reveals the potential strategic tradeoffs across areas of SEA work and how investments in one area can limit investments in another. Figure 2 considers two types of performance management positions across states, assessment and improvement. The assessment sub-function typically consists of the design and administration of assessments, data collection, and data analysis associated with accountability. School improvement personnel include those who directly assist low-performing districts and schools to build capacity.

As a general rule, states devote fewer staff to improvement functions compared to assessment functions. In Texas, for example, four and one-half times as many staff work on assessment as work on improvement. The greater investment in

assessment may be driven by historical expenditure patterns (i.e., states have been investing in assessment for longer) or cost drivers unique to individual states (e.g., the costs of contracting for, and customizing, assessments).

Figure 2. Share of SEA Performance Management Positions by Funtion (FY2010)
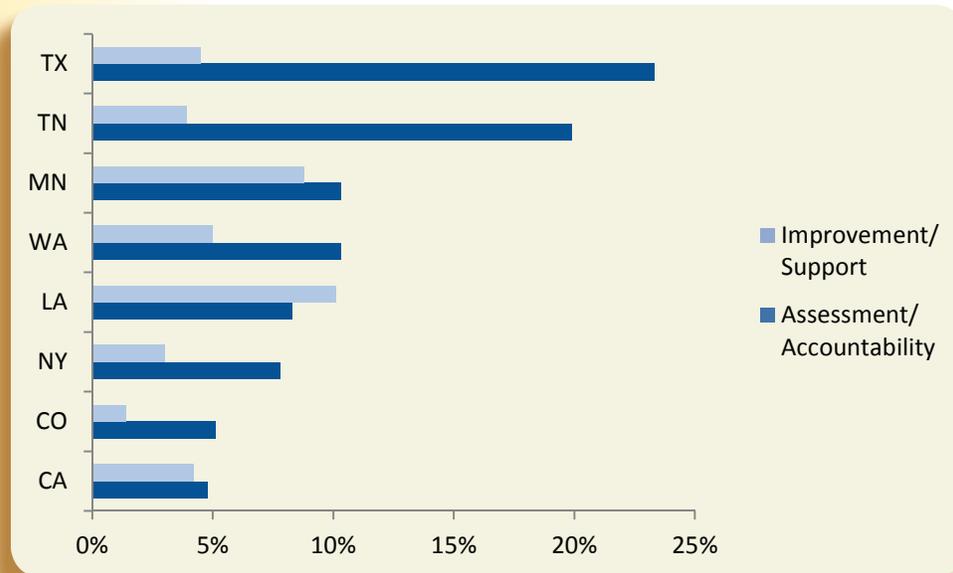
Whatever the driver of different expenditure patterns, these analyses raise an obvious question: Is a given resource commitment enough to support the goals of the SEA? The answer depends on the state's strategy for improving student outcomes. For example, if the SEA is going to play a direct role in the improvement of individual schools—as with Louisiana's Recovery School District—then it may require a considerable staffing commitment. On the other hand, if the state takes a more hands-off approach, leaving more of the implementation work to districts or external contractors, as has been the case in several other states, then the SEA may not need to commit as many staff to these efforts. As a result, before an SEA can begin to think about how to reallocate resources, the department must first know whether their existing resource allocations are aligned with their strategic plan.

Seeking Resource Flexibility

If resources are not aligned towards strategic objectives, then SEAs will likely need to repurpose existing resources. Unfortunately, a funding structure in which federal dollars underwrite the costs of many of the salaries in a department can limit resource flexibility. Based on an analysis of the staffing commitments of seven states, we found that the federal government supports between 37 percent and 52 percent of SEA positions (Murphy and Ouijdani, 2011).

However, the reach of federal restrictions on resources is not evenly distributed across programs. Federal support is concentrated in a few specific areas.

The SEA of the Future

As Figure 3 suggests, although federal funds can account for nearly 100 percent of positions in the offices responsible for special education and nutrition, federally-funded positions represent a smaller share in other parts of the department. Unless SEAs themselves, or their state legislators, tied their hands with mandates on state funding, SEAs presumably have greater flexibility to shift and repurpose resources in these other program areas.

Figure 3. Share of Federally Funded Positions by Function (FY2010 state budgets)
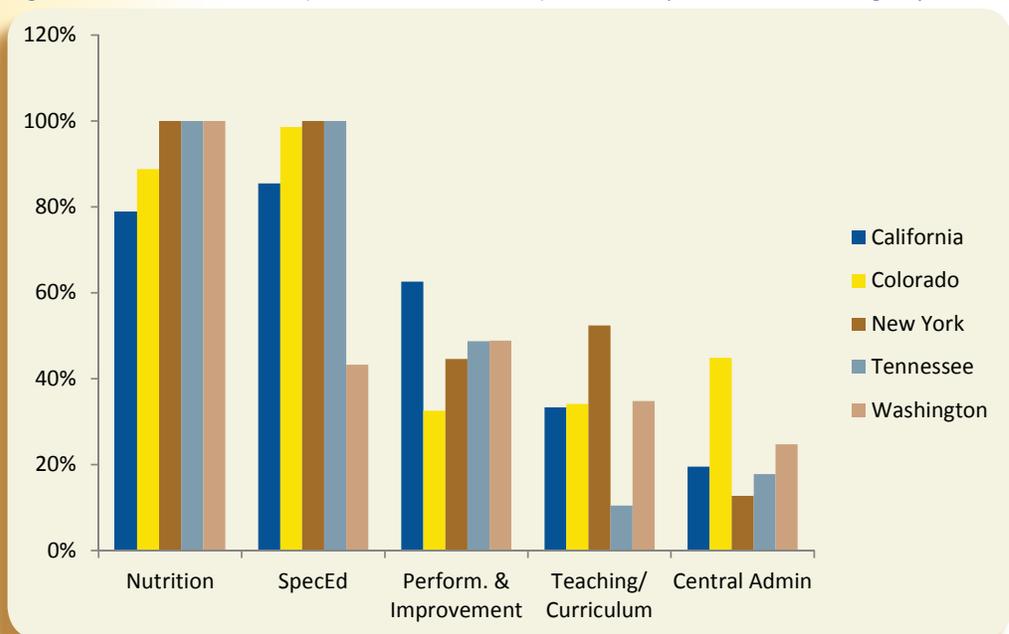
Even within the restricted federal programs, some states have begun to explore how resources, such as federal Title I funds, could bolster SEAs' capacity to support school and district improvement. The Louisiana Department of Education, for example, is considering using a portion of its Title I administrative set-aside to underwrite the cost of its district support networks, while maintaining its capacity to ensure compliance with federal requirements. To accomplish this, the department cross-trained its compliance and support personnel on a variety of programs, rather than limiting them to only one. The notion is that a single point-of-contact can provide support to a district on several different aspects of school improvement, with a share of that individual's salary being covered by federal Title I dollars.

Louisiana is not alone in these changes. A recent review of 10 SEAs' organizational charts reveals better integration across divisions responsible for compliance and school improvement. As little as two years ago, such a review would find that school support personnel were located in one division and the Title I administrators in another. Most states, via formal or informal reorganizations, now better integrate these staff so they can work collaboratively on supporting the school improvement function of SEAs.

The SEA of the Future

Of course, some federal funds are dedicated to supporting school improvement. Washington was one of several states examined that dedicated federal School Improvement Grant (SIG) money to support functions. The SIG funds represent an attractive resource to build SEA capacity for school improvement. The fact that the SIG program may sunset, however, makes sustainability difficult.

Reimagining Talent and Talent Pipelines

The above discussion of aligning resources treats positions and staff within the SEA as interchangeable. In reality, shifting individuals from one position to another is much easier said than done. The tasks and skill set necessary to monitor implementation of a federal grant program, for example, are likely to be significantly different than those required to build turnaround capacity within a district. A recent examination of eight states' school improvement strategies identified finding enough of the right people to do the work as the states' greatest challenge (Murphy and Rainey, 2012).

Given the outsized role compliance monitoring traditionally played in SEAs, it's unlikely that many existing staff could be easily repurposed to serve the new roles SEAs are taking on in the current reform environment. The experience of one state administrator in charge of special education programs exemplifies the problem. She determined that she needed only about 20 percent of the positions in the division to keep up with the program's reporting requirements. In theory, she could free up the other 80 percent of the staff members to work directly with districts in support of improving special education outcomes for students. Unfortunately, those employees had little experience or training in providing that type of support.

The state chiefs in our study used three general approaches to build a cadre of people to support their SEA's work.

1. **Direct hiring**—Filling positions with new individuals from outside the SEA.
2. **Contracting out**—Purchasing expertise from external vendors, including districts.
3. **Growing your own**—Reassigning existing employees.

The most direct approach to addressing human capital needs is to simply add new hires to do the work. Ideally, these positions could be defined with duties and qualifications aligned to the needs of the state's strategic plan for education. When Brenda Cassellius became Minnesota's education commissioner, the SEA had a relatively large number of funded but unfilled positions. Her predecessor froze hiring in response to the fiscal crisis. The bad news was that she had fewer people on board to do the work of the agency. The good news was that she could restructure some of those open positions to better suit her plans. Since the shifts involved titles of positions as opposed to individual persons, she encountered less internal resistance than she otherwise might have.

The SEA of the Future

Recruiting permanent staff can bump up against the constraints of state civil service requirements. As a consequence, the hiring process can be lengthy and salary structures may not be competitive. Contracting responsibilities out to private vendors, or through temporary transfers from districts, offers one way to avoid cumbersome hiring processes while bolstering the SEA's internal capacity to do new work. States such as Kentucky and North Carolina use a relatively large number of contractors to form the backbone of the support the SEA provides to schools and districts for improvement. Lillian Lowery, the state superintendent in Maryland, has plans to temporarily reassign district staff to support struggling districts and schools, rather than rely on permanent new hires.

In most cases, using contractors and temporary transfers can bolster talent more quickly than relying on full-time state employees, and these hiring strategies can shift more quickly in response to new reforms. As well, SEAs can seek out and draw upon a broader pool of talent than is typically available in the existing agency hierarchy. Talent pipelines such as Teach for America, Strategic Data Project Fellows, and Broad Residents can provide SEAs with less traditional candidates with different skill sets to engage in new types of work.

SEAs, like most government agencies, have historically relied on a grow-your-own strategy, in which talent is developed internally and career ladders make new work attractive. The advantage of relying on internal pipelines is that managers can cultivate the specific types of expertise they require. This approach can continue to be an important part of the talent strategy, given a strong pipeline. After all, leaders in human resource management in the private sector are increasingly relying on internal hires and promotions (Schawbel, 2012).

While the research on developing and managing talent pipelines in SEAs is in its infancy, recent evidence from districts suggests that talent management is crosscutting work that must extend well beyond the work of the human resource department to be considered through the lens of strategy and performance management (Campbell and DeArmond, 2011). It is likely that SEAs will need to draw upon all possible approaches to make the most of their staff resources. This might include hiring people for new strategic initiatives, drawing upon contractors for specialty skills or short-term technical assistance projects, and growing existing employees for areas of work that are already well-developed.

Looking Forward

Doing more with less is the reality in many SEAs, and it will not be easy. But by using the strategies described here, SEAs can begin to realign their resources so that they are used with maximal impact. Over the next year, the Building State Capacity and Productivity Center will do its part to provide state leaders with more comprehensive tools and strategies to continue to confront the productivity challenge.

The SEA of the Future

References

Brown, C. G., Hess, F. M., Lautzenheiser, D. K., and Owen, I. (2011). *State education agencies as agents of change: What it will take for the states to step up on education reform.* Washington, D.C.: Center for American Progress.

Campbell, C., and DeArmond, M. (2011). *State education agencies overlooked in education reform? Talent is the first place to start.* Seattle, WA: Center on Reinventing Public Education.

Center for American Progress, and Education Resource Strategies. (2009). *Realigning resources for district transformation: Using American Recovery and Reinvestment Act funds to advance a strategic education reform agenda.* Washington, D.C.: Authors.

Common Core State Standards Initiative. (2012). *In the states. Implementing the Common Core State Standards.* Available at: http://www.corestandards.org/in-the-states

Donaldson, M. L. (2012). *Teachers' perspectives on evaluation reform.* Washington, D.C.: Center for American Progress.

Murphy, P. J., and Ouijdani, M. (2011). *State capacity for school improvement: A first look at agency resources.* Seattle, WA: Center on Reinventing Public Education.

Murphy, P. J., and Rainey, L. (2012). *Modernizing the state education agencies: Different paths toward performance management.* Seattle, WA: Center on Reinventing Public Education.

Schawbel, D. (2012). The power within: Why internal recruiting and hiring are on the rise. *Time Business & Money.* Available at: http://business.time.com/2012/08/15/the-power-within-why-inernal-recruiting-hiring-are-on-the-rise

U.S. Department of Education. (2013). States approved for ESEA flexibility (including D.C.). *Elementary & Secondary Education: ESEA Flexibility.* Available at: http://www2.ed.gov/policy/elsec/guid/esea-flexibility/index.htm

Visit us at:

www.bscpcenter.org

The SEA of the Future