

REMARKS FOR EOC TASK FORCE – February, 2015

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S.C. State Superintendent – 1990-1998

Thank you for inviting me to speak with you today. Change as we know it is hard work and with the ever changing advancements in technology, research and learning – it is a real challenge. We may wish that just this once change will be easy but it will not. Substantive change does not happen overnight. State policies can provide a broad framework but real lasting change takes place at the local level where these policies are implemented. It is a challenge that so many have worked hard over many years to meet. We have been blessed with strong support from the business community that continues today through the efforts of Transform South Carolina. It is critical that we keep focused on the main goal. Each and EVERY student deserves to have quality opportunities and high results.

There is no single formula for academic excellence. Research provides us with clear data and direction on how we can facilitate learning at high levels for all students. The key to excellence lies with rigorous academic and performance standards; strong leadership; quality teaching; effective governance; parent and community participation; flexibility; greater variety and accountability. We have an excellent opportunity to carefully review, analyze and refine how the system delivers quality instruction.

Prior to going into my major recommendations I feel compelled to underline that parents and communities must assist by making education a priority in their home and communities. There must be a rebirth of a community culture that knowledge and learning are essential in becoming a good citizen, skilled worker and a caring parent.

Three words I would ask you to remember – Rethink – Redesign – Realign

I would start by simply asking:

ARE WE LOOKING AT THE WHOLE PICTURE?

ARE WE ASKING THE RIGHT QUESTIONS?

I would like to focus on three areas that I think are critical to the process of rethinking our system.

LAYERING OF PROGRAMS- DUPLICATION

Education is a complex system of delivery that includes many interlocking programs and functions. They all have an impact on each other. When you change one part of the system it affects the others. We tend to think of transformation as an event – a new program – a new line item etc. It is easy to forget it is a PROCESS not an EVENT. We have a tendency to find a

new solution and layer on program over program rather than rethinking and evaluating before we do something else.

For Example:

The S.C. Supreme Court found that the State's failure was that they did not adequately fund early childhood intervention programs. That was puzzling in that the State funds First Steps and the Federal government funds Head Start. Both of these programs have the mission to serve children ages up to five and address healthy starts, family strengthening, early intervention (BabyNet), quality child care, early education and school transition.

I strongly support early childhood education. I fought hard to pass full day K and first grade readiness scores increased dramatically. BUT – before layering another program on top of these established programs we need to ask:

- How many students do these programs already serve?
- How many are not being served?
- What are we currently spending on these programs?
- Do they have clear learning standards?
- What type of curriculum do they use and is it aligned with K and first grade readiness?
- Are their teachers trained?
- Do they cooperate with the districts and schools in their area?
- Most importantly – what are their results? If the results are not there – WHY do we not rethink, redesign and realign before adding a third program?
- How do we hold these programs accountable?

There are many other examples like this but interest of time – I will move on.

ACCOUNTABILITY - CONSEQUENCES

The court's ruling spoke to results not inputs. We worked hard to pass the Accountability Act when I was Superintendent. It took us three years and changes have been made. We need to review, redesign and realign so that there are meaningful consequences. Schools in distress have received large amounts of technical assistance and dollars. The court says inputs do not provide students with their constitutionally required opportunity because the inputs do not translate into outputs. It seems that the consequences are on the students and not on the system. It is time to rethink, redesign and realign.

Basic questions I would ask:

- How do we really hold the state, educators, parents and community accountable?
- What needs to happen when results are low?
- What are 21st Century acceptable results?
- How much improvement is necessary?

- Have we really implemented consequences when over a set period improvement does not happen in districts and schools?
- What has been the quality of the technical assistance?
- What is the quality of implementation of strategies and programs?
- What changes were really made?
- What are the local barriers to improvement?
- Why have we not reconstituted these districts and schools and started anew?

Discussion of solutions:

Reviewing several strategies being implemented nationwide, I would urge you to seriously consider creating a State Achievement Recovery School District. This would enable schools that do not meet criteria, to be placed in a recovery district. They would then have access to a team of quality specialists that would live and work in those schools. This would mean that the total authority for implementing change would be with the recovery district. The Superintendent of that district would report directly to the State Superintendent with quarterly reports to the General Assembly, State Board of Education and the EOC. You may want to reference what they are doing in Tennessee.

I would also urge you to implement state-of-the art technology and software throughout the state. There are so many quality applications and access to quality courses that facilitate and assist in personalizing education for each student. Schools need the infrastructure and software to make this happen. Just as a reminder, this is not a one- time event or expenditure. Technology is always advancing and we need to keep abreast of what is working and beneficial to the teaching learning process.

Lastly, I would recommend more school choice and education savings accounts. Research shows that when parents have choice they tend to be more involved and the students achieve

FUNDING and BUDGET

FRAGMENTED BUDGETING means FRAGMENTED IMPLEMENTATION means FRAGMENTED RESULTS

*****Funding should follow the STUDENT regardless of the type of school they attend whether it be traditional, charter or virtual. This would facilitate the issue of disparities in all districts.**

The journey towards educational reform has been placed on rigorous standards, performance based assessments, improved staff quality, research, technology, innovation, technical assistance and accountability. These are important but missing from the policy discussions has been a thoughtful discussion in how we appropriate and how we budget for public education. Budgeting is about making choices on where dollars are spent. It should be clear, concise and transparent.

We have made significant investments in education over the years in both state and federal funds. The lawsuit itself cites results not dollars as an issue. It is important to realize that a rethink, redesign and realign of a new system of appropriations and budgeting is not a criticism of the “old way” but a recognition that finance, like any other part of the system, must move into the 21st century.

As we look at the state system of budgeting we quickly become aware of a variety of funding sources – General fund, Educational Improvement Act (EIA), Lottery, Restricted funds and sometimes special allocations. Each of these sources has a multitude of line items with their own staffs and constituency. I think we are up to about 201 pages when you look at allowable expenditures. For example, dollars for salaries can be found in several sources and many program and source line items. Instructional material money comes from out of several revenue sources.

One example: District level

Professional development money: \$70,855,357.00 + \$1.3 (In about 40 line items)

Curriculum Development money: (Which is also professional development) - \$151,666,958.

Our K-12 budget has become a “patchwork quilt” of funding rather than a clear concise statement of funding and spending aligned towards performance. Over the years, additional programs have been switched and added. The EIA was originally for five or six line items and today it has multiplied dramatically. The restricted lottery funds which were supposed to be for non-recurring items have become a “catch all” for recurring costs. It has become practice to create a new line item for every new solution and then fail to reallocate dollars from those that have not worked.

Every time a program/solution becomes a line item it adds up to major duplication, high administrative costs for each program; excessive paperwork; no comprehensive planning; little coordination of implementation with each program doing its own thing in isolation; and fragmentation of implementation resulting in fragmentation of results. To add to the dilemma there is very little program evaluation of what is working and what is not. Too often data are not used to rethink, redesign and realign.

Further confounding the problem is we often receive federal dollars that duplicate the very same programs and often become silos unto themselves. I am sure we are all familiar with the skit of Abbot and Costello –“Who is on First”. With the multitude of line items do we really know who is on first? No one really knows where all the money goes and what the total is for basic functions. This results in fragmentation of implementation and results.

Local school boards, superintendents and communities find it difficult to determine if requirements are funded or not funded as the cost of total implementation is in so many different programs and line items. It is really difficult for them to make staffing, instructional and funding decisions when they are restricted to all these line items without flexibility.

It clearly is time to step back and take a fresh look at ALL the dollars being spent from all state, local and federal sources. The KEY question we must ask ourselves is spending resulting in quality results for ALL students.

Basic questions I would ask:

- How much are we really spending on education from all sources?
- Do we know where all the dollars are going?
- Is our system clear, concise and transparent based on state and district expenditures?
- Are the choices we make aligned with learning objectives?
- Does the money reach the classroom?
- Do we have enough or too little money?
- Are there unfunded mandates?
- What are the totals for each basic function of the system?
- What are the total administrative costs? (At the district and at the school level)
- What is the % that should be spent on administrative costs at the state, district and school level?
- Are there duplications of funds?
- Is there layering of costs for each new solution or program?
- Does the money follow the child?
- Are programs working?
- What is our return on investment?
- Are dollars ever reallocated based on results? What efficiencies of scale can be realized?
- Are there costs that can be more efficient if districts are consolidated?

Any discussion on adequate funding should place an equal emphasis on accountability. We should build a system of accountability that focuses clearly and rigorously on ALL students' academic results and on the effectiveness of the systems that produce these results as the state, district, school and community levels.

It is time to Rethink, Redesign and Realign a new system of funding and budgeting that is equitable for all districts; focused on comprehensive budgeting and non- duplication; provides flexibility for decision making; constructs budgets that are clear, concise and transparent; and easily aligned with performance. This lawsuit provides us with that opportunity.

Discussion of Solutions:

My recommendations would require a very different culture for developing state and local budgets. We can simplify the budget process and make it clear and understandable to all involved. This will be especially DIFFICULT as each line item has a constituency and affects jobs. I would consider this our moral challenge.

Suggestion:

Comprehensive Audit:

- An analysis of the SC Budget PK=12 should be conducted to identify all present line items and sources of funding. We need to see the “Whole Picture”. This can be done by conducting a Comprehensive Audit of what is being spent in K-12 from all sources and what it is being spent for. This would not be difficult as last years’ expenditures from required district audits can be run using the In\$ight software (developed in the mid- nineties with Coopers & Lybrand, the State Chamber and the State Dept. of Education). The State Department of Education, Governor’s office, House, Senate, and the Districts have a free license to use this Software. This will detail all expenditures, funding sources and programs at the state, district, school and classroom level. This would provide a solid foundation for a thoughtful public policy discussion of school costs and funding for the future. It would be reasonable then to rethink, redesign and realign present budgeted dollars to eliminate the current confusion and fragmentation of hundreds of line items.

Single Budget:

- The fund amounts from all sources should be combined into a single “pot” providing a single source for K-12.

Zero Based Budgeting:

- The process of developing the budget needs to start over “from scratch” with a blank sheet. This would facilitate the process of eliminating the duplication of programs, functions and hidden costs in the multitude of line items. All programs should be evaluated and the data included in the determination of funding.

Broad Budget Categories:

- One single budget should be constructed around the broad categories in the In\$ight model.

These include:

- Leadership (district and school level);
- Instruction (face-to-face teaching, classroom materials);
- Instructional Support (people and things that support the classroom, like libraries; media specialists, nurses, guidance counselors, among others);
- Operations (transportation, food services, maintenance);
- Technology (infrastructure and software); and
- Other commitments (debt service, reserve funds, legal obligations).

Start with Classroom:

- All basic operation costs should be identified starting with what is needed for each classroom in order to ensure that all teachers and students have the tools that the research defines as essential for successful achievement. This would require a rethink, redesign and realign every program, every line item with its allowable expenditures. All funds in the budget should have a direct link to impacting the teaching learning process.

Adequate % of Administrative Costs

- A determination should be made of what is an adequate % of overhead for the state and school district after the costs of classroom needs have been determined. Focus should be put on strengthening the school level.

Combining Functions for Comprehensive Planning

- Every effort should be made to combine funds for a single function, for example professional development, instructional materials. This would enable schools and districts to develop a Comprehensive Plan for that function than be fragmented in several line items rather than have duplication, scattered focus with little coordination and accountability. The In\$ight software can provide those totals and specify sources.

ANALYSIS of Federal Funds

- Federal funds should be reviewed to ensure that state budgets do not duplicate programs. Federal regulations should provide flexibility and respect the state's constitutional authority for providing education. State policymakers should be aware of all federal dollars and their allowable expenditures when developing the state budget to make sure these do not unnecessarily duplicate state funding.

DEVELOPMENT of WEIGHTED FORMULA

- An equitable weighted formula should be developed for ALL districts. Categories can be determined based on program needs such as poverty, special education, school-to-work, ESL, arts and music, etc.

DOLLARS TO DISTRICTS WITH FLEXIBILITY

- Dollars should follow the student and be block granted to the districts to support their School Improvement Plan and must contain a framework for specific program areas specified by state laws and regulations. The regulations should clearly outline what each SCHOOL is entitled to. This would provide for flexibility, local control and personalization of programs on where dollars should best be spent to achieve their goals.

TEACHER SALARY SCALES

- We need to review, redesign and realign what we pay teachers. If we are going to recruit and retain the best and brightest, beginning salaries need to be raised and provisions made along the scale to keep quality teachers in the classroom. It is a disgrace when the cap on receiving food stamps is \$30,000.00 and our beginning teachers find themselves at or near that level. Or they must work two jobs to support a family. We should not make a good teacher choose to leave something they love doing to feed their family. An investment in our teachers with a fair evaluation process is required. We invest in administrators and we must invest in our teaching staffs.

CLOSING:

These will not be easy discussions. We need to take the time to go through the process of rethinking, redesigning and realigning. It is worth doing it right. We have to ask the right questions even if they are difficult. I would urge you to remember that – FRAGMENTED BUDGETING = FRAGMENTED IMPLEMENTATION = FRAGMENTED RESULTS.

WE HAVE TO REMEMBER TO LOVE THE CHILDREN MORE THAN THE SYSTEM.

**EVERY DECISION SHOULD BE MADE WITH THIS THOUGHT IN MIND:
WOULD I PUT MY CHILD IN THIS DISTRICT OR IN THIS SCHOOL? IF NOT –
THEN WHOSE CHILD SHOULD HAVE TO GO THERE?**