

A Penny Saved

How Schools and Districts Can Tighten
Their Belts While Serving Students Better

American Enterprise Institute

Thomas B. Fordham Institute

January 11, 2010

The collected papers from this conference are available online at
<http://www.aei.org/event/100164>.

First person Tale of Cost Cutting Success

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The Context

➤ **The District**

- 4,500 students
- \$50,000,000 budget
- 9 schools (PK-12)
- Urban/suburban mix
- Reputation for solid financial management

➤ **The Superintendent**

- Non traditional
- 20 years in private sector
- Harvard MBA

➤ **The community**

- Demographic shift
- Some wanted change
- Everyone waiting for “new” money

Show me the money!

- **No knowledge of current spending**
 - Not staffing levels
 - Not major categories
 - Not major programs
 - Not the superintendent, school board or CFO

- **No data on program effectiveness**

- **Cost effectiveness was an ugly concept**

- **Multiple years of budget cutting**
 - Poverty mentality

A plan would be nice

➤ **The 1st district strategic plan**

- 3 years in development
- 157 goals
- 45 first priorities

➤ **The 2nd district strategic plan**

- 3 months in development
- 5 goals
- 3 first priorities

➤ **The first culture clash**

- Is everything very important?

More than enough money

Shifting

- Grants
- Ineffective programs
- Low priorities

Saving

- Special education
- Staffing to enrollment

Substituting

- Social service organizations
- Private insurance
- International exchange
- Daycare, after school and summer programs

Everything we could have hoped for

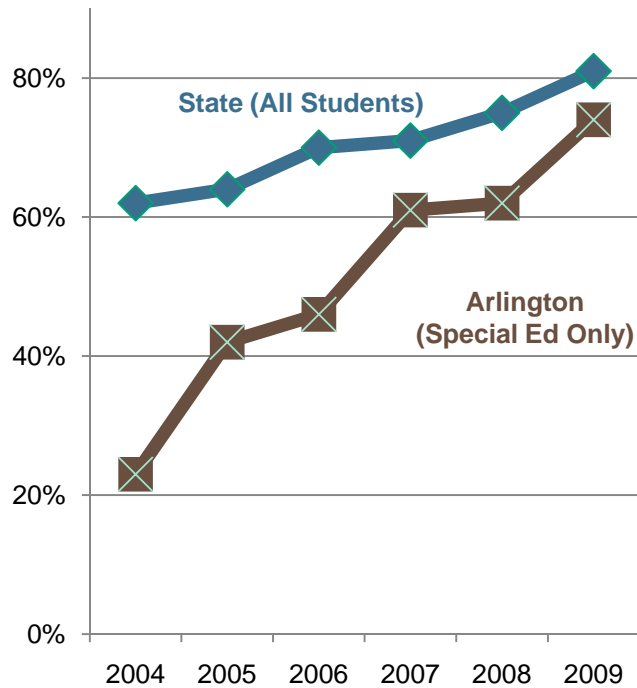
- World class reading program
- Intensive secondary math and English remediation
- Standards Based Education, common assessments, and district wide data system
- Massive professional development efforts
- 10 fold increase in mentoring
- Future leaders academy
- 50 teacher-leader positions
- Expanded college counseling, substance abuse support, criminal justice diversion, and 15 additional social workers
- Extensive international travel tied to classroom curriculum
- STEM partnership with MIT, MITRE, and other local high tech firms
- Executive coaching

Real per pupil spending was flat*

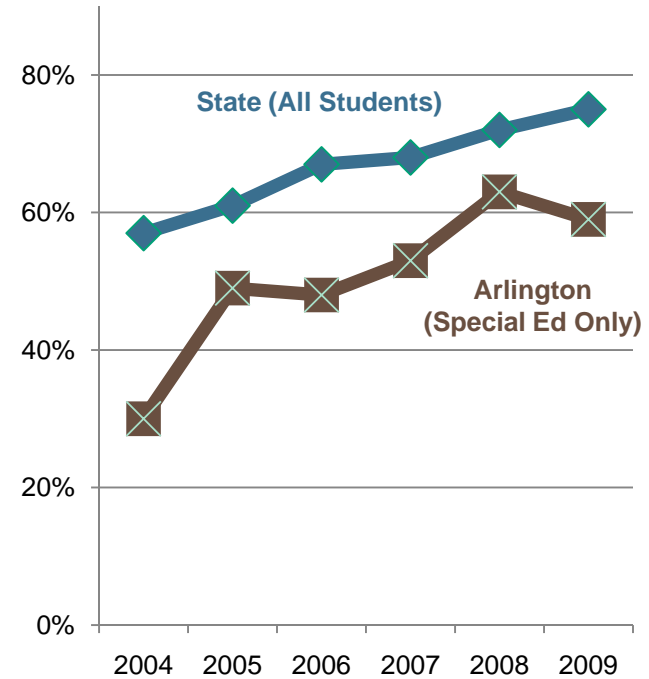
*Excludes new revenue streams

Results, not just activities

English MCAS- Grade 10 Advanced + Proficient



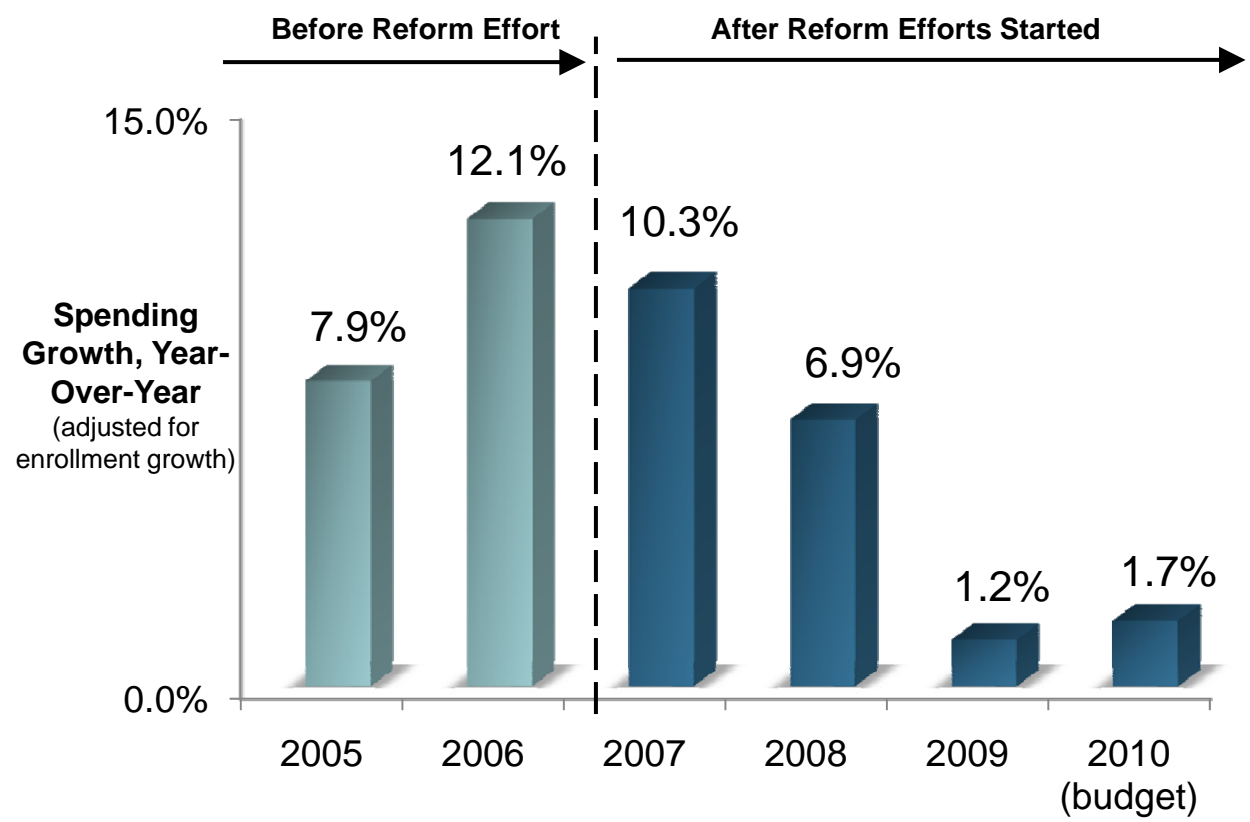
Math MCAS- Grade 10 Advanced + Proficient



The achievement gap between students with special needs and their general education peers narrowed dramatically, while real spending decreased.

Bending the cost curve

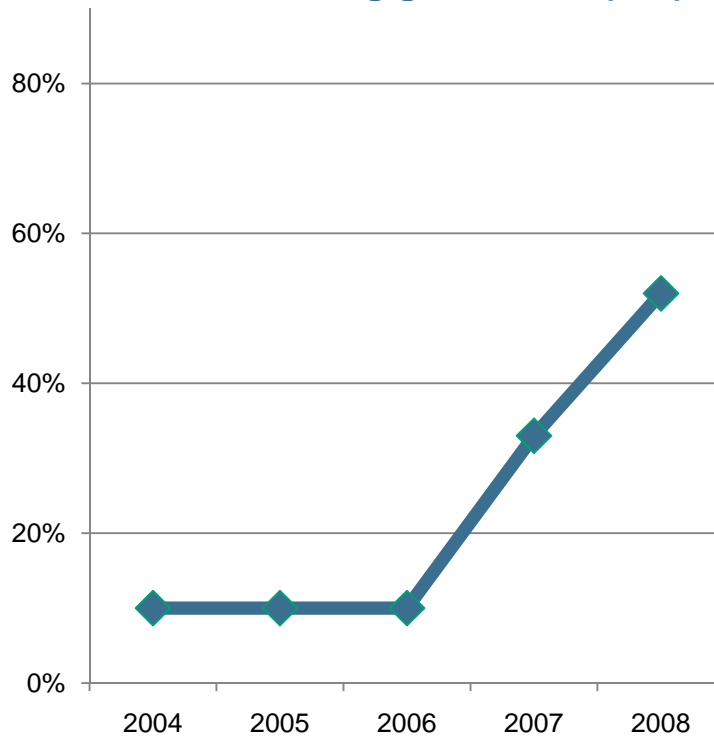
Growth in Special Education Spending



Special education costs increased by less than inflation while student achievement soared.

Results, not just activities

Struggling readers
reaching grade level (K-2)



➤ Qualitative measures also improved

- Teacher turnover decreased 30%
- Parent complaints to DOE dropped from 25 to 0
- Nearly 1/3 of high school students traveled abroad
- Administrators sought out the district
- Very happy, proud, accomplished administrators (for the most part)
- A focus on student academic, social and emotional success

Not a happy ending



- **Every \$ shifted created an enemy**
- **Progress was an insult to the past**
- **“Winners” celebrate, “losers” run for school board**
- **Superintendent resigns**
- **Gains remain, but fear rules**

Lessons and implications

- **Increase external pressure for results**
 - Need must trump history

- **Make school boards more like the Senate**
 - Political stability and thoughtfulness

- **A broader skill set for Superintendents**
 - Finance, leadership, and political acumen, not pedagogy

- **Start from scratch**
 - No legacy minefields to navigate

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