Our educational system is at a crossroads. Preparing every student for college and careers in the information age requires that school districts invest more and differently in teaching effectiveness, time, individual attention, and information systems. But even before a decline in revenue, district leaders face automatic increases in salaries and benefits that require them to cut spending every year. Meanwhile, scarce dollars are tied up in rigid prescriptions for resource use that fit industrial ways of organizing schools that are difficult to change because of policies, contracts, and tradition. Budget pressures present a choice—do less with less or seize the moment to transform school systems with clarified goals, new policies, incentives, and legislation aimed at making the most of education resources for all children.

The vision

Unlike most industries where resource use and organization has changed dramatically over the past 50 years, basic school structures and patterns of spending have stayed much the same. We still see isolated classrooms, organized by subject and grade, in short rigid time blocks for 6.5 hours a day, 180 days a year. But research shows that students begin at different points and learn at different rates. It also shows that high-performing schools rely on teams of teachers with the combined expertise to use data to continually improve their practice and to adjust their lessons and student grouping to meet individual needs. How can districts and states transform systems to support what research shows every school needs to succeed?

Seven priorities for restructuring resources

Education Resource Strategies, a nonprofit organization dedicated to helping urban school systems organize talent, time, and technology to create great schools at scale, has created a framework that states and districts can use to tackle antiquated cost structures and free unproductive resources to invest in long-term improvement. Seven top priorities have emerged that address the federal, state, and local barriers to using resources well and suggest alternative ways to organize, spend, and maximize resources. The goal is to unlock current resources and find savings in order to invest in transformation.

Priorities for Transformation in Tough Times

1. Restructure job and compensation structure to attract needed expertise, and link to contribution.
2. Rethink standardized class-size model to target individual attention.
3. Optimize existing time to meet student and teacher needs and extend where needed.
4. Redirect special education spending to early intervention and targeted individual attention in general education settings.
5. Maximize use of buildings and land.
6. Invest to support and develop leadership.
7. Leverage outside partners and technology to maintain or improve quality at lower cost.

1. Job and compensation structure

**Barriers:**
- Mid-career salary levels are often not high enough to consistently retain the highest contributors.
- Local and statewide compensation structures emphasize longevity and course-taking, which have little correlation to student outcomes.
- Compensation levels and structures for non-teaching positions such as clerical and custodial workers may award higher than competitive salaries.
- Tenure, dismissal, and seniority-bumping policies restrict schools’ and districts’ ability to remove ineffective teachers, causing imbalances in teacher skills and experience across schools.
- Ineffective and poorly implemented teacher evaluation systems prevent recognition and compensation for key roles, skills, and career progress.
- Escalating pension and benefit costs along with automatic step and lane increases leave few compensation dollars available to reward high contributors, build professional capacity, and provide expert support to teachers.

**What state policy makers can do:**
- Create incentives and provide support to develop and implement new compensation structures that attract the best and reward contribution, responsibilities, and effectiveness.
- Report information on salary levels by position at different levels of responsibility and experience.
- Eliminate tenure policies and poor supervision practices that allow ineffective teachers to remain in the profession.
- Revise last-in-first-out lay-off policies to recognize effectiveness rather than years on the job.
- Promote teacher evaluation systems aligned with career progress that include observations and multiple effectiveness measures in addition to student growth.
- Redirect pension and benefit dollars to make salaries more competitive earlier in a teaching career by raising employee contributions to levels of other professions and offering lower-cost combinations of options (cafeteria-style) which might better fit needs.
- Provide early retirement incentives for less-effective teachers nearing the end of their careers.

2. Class size and student grouping

**Barriers:**
- State and local policies require inflexible class sizes and staffing ratios, limiting the ability of districts and schools to alter group sizes and teacher expertise to best meet student needs throughout the day.
- Class-size restrictions force hiring of underqualified staff in subjects and specialties where the applicant pools are limited.
What state policy makers can do:

- **Eliminate class-size requirements and mandated staffing ratios, including funding streams tied to specific job titles.**
- **Create accountability systems based not on class size or staff ratio inputs, but on measurable student outcomes.**

### 3. Time

**Barriers:**

- State seat-time requirements prevent schools and districts from structuring the school day and year in alternative and cost-effective ways that meet student needs.
- Traditional scheduling with equal-length periods and no priority for specific subjects limits extended time, remediation, or acceleration in core content areas.

**What state policy makers can do:**

- Eliminate Carnegie units and strict seat-time requirements by subject and measure whether students reach learning standards.
- Promote the use of technology to supplement or supplant class time, especially in underfilled and specialized subjects.
- Provide districts with research and models on innovative scheduling for instructional and non-instructional time, the integration of technology, and accessing community and outside resources.
- Invest in improved student assessment systems to target time on high-need content areas.

### 4. Special education and early intervention

**Barriers:**

- Federal and state regulations and maintenance of effort requirements make special education nearly immune to budget cuts, placing a greater proportion of the budget burden on general education.
- Inconsistent state and local policies and practices create wide differences in special education classifications between states and individual districts.
- School choice that allows students with intensive, specialized needs to attend any school spreads services and specialized expertise over more school buildings than is cost-effective and can reduce the quality of service.
- Individual Education Plans (IEPs) written in isolation without considering the specific teacher’s expertise, resources, and demands prevent well-integrated, cost-effective services for special education students.
- State rules and policies on the use of special education staff and aides limit struggling students’ exposure to teachers with content expertise.

**What state policy makers can do:**

- Clarify federal guidance and provide incentives that enable districts to use special education dollars for early intervention and “Response to Intervention” strategies that get better results and lower unnecessary referrals.
- Revise standards and hold districts accountable for special education student outcomes, allowing flexibility in the provision of instruction and services for students with special needs in both general and special education settings.

- Compare policies to those of other states to determine best practices for special education intervention, referral, and alternative programs and services.
- Offer incentives for dual-certification, allowing for better integration of groups of special and general education students across classrooms and content areas.
- Invest in technology to improve special education administration and compliance at the state and local levels.

### 5. Buildings and Facilities

**Barriers:**

- Declining enrollment creates underutilized buildings and programs that tie up significant district resources in fixed administrative costs and redundant staffing and services.
- Although small schools of less than 350 students promote individualized student attention and personal learning environments, they are costly to run and districts typically allocate a subsidy to cover higher per-pupil administrative and overhead costs.

**What state policy makers can do:**

- Report information across districts that compare spending on facilities.
- Educate public on costs of underutilization and potential benefits of consolidation.
- Provide incentive funds for districts to close or consolidate small and under-filled schools.
- Eliminate state requirements for specific staffing positions by school to enable cost-effective small-school models.
- Revise hiring restrictions to allow part-time personnel and non-certified experts to work across small and under-filled schools.
- Provide tax incentives to businesses that rent or purchase empty school facilities.

### 6. Leadership development

**Barriers:**

- Federal and state compliance regulations command significant administrative time and attention, pulling district and school leadership away from support and instruction.
- Seniority staffing requirements attract more experienced staff to higher-performing schools, making those schools more attractive to principals and instructional leaders.
- State certification standards for principals vary widely in the quality of training and support they require.

**What state policy makers can do:**

- Provide compensation incentives that attract top leadership talent to hard-to-staff districts and schools, where student and staff needs are greatest.
- Align state principal certification requirements and support to research-based drivers of effective leadership.
7. Outside partnerships and technology

**Barriers:**
- State and local contracts and approval requirements limit the people and organizations that can serve students and schools, even when potentially higher quality, lower-cost providers exist.
- Subject hours and seat-time requirements prevent the use of technology and other non-traditional instruction.

**What state policy makers can do:**
- Set clear subject standards to allow student mastery through alternative instructional channels such as online learning and community partners.
- Remove barriers that currently prevent outside contractors and non-traditional vendors from supplying education and support services with proven credentials to serve students.
- Provide districts with research-based models and expertise on instructional technology and outside partnerships.

**Conclusion**
Over time, traditional ideas of how schools organize have combined with legislated mandates, rigid funding categories, and contract stipulations to create barriers to using talent, time, and technology well in today’s school systems. Caught between economic pressure and stalled attempts at reform, we must act now to reinvent outdated school structures that prevent school leaders from using resources to maximize student learning. While continuing to secure maximum financial support for education, advocacy groups and policy makers also need to turn the funding crisis into opportunity. Only by repurposing resources currently bound by outmoded structures can we make the transformation required to educate all students to the higher levels required for a vibrant democracy and economy in the information age. This will require states to focus on creating accountability for outcomes instead of inputs, investing to build teaching and leadership capacity, providing templates, tools and support to implement best practices and revising policies and practices that get in the way of innovation and productivity.

Karen Hawley Miles is the president and executive director of Education Resource Strategies, Inc.
Karen Baroody is the organization’s managing director.