

# Knox County Schools Strategic Finance Plan 2015-2020

Executive Summary – DRAFT FOR DISCUSSION

March 2013



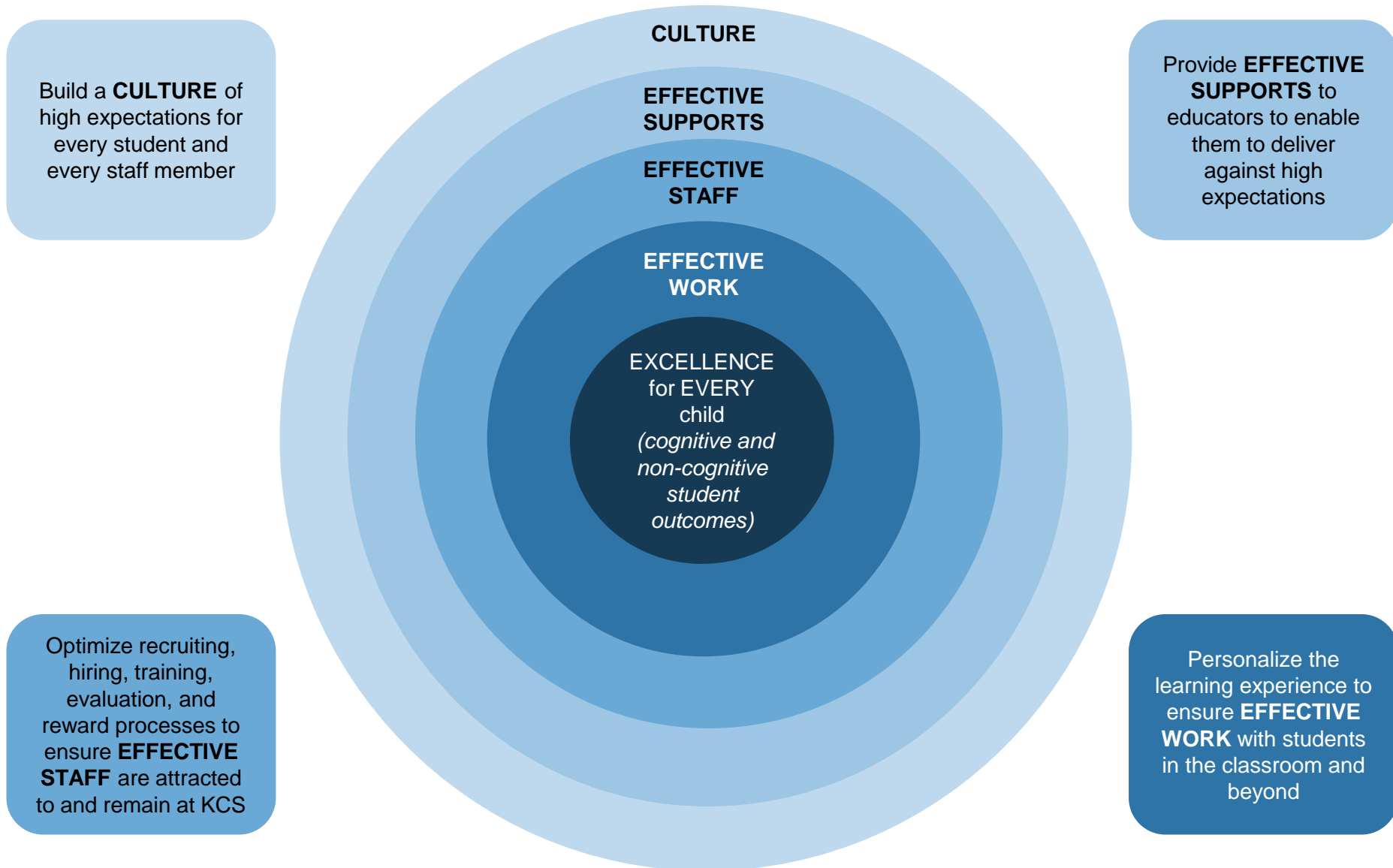
## Objectives for Today's Meeting

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- Review proposed investments for FY14-15 to FY19-20 to support key themes emerging from Knox County Schools' strategic planning work
- Outline total funding required to implement investments within the context of the district's projected finances
- Introduce recommended sources of funds to reallocate toward investment areas

## Investments

Through multiple input and feedback sessions, KCS has identified several emerging themes that will lay the groundwork for its strategic priorities



# Investments

Analysis and additional stakeholder feedback pointed to specific investment needs within these overarching themes

## KEY THEMES

Personalize the learning experience to ensure **EFFECTIVE WORK** with students in the classroom and beyond

Optimize recruiting, hiring, training, evaluation, and reward processes to ensure **EFFECTIVE STAFF** are attracted to and remain at KCS

Provide **EFFECTIVE SUPPORTS** to educators to enable them to deliver against high expectations

Build a **CULTURE** of high expectations for every student and every staff member

## RELATED INITIATIVES

1  
**Balanced Calendar**

2  
**Elementary Intervention Delivery Model**

3  
**Technology-Enabled Personalized Learning**

4  
**Strategic Recruiting and Staffing**

5  
**Teacher Compensation**

6  
**School Leader Compensation**

7  
**Professional Development to Support Teachers and Teacher Evaluation**

8  
**School Support Model**

9  
**Analytical Capacity and Data Systems**

**These nine initiatives will support the KCS culture required to achieve Excellence for Every Child**

# Investments

Investments should be strategically phased-in over the short, medium and longer term

## Short Term

- Short term investments are designed to build the district's capacity to ensure high quality implementation of medium and longer term investments

### *Examples:*

- Strategic recruiting and staffing
- Recruiting bonus component of school leader compensation
- Elementary school component of teacher professional development
- School support model
- Added analytical capacity

## Medium Term

- Medium term investments require a coordinated effort to design a detailed implementation plan that meets the needs of all stakeholders
- In many cases, pilot programs can be leveraged to test implementation on a small scale and allow for ongoing adjustments

### *Examples:*

- Balanced calendar
- Redesigned elementary intervention model
- Principal salary schedule reform and increased administrative support for school leaders
- Secondary school component of teacher professional development

## Longer Term

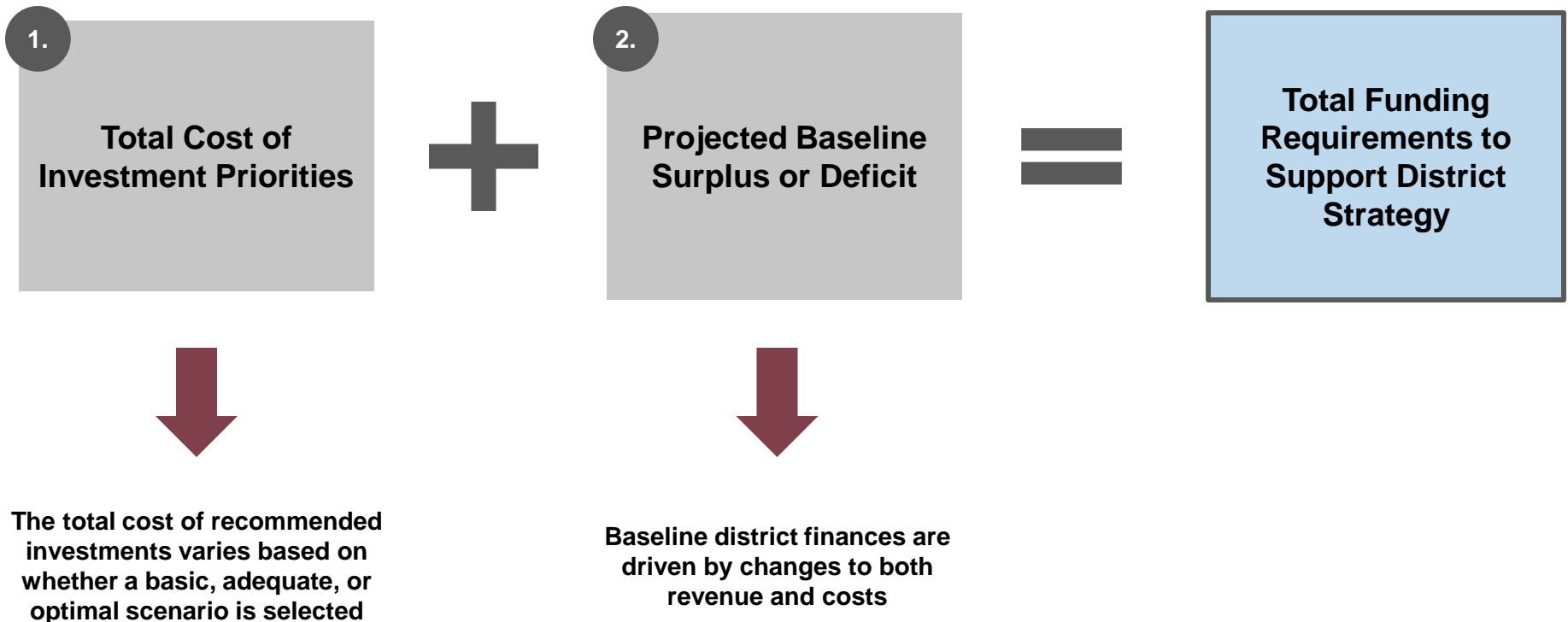
- Longer term investments build on earlier phases to strengthen support for district priorities once early results can be measured

### *Examples:*

- Technology-enabled personalized learning
- Increased based salaries for principals

## Total Funding Requirements

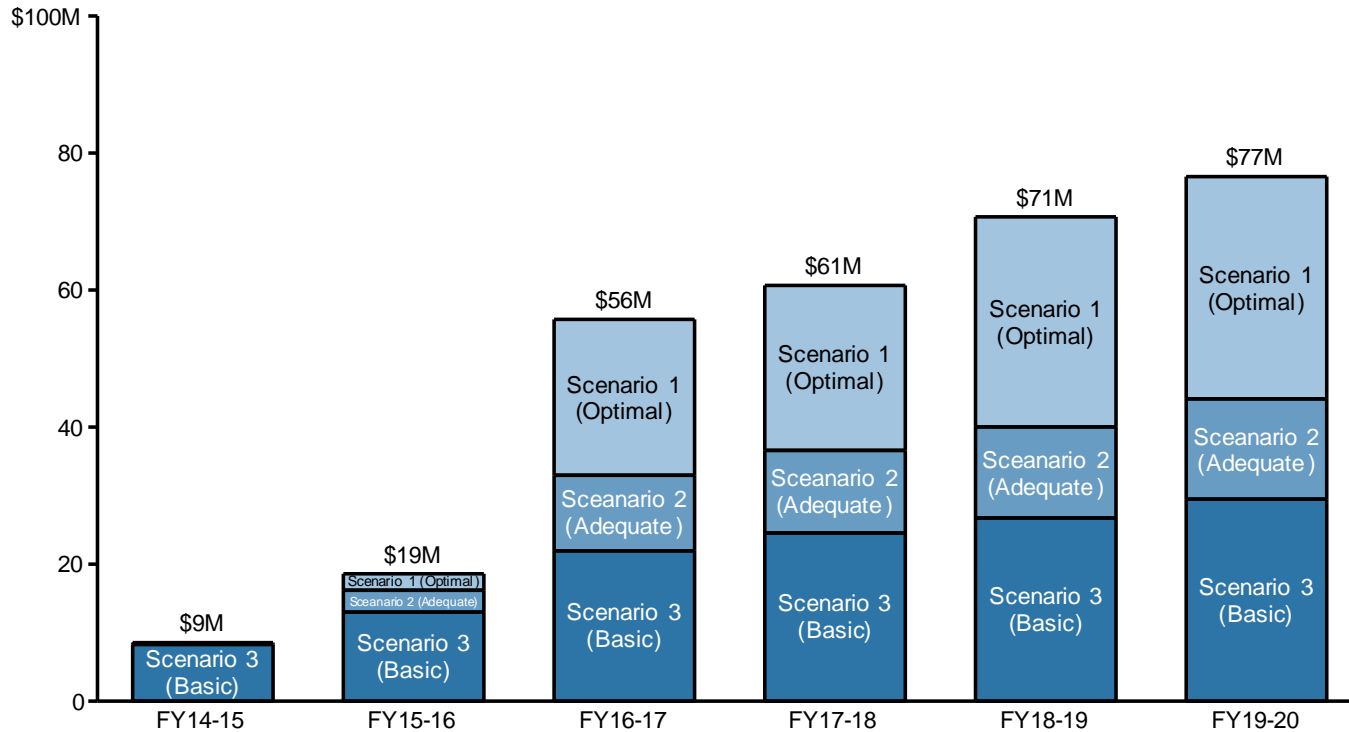
Total funding required to support the district’s strategy over the next six years is driven by two factors



# Total Funding Requirements

Implementing the recommended investments would require incremental funding annually through FY19-20

Total Cost of Investment Priorities by Scenario, FY14-15 to FY19-20



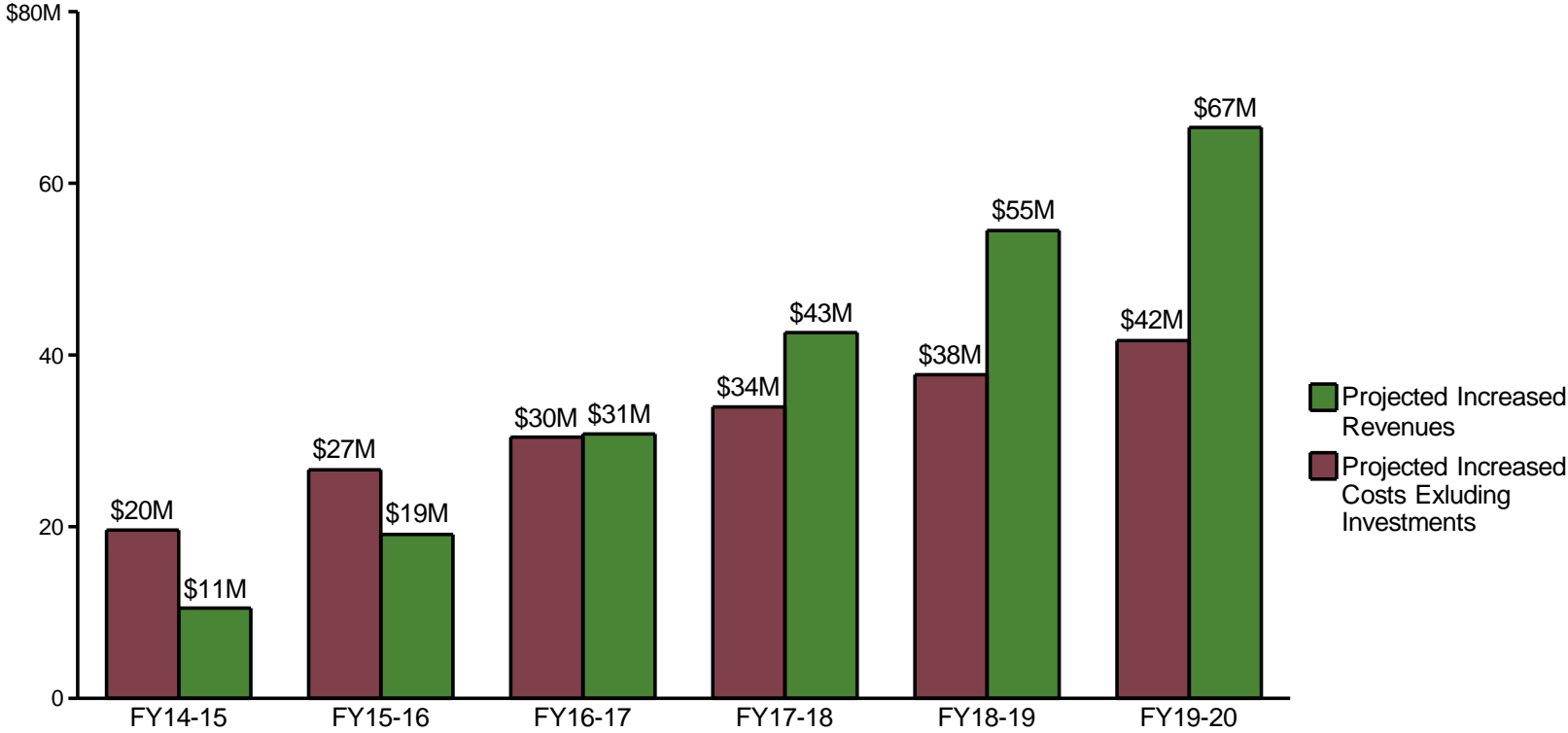
<b>Scenario 1 (Optimal)</b>	\$9M	\$19M	\$56M	\$61M	\$71M	\$77M
<b>Scenario 2 (Adequate)</b>	\$8M	\$16M	\$33M	\$37M	\$40M	\$44M
<b>Scenario 3 (Basic)</b>	\$8M	\$13M	\$22M	\$25M	\$27M	\$29M

# Total Funding Requirements

## The KCS baseline budget projection prior to implementing recommended investments indicates a shortfall through FY16-17

Projected Annual Incremental Expenditures and Revenues Excluding Investments, FY14-15 to FY19-20

Note: 2013-14 General Purpose Budget = \$420M



Projected Surplus (Shortfall) Excluding Investments	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
	(\$9M)	(\$8M)	\$0M	\$9M	\$17M	\$25M

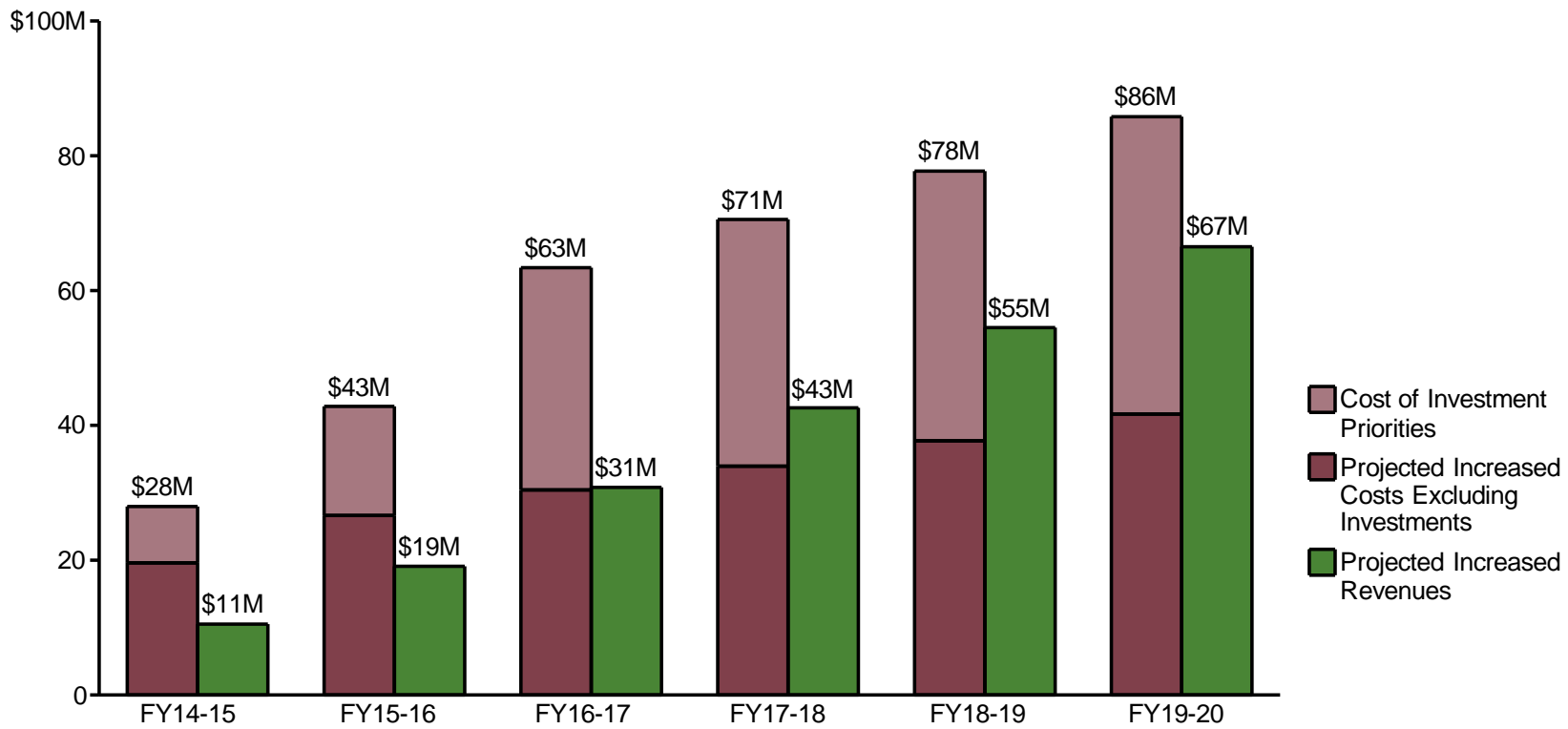


# Total Funding Requirements

## Including investments, the KCS budget projection indicates a shortfall through FY19-20, which highlights the need to evaluate current spending areas

Projected Annual Incremental Expenditures and Revenues Including Investments, FY14-15 to FY19-20

Note: 2013-14 General Purpose Budget = \$420M



Projected Surplus (Shortfall) Including Investments	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
	(\$17M)	(\$24M)	(\$33M)	(\$28M)	(\$23M)	(\$19M)

Note: The cost of investment priorities reflects Scenario 2 (Adequate)

## Sources of Funds

### The Smarter School Spending process identified funds for reallocation to support investment priorities

Source of Funds	Description of Source	Total Projected Cost Avoidance
<b>School staffing ratio</b>	<ul style="list-style-type: none"> <li>Reduce the district's current investment in additional teaching positions allocated to reduce class size below state mandates</li> </ul>	\$15.6M
<b>Compensation for advanced degrees</b>	<ul style="list-style-type: none"> <li>Discontinue automatic pay increases for obtaining advanced degrees. Reduce current investment over time through natural turnover</li> </ul>	\$7.8M
<b>Student-to-staff ratios for non teaching positions</b>	<ul style="list-style-type: none"> <li>Reduce staff across 9 position categories where KCS has a lower student-to-staff ratio than benchmark districts</li> </ul>	\$6.7M
<b>Instructional assistants</b>	<ul style="list-style-type: none"> <li>Reallocate the district's investment in general education instructional assistants in ES to fund intervention monitors and student support staff</li> </ul>	\$6.4M
<b>HS schedule</b>	<ul style="list-style-type: none"> <li>Adjust the HS schedule to allow for year-long courses and increase student time spent on core academics. Ensure 60 minute daily planning period for teachers</li> </ul>	\$3.9M
<b>HS administrative supports</b>	<ul style="list-style-type: none"> <li>In cases where KCS staffing ratios exceed benchmark districts, reallocate HS administrative supports to the elementary school level</li> </ul>	\$1.3M
<b>Project GRAD</b>	<ul style="list-style-type: none"> <li>Discontinue the district's investment in Project GRAD</li> </ul>	\$1.2M
<b>TAP</b>	<ul style="list-style-type: none"> <li>Discontinue the portion of the TAP program that is currently funded through the General Purpose budget</li> </ul>	\$1.0M
<b>Fee waiver allocations</b>	<ul style="list-style-type: none"> <li>Discontinue the district's current investment in fee waivers for student fees incurred due to school-day programs such as field trips</li> </ul>	\$1.0M
<b>Staff development</b>	<ul style="list-style-type: none"> <li>Reallocate a portion of the district's investment in staff development toward professional development activities outlined in the strategic investment section of the SFP</li> </ul>	\$0.5M
<b>General school allocation account</b>	<ul style="list-style-type: none"> <li>Eliminate the district's programmatic contingency fund</li> </ul>	\$0.3M
<b>Total Sources of Funds:</b>		<b>\$45.8M</b>

## Appendix

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## Appendix: Investments

### The Strategic Finance Plan considers three different scenarios, with different levels of investment intensity and potentially different student outcomes

	Key Initiative	Scenario 1: OPTIMAL	Scenario 2: ADEQUATE	Scenario 3: BASIC
1	<b>Balanced Calendar</b>	<ul style="list-style-type: none"> <li>Elementary principal contract extended to 255 days</li> <li>Number of instructional days increased from 180 to 200 for 100% of students</li> </ul>	<ul style="list-style-type: none"> <li>Elementary principal contract extended to 255 days</li> <li>Number of instructional days increased from 180 to 200 for 30% of students (highest need)</li> </ul>	<ul style="list-style-type: none"> <li>Elementary principal contract extended to 255 days</li> <li>Redistributes available contract days (no instructional days added)</li> </ul>
2	<b>New Elementary Intervention Model</b>	<ul style="list-style-type: none"> <li>Leverages technology to allow classroom teachers to deliver interventions</li> <li>Incorporates premier reading and math software to maximize impact of enrichment</li> <li>Teachers hired to monitor labs</li> </ul>	<ul style="list-style-type: none"> <li>Leverages technology to allow classroom teachers to deliver interventions</li> <li>Incorporates premier reading and math software to maximize impact of enrichment</li> </ul>	<ul style="list-style-type: none"> <li>Leverages technology to allow classroom teachers to deliver interventions</li> </ul>
3	<b>Technology-Enabled Personalized Learning</b>	<ul style="list-style-type: none"> <li>1:1 student-to-device ratio implemented at all grade levels but K-3, where 3:1 is implemented</li> <li>Schools may adopt a blended learning model to extend reach of effective teachers</li> </ul>	<ul style="list-style-type: none"> <li>3:1 student-to-device ratio is implemented in elementary and middle schools; 1:1 ratio is implemented in high schools</li> <li>Schools may adopt a blended learning model to extend reach of effective teachers</li> </ul>	<ul style="list-style-type: none"> <li>3:1 student-to-device ratio is implemented at all grade levels</li> <li>Schools may adopt a blended learning model to extend reach of effective teachers</li> </ul>
4	<b>Strategic Recruiting and Staffing</b>	<ul style="list-style-type: none"> <li>2 recruiting FTEs and 4 HR Partners are hired to provide staffing support to principals</li> </ul>		
5	<b>Teacher Compensation</b>	<ul style="list-style-type: none"> <li>Some portion of teachers eligible to increase their reach for additional compensation</li> <li>100% of teachers eligible to receive a 10% salary increase for working 20 add'l days</li> <li>MS and HS teachers who are selected to become peer mentors receive a stipend</li> </ul>	<ul style="list-style-type: none"> <li>Some portion of teachers eligible to increase their reach for additional compensation</li> <li>30% of teachers eligible to receive a 10% stipend for working 20 additional days</li> <li>MS and HS teachers who are selected to become peer mentors receive a stipend</li> </ul>	<ul style="list-style-type: none"> <li>Some portion of teachers eligible to increase their reach for additional compensation</li> <li>MS and HS teachers who are selected to become peer mentors receive a stipend</li> </ul>
6	<b>School Leaders Compensation</b>	<ul style="list-style-type: none"> <li>Principal and AP salary schedules reformed</li> <li>20% recruiting bonus in high need schools</li> <li>Contracts extended to 255 days for 3 support FTEs</li> <li>10-15% performance bonus implemented and base salary increased over time</li> </ul>	<ul style="list-style-type: none"> <li>Principal and AP salary schedules reformed</li> <li>20% recruiting bonus in high need schools</li> <li>Contracts extended to 255 days for 3 support FTEs</li> </ul>	<ul style="list-style-type: none"> <li>Principal and AP salary schedules reformed</li> <li>20% recruiting bonus in high need schools (head principals only)</li> </ul>
7	<b>Teacher Professional Development</b>	<ul style="list-style-type: none"> <li>Elementary Schools: Continue current instructional coaching model, but at higher intensity (teacher to instructional coach ratio lowered to 20:1)</li> <li>Middle Schools and High Schools: Implement a new peer mentor program (10 teachers per school-based peer mentor. The peer mentor is an effective teacher who applies for and is selected for the position through a screening process)</li> </ul>		
8	<b>School Support Model</b>	<ul style="list-style-type: none"> <li>School support reorganized into five “regions” (five used as an assumption placeholder for cost estimate purposes), with additional school support FTEs by region</li> </ul>		
9	<b>Analytical Capacity</b>	<ul style="list-style-type: none"> <li>3 FTEs hired to form a dedicated analytics team that will monitor program and initiative implementation and outcomes</li> <li>HR system upgraded to allow for HR analytics (across the continuum of talent management activities – recruitment, hiring, evaluation, etc.)</li> </ul>		

## Appendix: Sources of Funds

### External research and the assessed impact in KCS support reallocation of the proposed sources of funds

Source of Funds	Connection to External Research	Assessment of Impact in KCS
<b>School staffing ratio</b>	<ul style="list-style-type: none"> <li>While there is some evidence that class size reductions have an impact on student outcomes, reductions must be so large to have an impact (e.g., average class size of 15 students) that they are simply not financially feasible</li> <li>Even in studies where class size is significantly reduced, the impact is not as great as what can be achieved through other investments, for example in teacher and leader effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>In KCS, investments in class size have resulted in the creation of nearly 300 incremental teaching positions</li> <li>Teacher effectiveness data in KCS (measured by TVAAS) indicates that there is a similar number of teachers identified as Level 1 or Level 2</li> <li>While this does not suggest that the investment has caused schools to hire less effective teachers, it does mean that the investment has not resulted in the desired student learning improvements</li> </ul>
<b>Compensation for advanced degrees</b>	<ul style="list-style-type: none"> <li>Extensive research has been conducted to demonstrate that teacher performance in the classroom and student outcomes are not linked to advanced degrees, with the possible exception of Master's degrees in math or science</li> </ul>	<ul style="list-style-type: none"> <li>Through a significant engagement process, KCS has designed APEX to reward the inputs and outputs the district believes support greater student achievement and growth: (1) student success; (2) effective instruction; (3) teacher leadership; and (4) commitment to high-need schools</li> </ul>
<b>Student-to-staff ratios for non teaching positions</b>	<ul style="list-style-type: none"> <li>Research shows that spending on non-teaching positions in schools increased nearly 20 times the increase in student enrollment during the period from 1970 to 2010</li> <li>During that same time period, student achievement (as measured by average NAEP scale scores) has remained relatively flat</li> </ul>	<ul style="list-style-type: none"> <li>In nine position categories, KCS has a lower student-to-staff ratio than the median for benchmark districts</li> <li>Positions include custodian, psychologist, librarian, guidance counselor, speech therapist, social worker, occupational therapist, physical therapist and nurses</li> </ul>

## Appendix: Sources of Funds

### External research and the assessed impact in KCS support reallocation of the proposed sources of funds (continued)

Source of Funds	Connection to External Research	Assessment of Impact in KCS
<b>Instructional assistants</b>	<ul style="list-style-type: none"> <li>Research suggests that overall, the impact of instructional assistants on student performance is minimal and assistants do not receive sufficient training on the activities they are asked to perform</li> </ul>	<ul style="list-style-type: none"> <li>Today, instructional assistants perform two primary functions in elementary schools:               <ul style="list-style-type: none"> <li>Providing instructional support to students in interventions and other small groups</li> <li>Providing supervision during key points throughout the school day</li> </ul> </li> <li>The investments outlined in the SFP formalize these roles in two new positions: (1) computer lab monitors supporting technology enrichment periods and (2) student support staff to supervise lunch duty, dismissal, etc. This role definition will help KCS ensure that assistants are well-trained and highly effective</li> </ul>
<b>HS schedule</b>	<ul style="list-style-type: none"> <li>Research is mixed regarding the impact of block scheduling on student achievement</li> <li>Possible benefits include increased teacher planning time and opportunities for differentiated instruction</li> <li>Possible costs include scheduling challenges and increased learning loss due to time lapsed between courses within a single subject</li> </ul>	<ul style="list-style-type: none"> <li>In KCS, one result of scheduling based on 90 minute courses is that students spend less time in core academic classes than their peers in other districts. In KCS, HS students spent 63% of time in core courses. The median for benchmark districts is 70%</li> <li>To phase out block scheduling, district support staff will partner with principals to design a master schedule that meets the needs of students, which may include extended time in core courses</li> </ul>