DECEMBER 2014

The State's Priority Opportunities to Support Education Reform in Georgia through Resource Reallocation

Executive Summary

Nationwide, states face declining or plateauing investments in education. These financial constraints, coupled with increased standards for student achievement through the widespread adoption of the Common Core State Standards (CCSS), create a heightened need for strategic resource use. However, districts are not currently using resources strategically, as research suggests that 40 cents out of every dollar are spent on practices not aligned with district or state priorities. Therefore, the role of the state today is not only to allocate resources but also to ensure those resources are used effectively.

The state of Georgia leads many others in addressing this issue, having engaged in a series of state-wide reforms to grant Local Education Agencies (LEAs) greater flexibility over how they use district resources in exchange for greater accountability over student outcomes. Georgia's Flexibility Options program, in particular, is at the cutting edge of similar efforts across the country. Our recent deep exploration of K-12 resource use across Georgia, funded through Race to the Top,[1] suggests that Georgia's ongoing reform efforts could be strengthened if they evolve an increasingly strategic and targeted role with respect to education reform.

Ensuring that this effort leads to districts using resources in the most efficient and effective way takes time. In ERS' RT3 project—a two-year partnership with Georgia's Department of Education—we found GA's resource restructuring opportunities could represent as much as twenty-eight cents of every dollar spent on K-12 education.[2] As a result, we have identified three **priority reallocation opportunities,** which extend across the state and represent a significant investment in activities that

[1] Throughout 2012 and 2013, Education Resource Strategies, Inc. (ERS) partnered with the Georgia Department of Education (GaDOE) on a project designed to help GaDOE examine and improve the use of public education resources throughout the state and especially in local schools and districts. The overall purpose was to identify and quantify opportunities wherein resources (defined as people, time, and money) could be strategically reallocated to attain a high impact on student achievement. To do this, we worked at both state and district levels, conducting resource use analysis, state and district interviews, and strategy sessions.
[2] ERS Analysis of Georgia's Financial and Course Schedule data.

are not likely to generate significant improvements in student learning. These three reallocation opportunities stem from:

1. An over-reliance on whole-day class-size reduction
2. State and LEA compensation structures that compensate teachers according to years of experience and education credits instead of teaching effectiveness and contribution
3. Insufficient provision of quality instructional time for students struggling in math and ELA to catch up with proficient peers

Recommendations: The study also identified three ways in which the state can help promote or foster better resource use within Georgia LEAs.

1. Foster district and school flexibility to meet student needs within their district and school contexts.
    a. Expand Georgia's groundbreaking Flexibility Options program.
    b. Adjust the funding system to improve flexibility in accordance with overall state strategy and resource levels.
2. Leverage the existing collection and use of data, especially teaching-effectiveness data, to better inform district-level decision making with regard to staffing, budgeting, and scheduling.
    a. Use teacher-effectiveness data to evaluate and improve school and district management practices on a practical level before seeking to tie it systematically to higher-stakes compensation and career decisions.
    b. Change the paradigm for collecting and reporting data so that its primary purpose becomes reporting useful information back to LEAs in a timely way and also drawing attention to specific current or recent inefficient practices. In this way, the data support more strategic resource decisions in subsequent years.
3. Provide targeted support to districts to help incubate or spread promising practices.
    a. Encourage and foster the adoption of classroom models that move beyond the one-size-fits-all, one-teacher classroom to incorporate flexible, skills-based grouping.
    b. Promote or adopt career paths and compensation structures that make the profession more attractive over time and that reward effective teachers who take on roles that increase their contribution.
    c. Ensure the provision of sufficient, quality instructional time in math and ELA for struggling students.

This paper provides insight into resource restructuring opportunities and prioritizes actions that transform the state's role, so that it can make the most of its resources of people, money, and time to improve the education of all its students.

Priority Reallocation Opportunity #1: Whole-Day Class-Size Strategy

Georgia has class-size mandates that state that individual core classes should be no larger than 32 students and average non-core class sizes should be no larger than 35 students. However, since academic year 2009–2010, the State Board of Education has granted districts automatic flexibility to adjust class sizes to meet the financial and staff constraints caused by austerity or budget cuts.

While no one wants class sizes to be higher than these fairly lax restrictions, research consistently suggests that whole-day class-size reduction, which is how these mandates are usually implemented, may be a relatively cost-ineffective way to improve student outcomes compared to other strategies. Consider the following alternative investments for more targeted attention:

- **Variable group sizes**: This practice entails creating group sizes that are large for part of the day in exchange for very small group sizes at other times, such as during literacy or math blocks. This is often achieved by converting a homeroom teacher into a literacy or math specialist who can work in multiple classrooms. Research[3] suggests that this trade-off can lead to dramatically improved student outcomes, yet it is prohibited by most class-size mandates, particularly when the level of funding is just enough to achieve the mandate.
- **Time-technology swaps:** For this practice, three of the most effective teachers can teach four groups of students, for example, with each group spending one block of each day in a technology/lab setting[4]. The most effective teachers serve up to 25 percent more students but without increasing class size. Unfortunately, certain class-size mandates can prohibit this type of activity.

In Georgia, the relatively high mandates and austerity-driven class-size waivers create space for local districts to engage in these research-supported grouping strategies, which have the potential to improve student outcomes despite Georgia's declining education budgets. However, ERS analysis indicates that less than five percent of core high school classes ever exceeded the "waived" mandates, and in most of those cases the increase did not appear to be part of a targeted attention strategy. In fact, despite the waiver, most classes fell well below the mandates, with the median class in Georgia being approximately two-thirds of the maximums allowed. Statewide, this represents an estimated $2 billion investment in largely undifferentiated class-size reduction during a time of fiscal austerity.

The primary factor inhibiting the state's adoption of targeted grouping practices appears to be local decisions rather than statewide class-size mandates. To help LEAs adopt more cost-effective practices, the state education agency could change paradigms that presuppose one-teacher classrooms and foster or incent the more widespread adoption of more innovative classroom models

[3] Miles, K. and Frank, S. (2008). "The Strategic School: Making the Most of People, Time, and Money." Corwin Press, Leadership for Learning, and National Association of Secondary School Principals.
[4] Rocketship Education has gained national attention for its work with blended learning models.

that create small-group instruction for priority topics such as literacy and math—or that fundamentally rethink staffing and grouping practices in ways that expand the role of top performers.

To foster classroom models that move beyond the one-size-fits-all paradigm and generate strong student performance, and to remove real and perceived barriers to leveraging class-size flexibility, Georgia should:

- Capture and disseminate templates for innovative classroom models that show strong student performance results in Georgia
- Emphasize or incentivize the use of virtual and blended learning opportunities to maintain course offerings and extend effective teaching
- Emphasize Georgia's Universal Design for Learning guides to foster differentiated instruction in all classrooms

Priority Reallocation Opportunity #2: Compensation Structures

Teacher compensation and career pathway systems are powerful vehicles for maximizing teaching effectiveness. They can attract, retain, and leverage effective teachers to impact more students and remediate or manage out less effective teachers. Teacher compensation packages often follow a salary schedule that gives all teachers annual raises regardless of performance and contribution, plus permanent increases for course credits or the attainment of an advanced degree. These models provide inconsistent or insufficient incentives for taking on greater challenges or playing leadership roles. Moreover, research[5] suggests that the factors they reward most (experience and advanced degrees) are not closely associated with improved student outcomes, except in the early years of teaching.

Georgia districts pay teachers according to this traditional step-and-lanes-based salary schedule and provide this supplement to all districts based on the actual experience and education of their existing faculty. While districts are required to adhere to salary-schedule minimums, districts can add to teachers' pay by using a local supplement.

The state salary schedule at the time of this study allocated roughly $1.7 billion, or 21 percent of Georgia's total investment in teacher compensation[6], to training and experience (T&E). This allocation constrains districts from spending these dollars on more strategic compensation elements that research indicates are more closely tied to higher student learning.

Georgia is putting in place key elements that have the potential to enable districts to modernize teacher compensation systems. Given the state's investment in the Teacher Keys Effectiveness System (TKES), its new teacher evaluation system, and the upcoming Professional Standard

[5] Ozdemir, M. and Stevenson, W. (2010). "The Impact of Teachers' Advanced Degrees on Student Learning." *Human Capital in Boston Public Schools: Rethinking How to Attract, Develop and Retain Effective Teachers.* Washington, DC: National Council on Teaching Quality.
[6] ERS Financial and Course Schedule Analysis (data from 2010–2011).

Commission's (PSC) rollout of a tiered certification system, Georgia has developed many of the right structures and supports to identify teaching effectiveness and use this data to restructure its currently rigid teacher compensation and career pathways system.

In pursuing compensation reform, Georgia should take care to:

1. Work first to make sure the effectiveness measures can sustain a productive compensation reform:
    a. Ensure the evaluation system is fair, rigorous, and trusted by teachers before tying it to high-stakes outcomes related to their career and compensation
    b. Ensure that the effectiveness measures identify meaningful numbers of teachers at all effectiveness levels, including ineffective and developing teachers as well as effective and highly effective teachers. These percentages should be comparable for teachers in tested and non-tested subjects.
    c. Invest in vetting the teacher effectiveness data in practical application by using it to support school and district management decisions for a couple of years to better understand the validity and reliability of this data.
2. When ready to use the evaluations to inform compensation or career decisions, adopt effectiveness bands that align with the Professional Standards Commission's (PSC) tiered certification levels, which allow teachers to earn more compensation by taking on more significant roles as they move up the certification scale.
3. Create effectiveness steps by tying traditional experience pay to effectiveness and not providing raises to teachers who are deemed ineffective or developing, using the difference to pay for enhanced development and support for these teachers or to award additional steps to the most effective teachers.
4. Replace education pay with tuition reimbursement, creating opportunity for districts to fund roles and career paths that expand the impact of effective and highly effective teachers.

Priority Reallocation Opportunity #3: Instructional Time for Struggling Students

In Georgia, as in other states, struggling students are often not given enough instructional time to catch up. Georgia currently has developed two programs to address this issue: Math Support and Remedial Education Program (REP). Math Support explicitly mandates more time for struggling students. This research-supported strategy has succeeded in some ways, but the quality of implementation is mixed, and ultimately mandates create inflexibilities that are not always desirable. While the state could choose to fix the quality issue and then expand the Math Support mandate to other subjects such as English (where struggling students are not typically given sufficient instructional time to catch up with their peers), a more flexible option might be to use the Remedial Education Program to give schools and districts the resources to support these struggling students

without mandating a specific intervention. Districts could use these more flexible resources to increase instructional time or work on other research-supported interventions.

Math Support

Georgia is one of the few states to mandate additional time in math for secondary students who struggle to pass the state test. Specifically, the state funds "Math Support" classes, which are taken in parallel with the current year's math class and provide additional support to the struggling students.

According to ERS analysis, 83 percent of districts are giving additional time to students struggling in math, and this time is predominantly spent in Math Support classes[7]. Because more time in a subject is closely associated with higher student learning[8], this seems like a promising program. To date, however, Math Support's effect on student achievement has been limited. This may be due to policy restrictions; ineffective implementation at local levels, where there is little collaboration between the Math and the Math Support instructors; almost no integration of Math Support into the student's ongoing curriculum; and staffing practices that may excuse the schools' best teachers from teaching these support classes, giving them disproportionately to unproven or novice teachers.

While well intentioned, the Math Support program is tied to a full-year class model that does not allow flexibility of service. The policy thus allows districts few ways to vary time according to student need within the year and does not support districts that wish to offer alternative methods for supporting struggling math students. Additionally, Math Support targets only one area of priority. In English Language Arts, for instance, ERS analysis finds little differentiation of time between students who pass or fail the state test. The state would do well either to fix the quality issues surrounding the Math Support program and extend it to English or to find an alternative way to ensure that struggling students are given effective intervention.

Remedial Education Program

A potential alternative to the Math Support program is the Remedial Education Program (REP). REP was created as the middle and high school equivalent of the Early Intervention Program and is intended to provide additional instructional support to students struggling in reading, writing, and math. Students can qualify for REP based on failing courses in identified subjects, eligibility for Title I (which provides financial assistance to economically disadvantaged students), teacher recommendation, student support team recommendation, and low standardized test performance.

For budgetary purposes, GaDOE has placed a cap on the number of students who can be identified as REP at 25 percent of students in a school. The exception is schools with more than 50 percent of students identified as Free or Reduced-Price Lunch (FRL), which may identify up to 35 percent of students as REP[9].

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[7] ERS Financial and Course Schedule Analysis (data from 2010–2011).

[8] Patall, E. A., Cooper, H., and Allen, A. B. (2010). "Extending the School Day or School Year: A Systematic Review of Research" (1985–2009). *Review of Educational Research*, 80(3), 401–436.

[9] ERS Financial and Course Schedule Analysis (data from 2010-2011).

REP funds must be used for remedial instruction, but districts and schools are given a fair degree of flexibility to determine how the funds are used. For example, districts can choose how to deliver instruction as long as they adhere to one of the following models: REP reduced-class size (18 without a paraprofessional, 24 with a paraprofessional), augmented-class model (REP teacher works with the regular teacher in the same classroom), parallel block scheduling (two-hour instructional blocks, during which students receive 50–60 minutes of instruction at their instructional level), or other school design models that have been approved to meet student need.

The REP could be a promising initiative that provides flexible supports for struggling students. However, though REP offers additional funding to struggling students, just 42 percent of districts identified 50 percent of their threshold, and no schools reached the maximum cap of 25 percent identification[10]. According to interviews and analysis, two-thirds of the students who could have qualified for REP funding were not identified for the program. In short, cash-strapped schools and districts are leaving a tremendous amount of dollars on the table.

In short, Georgia could ensure that students who struggle in ELA and Math receive sufficient time or other intervention to catch up to their peers by considering the following options:

1. Raise the minimum number of instructional hours to improve student achievement. ERS's work with leading-edge schools shows that high-performing schools spent 106 more hours per year on instruction than the national average, at roughly 1,170 instructional hours per year[11].
    - Look at other instructional-time flexibility options. Georgia already provides seat-time flexibility by allowing students to test out of classes or take them online; however, this flexibility is limited by the number of credits a student can earn "alternatively" to graduate. By mandating that students can take distance learning courses, Georgia has taken a first step in rethinking rigid definitions of what constitutes a class. Next steps will include investing to ensure a wider and continuously increasing range of quality distance-learning options and other methods (like video lessons) that rethink traditional definitions of a class.
    - Constantly monitor student performance involving the use of these options, and develop effective methods of evaluating competency, thus freeing students to advance at individualized paces.
    - Promote and help disseminate need-based scheduling and delivery models.
2. Expand and promote the REP to support more students in area of need.
    - Make a targeted effort to communicate the criteria and benefits of the REP.
    - Address fears of subjective over-identification and confusion over requirements; perhaps rename the REP program to something with a more positive connotation.

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[10] Failure to meet standards on state tests in math, reading, or ELA would qualify a student for REP status. According the 2011 NAEP exams, 72 percent of Georgia 8th-grade students did not meet standards in either math or ELA.
[11] Shields, R.A. and Miles, K.H. (2008). *Strategic Designs: Lessons from Leading Edge Small Urban High Schools*. Watertown, MA: Education Resource Strategies.

3. Restructure the Math Support program to provide more flexible, differentiated support.
    - Administer the Math Support program with greater flexibility from seat-time requirements, and allow for need-based scheduling, a key tenet of effective use of time.
    - Support districts in assigning effective teachers to highest-need students and classes and providing time for collaboration between support and regular math teachers by providing management reports and data on teaching effectiveness and student assignments.

Recommendation #1: Foster district and school flexibility to meet student needs within their district and school contexts

Rather than eliminating the existing, restrictive allocation processes or policies described above, Georgia has created a system of waivers, workarounds, and district-status options that allow districts the opportunity to use resources flexibly. Some of these waivers and workarounds were initiated as cost-saving measures; however, the new Flexibility Options—the state's groundbreaking method to grant districts autonomy—are intentionally strategic and empower district-level transformation. This initiative needs to go further, however. The state needs to institute reforms to the overall funding system to encourage more flexible options. These strategies, along with the state's expansion of how it provides direct support to schools and districts, are opportunities for it to create and share shining examples of district success.

1. Expand Georgia's ground-breaking Flexibility Options program

While many states have flexible school-level options, such as charter schools, Georgia differentiates itself by offering district-level Flexibility Options. These options are, in essence, operational approaches that allow school systems and schools to allocate resources aligned with their local context and strategy, rather than adhering to state mandates.

Though some options include broad waivers from Title 20, the section of Georgia Code that pertains to public education, four types of waivers are of primary importance across all options:

- Class-size requirements
- Expenditure controls
- Certification requirements
- Salary-schedule requirements

In exchange for flexibilities to some or all of these requirements, participating districts are held accountable to the state to demonstrate student achievement in high school graduation rate, SAT or ACT performance, standardized test data, and/or AP or IB participation or performance. The options with the greatest autonomy also require the greatest level of accountability. By June 2015, all Georgia districts must choose to operate as one of the following[12]:

[12] See Appendix 2 for descriptions of each type

- Charter system
- System of charter schools
- System of charter clusters
- Investing in Educational Excellence (IE2) school system
- Strategic School system
- Status quo

Accountability under the flexibility system is based upon outcomes. If the participating districts fail to meet accountability standards, they are subject to repercussions, including loss of governance. The effectiveness of this measure would in part depend on the extent to which the state awards consequences. Another promising avenue for ensuring success will be for GaDOE to invest in creating supports and tools to help districts progress toward their goals and to redress performance problems before failure occurs, in part by sharing best practices from districts that succeed. This would imply a differentiated district support strategy aimed at supporting flexibility districts and creating a few shining examples of success.

Georgia's approach to creating district Flexibility Options is innovative and opens new possibilities for school- and district-level resource use. Some of the options are comprehensive and could support dramatic transformation. Moreover, the application process itself, which requires districts to create and articulate a multi-year improvement strategy, could lead to better resource decisions and improved student outcomes regardless of the outcome of the application.

Despite these implied benefits, however, as of 2012, only nine percent of Georgia's 195 districts have applied for and earned a flexibility status: just three school districts applied for and earned IE[2] status, no school districts applied for strategic school system status, and 14 school districts have approved petitions for charter system status[13].

Given that the individual flexibility waivers awarded to all districts will expire in 2015, there is a risk that Georgia will take a step backward in local flexibility if efforts are not made to ensure that more districts apply for and are granted the transformational flexibility statuses. Forcing districts to actively choose status quo status should help, but we also note that districts that do choose to remain status quo will be subject to default mandates that appear to inhibit a variety of promising reforms and could undermine local efforts to improve student performance.

The state could help expand and leverage the Flexibility Options by:

- **Clearly communicating the value proposition, especially for the most flexible options:** This should include sharing coherent, research-based LEA improvement strategies that require the use of flexibility options. The communications effort should include examples of what districts can do or have done to leverage flexibility. For instance, charter systems in Fulton and Marietta are using their flexibility status to undertake very promising compensation reforms

[13] ERS Research 2012-2013 (GaDOE Policy Division).

made possible through their exemption from the statewide salary schedule. Many districts might wish to follow suit if they understood the possibilities or were given specific reform ideas that could be undertaken within each of the flexibility status options.

- **Improving the value proposition for less flexible options:** The strategic school system option does not currently have class-size or salary-schedule waivers. This makes the strategic school system option seem too limited to lead to the types of improved resource use that Georgia appears to be trying to foster, such as strategic school redesign efforts. More waivers in this option might encourage more districts to apply for this status.
- **Fostering and sharing shining examples of success:** The state should consider investing in districts that are having success in leveraging flexibility to improve student performance and documenting their school design models. For example, as part of this project, ERS created a video about Vidalia City Schools, an underfunded Georgia district that has had success in student achievement through demonstrated strategic resource use. Though Vidalia's is not a "flexibility system," the district's strategic use of people, time, and money is worth sharing, and ERS screened this video with state and district leaders. There are, of course, many other options to document stories of success. These investments can be used to share best practices with other districts that may be attempting related reforms.
- **Supporting districts with the highest academic need in the application process:** In particular, the Office of School Improvement could work with districts with high academic need to plan how best to utilize flexibilities through strategic school design principles. For example, these districts might need guidance on leveraging class-size flexibilities to enable more targeted attention and on using teacher-salary flexibilities to create new roles that extend the impact of effective teachers.

2. Adjust the funding system to improve flexibility in accordance with overall state strategy and resource levels.

Georgia currently allocates more than 90 percent of the state's portion of education funding to local school districts using formulas in the Quality Basic Education Act (QBE). The QBE is a series of inputs-based formulas that allocate dollars based on student segment assignment and then layer on additional funding to be used for specific purposes or apportions based on specific requirements (see **Table 1**[14] below for QBE allocation in FY1011 and Appendix A for full description of QBE formulas).

[14] Data sources: http://app3.doe.k12.ga.us/ows-bin/owa/qbe_reports.public_menu?p_fy=2000 and QBE004 State Allotment Sheet and QBE006 State Salary and Operations Detail

Table 1: QBE Dollar and Percent Allocation in FY2011.

	Dollars Allocated	% QBE Allocation
Step 1 - Direct Instructional Costs (Segment Funding)	$ 5,146,470,554	73.86%
Step 2 - Indirect Costs	$ 1,193,199,117	17.12%
Step 3 - Training & Experience	$ 2,686,000,893	38.55%
Step 4 - Categorical Grants		
Sparsity-Regular	$ 2,983,306	0.04%
Equalization	$ 436,158,583	6.26%
All Other	$ 283,857,914	4.07%
Step 5 - Deductions		
Local Fair Share	$ (1,697,504,739)	-24.36%
Austerity		0.00%
Other Adjustments	$ (1,083,337,770)	-15.55%
Total	**$ 6,967,827,858**	**100.00%**

By most accounts, Georgia's funding system results in a high degree of equity across districts. When we compare spending, based upon dollars from all funding sources, 92 percent of districts are within 20 percent of the state median $9.1K per pupil. However, there are opportunities to improve. The segment-funding mechanism in the formula, based on teacher allotments and service models, impinges on districts' flexibilities, and the funding system does not currently account for poverty, particularly the concentration of poverty, which is driving the minimal inequities we did observe. Implementing Weighted Student Funding (WSF) as the state's funding mechanism would alleviate or eliminate these inflexibilities and inequities.

Awarding Dollars Based on Student Need, Not Staff Allocations

One of the strongest arguments for changing the state's current funding formula to WSF is that the QBE—particularly the segment-funding mechanism, which places students in academic programs according to need and provides weighted funding according to segment placement—has the potential to skew the use of resources, impinging on resource flexibility. Essentially dollars are allocated based on a specific teacher allotment (model of service or student-teacher ratio) and must be used for this purpose unless the district is granted a waiver. This system has two primary effects that limit districts' abilities to be flexible and strategic with resource use: 1) it reinforces non-strategic, one-size-fits-all classroom paradigms based on the specified teacher-student ratios, and 2) it locks in a specific model of service and may have further influence on the way resources are used.

For example, our analysis showed that special education student-teacher ratios were richer in Georgia than in other districts we have studied. Upon closer examination, we determined that this was largely due to the student-teacher ratios for students who receive special education services but who spend most of their time in general education settings (sometimes called resource, inclusion, or mainstreamed students). In trying to understand this pattern, we discovered that these resource and inclusion students spend significantly more time receiving special education services in Georgia districts (48 percent) than in non-Georgia comparison districts (26 percent). While higher staffing or more services are not intrinsically bad things, and there are many factors that probably help explain

these additional staff and student time allocations for resource/inclusion students, it is also clear that QBE segment funding awards schools more staff whenever the identified students spend more time receiving special education services. It seems unlikely that the funding formula has no impact on the overall special education allocation level.

In implementing WSF, Georgia would award dollars based on student need and not on staff allotments or models of service, i.e. the state would move away from program-based allocations and toward dollars strictly following students to meet their needs. Freeing districts and schools from service models or non-strategic teacher-student ratios would allow districts greater flexibility in determining how resources are used. This change would also create accountability over student outcomes instead of resource inputs: with increased flexibility over how resources are used to meet student needs, districts would be more accountable to the allocation methods they use to drive student outcomes. The state would also have to remove real and perceived barriers to flexibility so districts could fully leverage the flexibility inherent in a WSF system. For example, the state could remove mandates that foster non-strategic resource use, emphasize use of the state's various resources to foster differentiated instruction in all classrooms such as learning guides and state-provided training and support to ensure strategies meet district needs and context, and capture and disseminate templates for innovative classroom models that show strong student performance results.

Recommendation #2: Leverage existing collection and use of data, especially teaching-effectiveness data, to better inform district-level staffing, budgeting, and resource use

District and school leaders must improve their allocation processes to ensure scarce resources are put where they matter most. To be successful, these processes must align resources with student priorities. But a variety of local factors prevent this from happening:

- Allocation processes not timed to planning processes
- Lack of information about how students receive resources
- Insufficient capacity and training
- Lack of ideas and best practices

To ensure the best use of resources, it is important to collect and analyze data that can inform decision making. While data, of course, should never be used in isolation—especially when making personnel decisions—it can be a useful tool to diagnose strengths and weaknesses and help principals make informed choices when it comes to district-level staffing, budgeting, and resource use.

1. **Using teacher-effectiveness data to evaluate and improve school and district management practices on a practical level before seeking to tie it systematically to higher-stakes compensation and career decisions.**

States for their part rarely provide valuable information or data that would support decision-making with regard to these allocation processes. The goal should be to give principals and other district staff

the right information in the right way with the right guidance, so that they can make deliberate and strategic human-capital decisions and improve teaching effectiveness. With data, districts can:

- **Assign jobs and teams appropriately:** Districts should strategically assign teachers to jobs and teams, including prioritizing effective teachers for high-need students.
- **Provide instructional support and offer professional development:** They should also boost the effectiveness of all teachers through targeted professional development.
- **Career path, recognition, and retention:** Districts should motivate improved teacher performance and develop career trajectories that acknowledge different teacher needs and expertise. That includes retaining and leveraging the most effective teachers, and improving or exiting persistently less-effective teachers and replacing them with more effective teachers.
- **Hiring:** They should also optimize the opportunity for excellence in new teachers by hiring from preparation programs whose teachers consistently achieve better student outcomes.

2. Changing the paradigm for collecting and reporting data so that its primary purpose becomes reporting useful information back to LEAs in a timely way and also drawing attention to specific current or recent inefficient practices. In this way, the data support more strategic resource decisions in subsequent years.

To support effective resource use at the district level, states must move to a new paradigm of decision support that involves providing timely, integrated, actionable information to districts and schools to aid resource-use decisions. Examples of the information that states could provide to districts to aid decision-making include:

- Cost of Class reports, which could help school leaders make decisions about course offerings
- Principal Support Card, which could help district leaders diagnose and assess human capital areas where school leaders excel and where they need more support.

Fortunately, the state of Georgia has made significant investment in state-level technology that collects resource-use and student-performance data that would populate decision-support metrics and reports. To fully leverage these investments for decision support, the state needs to:

- **Capture and stage resource data:** including collecting and merging data to create a comprehensive picture of resource use and linking specific students to specific resource metrics so that resources can be matched to specific needs
- **Generate strategic management reports:** including prioritizing and producing high-opportunity resource metrics and reports that align with real decision processes and are delivered at the right time to be acted upon
- **Support strategic decision making:** including creating frameworks for interpreting the metrics and reports and supporting districts and school leaders in making decisions.

Recommendation #3: Provide targeted support to districts to help incubate or spread promising practices

In 2011, GaDOE's School Improvement division[15] provided intensive support to 59 "Needs Improvement" schools. As Georgia shifted to a new accountability system in 2012, support was broadened to serve a larger set of Priority Schools, and the number of schools receiving direct state intervention grew to 79. This increase required scarce SEA dollars to be spread even thinner.

To meet the increased need, the School Improvement Division adopted an approach that will enable support at scale through a District Effectiveness (DE) Team. While DE supports all districts through tools and resources, it prioritizes intensive, district-level support for *high-need* districts/schools. Notably, DE is rolling out District Keys, a rubric for district success by which districts can assess themselves or go through an assessment process with the DE team.

While the DE strategy is promising and should be continued, demand for district support is increasing, at the same time that investment in education is declining or plateauing. Georgia does not invest sufficiently in providing effective support to all districts or turnaround schools. Rather than spread the investment too thin to be successful, the state should consider providing direct, differentiated, and targeted support to a select number districts engaged in promising practices and then work to spread those best practices across other districts.

Conclusion

Georgia is undergoing a paradigm shift with regard to state resource policies. In the past, the state regulated the use of people, time, and money through class-size mandates and rules that required specific staffing arrangements or uses of resources. In recent years, however, the state has made a sizeable investment in setting rigorous standards and moving away from input accountability toward more strategic output accountability.

While opportunities still exist for the state to remove restrictive state allocation policies that contribute to ineffective or non-strategic resource use, the larger opportunity lies in expanding efforts to support better resource decisions in local areas, both by fostering flexibility in support of coherent local strategies and by creating tools and supports that help local education agencies make better decisions around how best to use people, time, and money.

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[15] The work of the School Improvement Division is to design and implement a coherent and sustained statewide system of support and process for improvement. In addition, the division provides districts and schools in Georgia with tools and resources, as well as intensive support and professional learning for all schools, including those with significant student-achievement issues. The division also collaborates with other departments within GaDOE and other external agencies such as the Regional Educational Service Agencies, the Georgia Learning Resources System, and colleges and universities to provide support for all Georgia schools and districts. The School Improvement Division works with SIG Priority Schools, Non-SIG Priority Schools, Focus Schools, Alert Schools, and Race to the Top Lowest Achieving Schools (RT3 LAS).

Addressing the highest-priority policy opportunities presented here will further help Georgia continue to improve student performance by helping to allocate scarce education resources to their highest-valued uses.

Appendix 1 – Quality Basic Education (QBE) Details

Georgia allocates more than 90 percent of the state's portion of education funding to local school districts using formulas in the Quality Basic Education Act (QBE). The QBE is a series of inputs-based formulas that allocate dollars based on student segment assignment and then layer on additional funding to be used for specific purposes or apportions based on specific requirements. There are five steps in the funding formula:

1. **Segment Funding:** Allocate funding for direct costs using a segmented formula, which is intended to direct differentiated funding according to student type and need. There are 19 "academic programs" in which a student may be placed.

   Student-type categories are General Education, Special Education (SPED), Gifted, Early Intervention Program (EIP), Remedial Education Program (REP), Alternative Education, and English for Speakers of Other Languages (ESOL)

2. **Indirect Costs:** Add funding for indirect costs, such as school and district administration, professional development, and additional instruction.

3. **Training and Experience:** Add funding for Training and Experience (T&E), which ensures that districts have enough funding to pay staff according to state salary schedule.

4. **Categorical Grants:** Add funding for categorical grants, which provide funding for low-incidence special education, sparsity-regular and sparsity-alternative programs, transportation, migrant education, education equalization, nursing services, and equalization.

   a. Sparsity-Regular: These grants are allocated to qualified school systems that do not earn sufficient funds through the QBE formula to provide a full educational program because their FTE counts are less than the base sizes at any of the grade levels: elementary (450), middle (624), or high school (970). Districts must prove that they are unable to offer standard classes and services and that this inability is due to size constraints.

   b. Equalization: This state grant is the amount needed to bring each district's relative property wealth per weighted FTE to the 75th percentile. This grant is for general aid to the LUA and is recorded only as a revenue source, and no specific expenditure requirements exist.

5. **Deductions:** Calculate deductions including a "local fair share" and austerity to arrive at the final allocation amount.

   a. Local Fair Share: Total QBE earnings are reduced by the local fair share, or the amount of the QBE that must be supported with local funds

   b. Austerity: Budget cuts due to the economy