

# Towards a New Model of Educational Governance for Ohio

## Regional Cooperation to Align Education Services

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## Regional Cooperation to Align Education Services

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# Introduction

With Ohio leaders considering significant cuts in primary and secondary education funding, there is an urgent need for state leaders and education stakeholders to find new ways for public education to absorb cuts without hurting student achievement.

To continue improving education quality in tough budgetary times, Ohio must pursue new structural arrangements and strategies to help create better schools at less cost. This report provides a roadmap for restructuring Ohio's regional education delivery system to achieve substantial savings, protect investment in the classroom and align data to ensure that local school improvement plans are backed by evidence of effectiveness.

The recommendations for education governance describe (1) how reorganizing educational agencies at the regional level would facilitate better sharing of services across school districts, resulting in tremendous cost savings, and (2) how a newly aligned regional system would further the development of Ohio's longitudinal data system to increase student performance from preschool to postsecondary education.

This proposed educational restructuring includes the consolidation or conversion of several regional educational agencies into all-inclusive Regional Service Agencies (RSAs) that would absorb many administrative functions now performed at the school district level.

The Regional Service Agencies also would be empowered to support at the regional level an integrated system of education that stretches from early childhood through completion of a college degree or advanced vocational-technical education after high school. KnowledgeWorks calls this a "cradle to career" approach (sometimes referred to as P-16 or preschool through the "16th grade," meaning postsecondary education or training), and it uses data to pay special attention to key transition points between various levels of education. These transitions include preschool to primary school, primary to high school, high school to college, and college to degrees and careers.

Ohio currently has several regional P-16 councils in operation that target specific "leaks" in the overall education pipeline and address critical gaps and needs in the P-16 continuum. The P-16s would co-exist with the new Regional Service Agencies, the former focusing on academic issues and the latter mainly focusing on providing support services efficiently.

## Regional Education Services and Savings

Ohio has had a regional education service delivery system since 1914, when County Boards of Education (now known as Educational Service Centers) were created to deliver supervision and curriculum services to school districts, achieving economies of scale, especially for smaller districts.<sup>1</sup>

Since then, various regional entities have been created to deliver technology services, school data, school improvement support, student health and wellness, and vocational instruction.

In addition, voluntary regional cooperatives were created to save districts dollars on purchase and delivery of goods and services. For instance, Ohio regional cooperatives offer schools and districts programs with 283 purchasing opportunities to save millions of dollars a year.<sup>2</sup>

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<sup>1</sup> Ohio School Funding Advisory Council 2010 Report, Ohio Department of Education. <http://education.ohio.gov/GD/Templates/Pages/SFAC/ODESFAC.aspx?page=673>

<sup>2</sup> Driscoll, William and Howard Fleeter, "Review and Critique of Brookings Institution and Greater Ohio Policy Center Report: Restoring Prosperity: Transforming Ohio's Communities for the Next Economy." October 2010. Education Tax Policy Institute.

But given the projected budget deficit, Ohio must find even more ways to achieve substantial savings in education to stave off less favorable alternatives. One major area of underutilized potential is promoting better economies of scale and cost sharing among Ohio's 613 public school districts. Recent studies and reports, including studies in other states that are demographically and politically similar to Ohio, provide lessons that serve as the basis for recommendations to achieve substantial cost savings.

### Michigan

The *School District Consolidation Study in 10 Michigan Counties*<sup>3</sup> (2010) report urged coordinating services among districts. The study analyzed the cost savings that would result from a county-level (as opposed to district-level) coordination of services, which would produce an estimated savings of 18% in transportation costs and 8% in operations, among other areas. The study's primary conclusion was that coordination of services produces cost savings for the districts via participation in service areas whose jurisdictions encompass multiple school districts.

### Pennsylvania

The 2010 report, *Study of the Cost-Effectiveness of Consolidating Pennsylvania*,<sup>4</sup> calculated that operating costs of the state's 501 school districts had grown at nearly three times the national rate of inflation. The report urged school districts to save money by participating in programs that pool public resources to leverage the collective purchasing power of state and local governments, including streamlined purchasing, state-negotiated contracts, procurement networks and purchasing cooperatives.

### New York

*Thinking Beyond Boundaries: Opportunities to Use Regional and Local Strategies to Strengthen Public Education in the Broome-Tioga Region*<sup>5</sup> (2004) advocated that several school districts in the Binghamton, NY, region pursue a "federation model" that could save \$12 million to \$16 million a year for the 15 districts involved. The multidistrict federations would centralize services such as transportation management, maintenance garages, bus routing and dispatching, facilities management, energy management and core building operations, as well as implement cooperative strategies for reducing health care and special education costs.

### Ohio

The Brookings Institution/Greater Ohio Policy Center 2010 report, *Restoring Prosperity: Transforming Ohio's Communities for the Next Economy*,<sup>6</sup> urged the state to shift more K-12 dollars to classrooms. The report said Ohio ranked 47th in the nation in the share of elementary and secondary education spending that goes to instruction and ninth in the share that goes to administration.

To rectify this imbalance, *Restoring Prosperity* urged the state to make the costs of school district administration transparent to Ohioans,<sup>7</sup> push school districts to enter aggressive shared services agreements by tying state formula aid to districts' willingness to implement cost-saving measures and to consolidate the smallest one-third of all school districts.

<sup>3</sup> Shakrani, Sharif M, "School District Consolidation Study in 10 Michigan Counties," Education Policy Center at Michigan State University, August 10, 2010, accessed November 18, 2010, [http://www.epc.msu.edu/documents/SchoolDistrictConsolidationStudy\\_Aug2010.pdf](http://www.epc.msu.edu/documents/SchoolDistrictConsolidationStudy_Aug2010.pdf).

<sup>4</sup> "Study of the Cost-Effectiveness of Consolidating Pennsylvania School Districts," a report prepared for the Pennsylvania Legislative Budget and Finance Committee. New York, NY: Standard & Poor's School Evaluation Services, 2007. Accessed November 18, 2010, <http://lbcf.legis.state.pa.us/reports/2007/290.PDF>.

<sup>5</sup> Pryor, Donald and Charles Zettek, "Thinking Beyond Boundaries: Opportunities to Use Regional and Local Strategies to Strengthen Public Education in the Broome-Tioga Region." Center for Governmental Research Inc., December 2004. Accessed November 18, 2010, <http://www.policyarchive.org/handle/10207/11041>.

<sup>6</sup> "Restoring Prosperity: Transforming Ohio's Communities for the Next Economy." Greater Ohio Policy Center and The Brookings Institution Metropolitan Policy Program, 2010. Accessed November 18, 2010, [http://www.brookings.edu/reports/2010/0222\\_ohio\\_prosperity.aspx](http://www.brookings.edu/reports/2010/0222_ohio_prosperity.aspx).

<sup>7</sup> Ibid

## *What the State Reports Tell Us*

While these reports addressed different education systems in different states, they reached a consensus: All the states could save significant money through greater sharing of services *if* the capacity of regional educational intermediaries was expanded to facilitate inter-district collaboration. The Michigan study, for example, said a shared services approach required expanding the role of that state's 57 Intermediate School Districts to provide a mechanism to coordinate purchasing, warehousing and data processing, as well as contractual services for transportation, food and building maintenance.

The Pennsylvania study likewise said the state's regional service centers (Intermediate Units) needed to be strengthened if shared services were to improve and criticized the existing agencies for not being effective at getting districts to share services. The New York report also suggested that better sharing of services must occur in tandem with governance reform, urging the creation of a "federation model" realignment that, if replicated across the state, would save taxpayers up to \$137 million a year (in 2004 dollars).

While there was near consensus among the state reports that sharing services had the potential to deliver significant savings at the district level, there was less consensus that consolidating school districts would lead to savings.

The issue of consolidating Ohio's smaller school districts received considerable attention last year with the release of the *Restoring Prosperity* by the Greater Ohio Policy Center and the Brookings Institution Metropolitan Policy Program.<sup>8</sup> Specifically, the report called for cutting the number of Ohio school districts by at least one third – or about 200 school districts – citing high district administration costs as the impetus for the change. "It appears from projections in other states and from actual experience in Ohio that school district consolidation, or at the very least more aggressive shared services agreements between existing districts, could free up money for classrooms," the report stated. The report received criticism from education stakeholders, who noted that such consolidation would include many high-performing and well-regarded suburban districts as well as smaller rural ones. In a strong dissent, the Education Tax Policy Institute issued a critique in October 2010, questioning the research methodology among other points. "The recommendation to eliminate 200 school districts in Ohio is literally pulled out of thin air," wrote authors William Driscoll and Howard Fleeter.<sup>9</sup>

The tentative conclusions about consolidation drawn by *Restoring Prosperity* appear to be contradicted by the conclusions drawn in numerous studies from other states that have considered consolidating school districts or have actually undertaken consolidation.

A 2010 review by the Rural School and Community Trust of studies on consolidation cast doubt on the arguments that consolidation will lower per-pupil costs. The authors wrote,<sup>10</sup>

*"School and school district consolidation produces fewer fiscal benefits and more fiscal costs than is popularly believed. Administrative cost savings are most likely, but these savings may often be largely offset by other cost increases, especially for transportation. Consolidating schools can also adversely affect the local economy, reducing the fiscal capacity of the school district. These costs are disproportionately imposed on poor and minority communities."*

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<sup>8</sup> Restoring Prosperity, 2010. [http://www.brookings.edu/reports/2010/0222\\_ohio\\_prosperity.aspx](http://www.brookings.edu/reports/2010/0222_ohio_prosperity.aspx).

<sup>9</sup> Driscoll and Fleeter, October 2010.

<sup>10</sup> "The Fiscal Impacts of School Consolidation: Research Based Conclusions," Rural Policy Matters, The Rural School and Community Trust, 2010. [http://www.ruraledu.org/cms.php?action=keep\\_connected](http://www.ruraledu.org/cms.php?action=keep_connected)

Case in point is West Virginia. Since 1990, West Virginia has closed well more than 300 schools. A newspaper study in 2002 found few if any benefits to that consolidation effort:<sup>11</sup>

- The state spent more than \$1 billion on school consolidation, and state officials acknowledged that the closing didn't save taxpayers money.
- West Virginia counties on average spent a higher percentage of their budgets on maintenance and utilities in 2002 than five years earlier despite consolidation.
- The number of local administrators increased by 16% over 10 years despite a 13% decrease in student enrollment and the closing of more than 300 schools. The number of state-level administrators increased and their salaries nearly doubled during that time frame.
- West Virginia spent more of its education dollar on transportation than any other state; rising transportation costs forced counties to slash funding of classrooms, offices and cafeterias.
- More students are riding buses and for longer distances and times, with 20,000 elementary students, 11,000 middle school students and 5,000 high school students taking one-way bus rides for longer than state guidelines.
- School officials promised advanced courses, but many were never put into place or were cut soon after they were created. In several counties, consolidated high schools offer fewer courses than the small schools offered prior to consolidation.

In addition, a West Virginia legislative audit of public schools in 2010 found that larger school districts were a significant factor in poor graduation rates and recommended that the state “conduct a full review of its school consolidation policy to determine its effects on a full range of academic outcomes.”<sup>12</sup>

“There is no solid foundation for the belief that eliminating school districts will improve education, enhance cost-effectiveness or promote equality,” researchers wrote in a 2007 review of school consolidation.<sup>13</sup>

The *Restoring Prosperity* report does acknowledge that sharing services could benefit school districts, and that sentiment is echoed in Ohio by additional research. The Youngstown/Warren Regional Chamber's 2009 report, *One School Administration per County Proposal: Virginia vs. Ohio (FY 2007)*,<sup>14</sup> urged moving district-level administrative functions to the county level. The chamber's report, which used data from the National Center for Education Statistics, compared county-based district administration models in Virginia with three demographically similar counties in Ohio (Trumbull, Mahoning and Columbiana) in terms of educational costs and academic performance. The report quantified how the three counties could achieve \$70 million in combined administrative savings. The chamber advocated setting aside a portion of the projected savings to fully fund a Kalamazoo Promise-type scholarship program that would subsidize college or vocational school tuition for high school graduates in each of the three counties.

And the Ohio School Funding Advisory Council in 2010 recommended that the state enhance and align its regional service delivery system so that it better responds to school district needs, follows a data-driven funding approach, and promotes, incentivizes and rewards local collaborative shared services efforts.<sup>15</sup>

<sup>11</sup> <http://wvgazette.com/section/Series/Closing+Costs>. Also, updated study in 2005 can be found at Challenge West Virginia

<sup>12</sup> West Virginia Legislative Auditor, Performance Evaluation & Research Division, Department of Education Departmental Review, 01/11/2010. [www.legis.state.wv.us/Joint/PERD/perdrep/DeptEd\\_1\\_2010.pdf](http://www.legis.state.wv.us/Joint/PERD/perdrep/DeptEd_1_2010.pdf).  
Read more from the January 2010 Rural Policy Matters

<sup>13</sup> “Rural School District Consolidation: Empirical Research, Feb. 12, 2007. Joe Bard, Clark E. Gardner and Regi L. Wieland, in academic leadership: The Online Journal, Volume 4, Issue 2. [www.academicleadership.org](http://www.academicleadership.org)

<sup>14</sup> Humphries, Tom, “One School Administration per County Proposal: Virginia vs. Ohio (FY 2007).” Youngstown/Warren Regional Chamber, 2009.

<sup>15</sup> Ohio School Funding Advisory Council 2010 Report.

A closer analysis of Ohio revealed tremendous savings potential in shared services, but the state's educational infrastructure must be changed to support optimal savings. Indeed, Ohio has a loosely aligned network of regional educational service agencies that serve the state's 613 school districts. The network includes:

- 56 Educational Service Centers
- 23 Instructional Technology Center (ITC) areas
- 16 State Support Teams (SSTs)
- 7 Area Media Centers (AMCs)
- 8 Education Technology Centers (ETCs)
- 9 Financial Area Coordinators (FACs)

Each of these unique agencies has a mission conducive to providing needed services to schools. But their services are not well coordinated. Indeed, in their 2003 report, *Repositioning Ohio as a National Education Leader in P-16*,<sup>16</sup> the Education Service Centers of Stark and Portage counties and the Stark Portage Area Computer Consortium concluded that “Ohio's loosely organized arrangement of service providers made it very difficult to coordinate services of all agencies, have accountability, eliminate duplication, and maximize both effectiveness and efficiency.”

More recently, Ohio Education Matters and the Ohio School Boards Association surveyed superintendents and found that though school districts were collaborating when making some purchases and sharing some services, they could do more to share services across a broader spectrum of products and services to save additional money.<sup>17</sup>

The authors of *Repositioning Ohio* proposed the creation of a better aligned regional educational infrastructure equipped to develop both a robust system of shared services and a data-driven realignment of the state's education system.

### *Regional Service Agencies: A New Model for Aligning Education Services*

Our recommendation for creating a more robust system of shared services equipped to save significant dollars draws from the recommendations of the *Repositioning Ohio* report and the litany of evidence from numerous studies.

Today, districts most often coordinate contracting services through the state's network of 56 Educational Service Centers – especially in the area of special education services. Other noteworthy cooperatives include the Ohio Schools Council, which helps coordinate select services across 126 school districts in 22 northern Ohio counties, and Efficient Government Now of Northeast Ohio. In addition, the Ohio School Boards Association (and other stakeholders) offer an energy purchasing cooperative and workers' compensation services to several member districts. But these individual regional or association-level initiatives represent promising *parts* of what necessarily needs to be *whole* systems reform that can help Ohio achieve substantial cost savings while improving education quality.

<sup>16</sup> “Ohio Regional Education Service Delivery Proposal for Repositioning Ohio as a National Education Leader P-16,” Educational Service Centers of Stark and Portage Counties and the Stark Portage Area Computer Consortium, August 2003. It should be noted that the state has consolidated service providers, and compared to five years ago, there are 53 fewer regional service providers today. In addition, there are connections among some of them. For instance, the 16 State Support Teams are actually employees of 16 ESCs that carry out work under contract with the Ohio Department of Education.

<sup>17</sup> See Appendix One for additional details on the October 2010 statewide survey of Ohio superintendents and principals.

As originally conceived in the *Repositioning Ohio* report, the state should consider consolidating existing regional education delivery agencies into all-inclusive Regional Service Agencies (RSAs). These agencies would be given broader jurisdictions — encompassing far more school districts than today’s ESCs — and the resources to handle more of the back office administrative functions of Ohio’s individual school districts while leaving the delivery of education services in the hands of local educators working with the community. See Figure 1 from the *Repositioning Ohio* report. (While we propose using regional educational agencies versus counties, our proposal embraces the logic of the Youngstown/Warren Regional Chamber’s *One School Administration per County Proposal* that quantified substantial savings from moving most district-level administrative functions to the county level.)

**Figure 1.**  
**Proposed Regional Services Agencies Map**



These Regional Service Agencies would incorporate the functions of the state’s Educational Service Centers, Instructional Technology Centers, State Support Teams, Area Media Centers, Education Technology Centers and Financial Area Coordinators. The alignment of these regional services would facilitate broader sharing of services or purchasing cooperatives in areas ranging from transportation to healthcare, technology to academic supports. The new agencies also would engender system efficiencies by eliminating most overlap of services.



While the context has changed in many ways since the *Repositioning Ohio* report was released in 2003, Ohio Education Matters endorses the study's emphasis that the Regional Service Agencies would need strong technology resources to ensure more efficient and effective regional educational service delivery. This could be accomplished in part by merging the operations and jurisdictions of the RSAs with the 22 Information Technology Centers (ITCs).<sup>18</sup> (In another section, this report also addresses the positive impact that aligning data sites with regional educational service delivery would have on student achievement.)

The proposed Regional Service Agencies would have the capacity to perform many district administrative functions, allowing local school district boards, superintendents, principals and teachers to focus more exclusively on academics and students. Moreover, the agencies could facilitate sharing of services in a manner that exceeds the work of today's Educational Service Center network, whose primary focus is on special education services.<sup>19</sup>

The Regional Service Agencies would have the capacity to standardize some of the shared service innovations in today's system – innovations that can no longer remain the exception to the rule. These best practices, if brought to scale, would save Ohio hundreds of millions of dollars annually.<sup>20</sup> To highlight this level of savings potential, this report outlines a case study of shared services in Greene County and specific best practices.

## *The Greene County Example*

In 2009, the Greene County Shared Service Delivery Initiative (SSD) was launched to identify the possibilities for sharing services to save money and enhance instruction. The Greene County SSD Initiative adopted a comprehensive, collaborative approach to examining where the county could realize significant savings among its school districts. This unique approach seeks to uncover the best possible savings and best arrangements for sharing services at a regional level.

The initiative, coordinated by the Wright State University Center of Urban and Public Affairs, consists of leaders from seven comprehensive school districts in Greene County, plus the Montgomery County and Greene County Educational Service Centers, the Greene County Career Center and the Miami Valley Educational Computer Association.<sup>21</sup>

After working together for almost a year, participants identified six areas where shared services could be successful in Greene County (located in southwestern Ohio). A task force was formed around each idea, with support from Wright State University graduate students. The task forces determined that finding locally controlled solutions to providing better services, while spending the same or less on the inputs, was a worthy aim. They identified multiple opportunities and at the time of this report were taking the next steps to implement shared services.

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<sup>18</sup> The State's 22 Information Technology Centers, which operate under the umbrella of the Ohio Education Computer Network, provide vital information processing services and support to school districts, Educational Service Centers, and community schools and approximately 1.8 million students in the state of Ohio.

<sup>19</sup> An explanation of the primary work of the Educational Service Centers can be found at its association website: <http://www.oesca.org/vnews/display.v/ART/47bb7a71896f5>.

<sup>20</sup> It is outside the scope of this study to calculate reliable estimates of what savings could result if regional entities helped school districts share services. However, it is reasonable to assume the potential annual savings could be in the hundreds of millions of dollars. Taking the Michigan study (above) as a guide, Ohio school districts would save \$122.9 million a year on transportation and \$288 million on operations if they met the Michigan estimates of 18% annual savings on transportation and 8% on operations through shared services. Taking a British Columbia study (see below) as a guide, Ohio schools would save \$109 million to \$163.5 million in administration if they met the province's estimates of 10% to 15% savings in administration. As noted below, the savings in Ohio just on sharing and coordinating inter-district busing could be \$188 million to \$238 million if the estimates for Franklin County were similar across the eight biggest metropolitan regions.

<sup>21</sup> KnowledgeWorks was among several foundations that provided grants to support this work.

## *Greene County Shared Service Areas*

### **Administrative and Financial Services**

The task force on administrative and financial services found that real possibilities for savings exist by pooling financial and business administration functions across school districts. It identified the potential for a shared system for banking, payroll, vacation and substitute teacher scheduling, healthcare, accounts payable and receivable, financial reporting and travel expenses. Similar shared systems have produced savings in school districts in Ohio and other states, as well as the private sector for decades.

### **Advanced Placement/Curriculum**

This task force sought opportunities for shared services in dual enrollment programs, as well as other ways for districts to share educational offerings and resources. Members requested that Wright State University convene a regional consortium of colleges and universities to help coordinate course delivery, ensure that the countywide need is being met and address financing and other issues as they arise. The task force is also exploring the feasibility of a science lending library, where districts can share equipment and virtual classroom opportunities such as virtual field trips.

### **Special Education**

This task force explored ways for special education equipment to be shared across districts. In addition, the group identified service learning options that would engage college students with Partners in Transition, a vocational training program that lets disabled high school students gain job skills through Wright State University.

## *Next Steps*

The Greene County initiative is now moving toward implementation. The group hired a coordinator who will negotiate contracts between the districts. The tentative goals are to:

- cultivate deeper relationships with Greene County superintendents
- determine structural and staffing needs at the regional Educational Service Centers to accomplish shared services
- develop instruments that measure data needed to complete project tasks
- develop a mechanism for identifying the legal, cultural and structural roadblocks to implementing shared services

Next steps include brokering shared services in the specific areas identified, as well as developing a model contract and a method to track cost savings. While the effort is midstream, it offers a useful perspective on both the potential for savings regionally, as well as the process of getting there.

## *The Promise of Shared Services – Regional Best Practices*

### **Sharing School Student Health Costs**

The Educational Service Center of Central Ohio along with several of its constituent school districts created a separate political subdivision that allows them to hire specialists who can then be contracted out to participating school districts particularly for interim, as-needed and clinical contractors. One result is that Central Ohio has been able to maximize Medicaid reimbursement (40%) to districts that provide health services to students but had previously lacked the administrative capacity and concentration of eligible students to qualify.

### Sharing Human Resources Functions

The Central Ohio educational service center provides many human resources functions for participating districts. Noteworthy programs are the 11-district shared substitute teacher scheduling network and the three-district substitute teacher recruitment network. One of the participants in the scheduling network, Olentangy Local Schools, estimated savings of about \$540 per day, or \$81,000 per year. If substitute teacher networks were the standard instead of the exception for Ohio's 613 school districts, the state could save millions of dollars from this change alone.<sup>22</sup>

### Sharing Legal Services

In 1997, the Stark County Educational Service Center created a new position of general counsel to:

- improve and expand the legal services of the service center and its 18 affiliated districts
- reduce overall legal expenditures
- eliminate overlapping work and expenses among districts when they sought legal assistance

The general counsel's services are available to the 18 districts at no additional cost. In addition, the ESC has negotiated a reduced rate for a "hotline" contract with a law firm that specializes in school and employment law. This firm assists the general counsel when needed and usually through phone consultation.

Stark County found that district legal needs are not unique. When a district calls for advice, more times than not, the question has already been asked, researched and answered for another district. Another advantage has been the ability to coordinate legal positions on a countywide basis.

One large expense for many districts is outside counsel for labor negotiations. The Stark County Educational Service Center offers its members free legal advice, if either the superintendent or the general counsel handles the negotiation. The use of the same attorney for 15 participating districts has provided more coordinated legal responses and reduced costs – an average of \$8,090 in savings each year.

### Regional Sharing of Business Administration Services

The government of British Columbia, Canada, last year combined the payroll and other business systems of four school districts to cut costs, with a plan to eventually include all 60 districts in the province. The move came after Vancouver indicated that provincial aid was not helping the district to keep up with growing costs.<sup>23</sup>

The four districts spend \$70 million annually for payroll, human resources, and financial management services. The province, citing shared services studies, indicates it will be able to save the districts 10% to 15% in business administration costs, which include payroll, vacation scheduling, employee information, substitute teacher scheduling, accounts payable and receivable, financial reporting and travel expenses.<sup>24</sup>

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<sup>22</sup> While it is hard to extrapolate potential statewide savings from the experience of one school district, it seems reasonable that this success could be duplicated. Olentangy Local Schools has about 15,000 students, compared to Ohio's 1.8 million students. Taking that level of savings statewide would result in savings of as much as \$10 million a year across all school districts in shared substitute teacher scheduling.

<sup>23</sup> See <http://www.cbc.ca/canada/british-columbia/story/2010/05/27/bc-school-district-payroll-systems.html#ixzz1CGxblUab>

<sup>24</sup> Ohio school districts in 2009 spent \$1.09 billion on central office administration. If Ohio were to realize 10% to 15% savings on central administration services through shared services, that would be an annual dollars savings of \$109 million to \$163.5 million.

### Sharing Inter-district Transportation Costs

The promise of maximizing Medicaid reimbursement and scheduling networks – as seen through the example of Central Ohio – shows how expanding best practices and bringing them to scale would yield substantial savings for Ohio in other areas of school services. Consider transportation costs, for example.

The Educational Service Center of Central Ohio has been a leader in bringing the necessary groups together to improve efficiencies in inter-district transportation services. Ohio law requires public school districts to provide transportation for charter- and private-school students if the district transports its own students. For a student attending private or charter schools within a 30-minute drive of the assigned public school, the district must provide transportation (or pay the student's family a set amount to cover transportation costs, if that's not feasible).

When providing transportation for students who attend private or charter schools, neighboring districts often overlap each other's routes, at great expense. For example, districts in Franklin County spend an estimated \$100 million annually transporting students who do not attend their schools. Central Ohio Educational Service Center Superintendent Bart Anderson and Aaron Reinheld, communications supervisor of the Educational Service Center of Central Ohio, explain that, "85 nonpublic, charter, special needs or alternative schools operate in Franklin County, serving more than 20,000 students, and at least one third of students are brought to school through inter-district transportation."<sup>25</sup>

In 2007, the Mid Ohio Regional Planning Commission (MORPC) and the Educational Service Center of Central Ohio studied the potential of shared transportation services around Columbus in partnership with The Ohio State University's Fisher College of Business. The study focused specifically on two private schools, the Columbus School for Girls and St. Charles Preparatory School. These two eastside schools draw students from 16 different school districts, with 43 buses transporting about 350 students to and from the two schools. The Fisher analysis estimated that inter-district coordination of bus routes would reduce the number of buses to 19 while actually decreasing the average ride time for students by an average of four minutes. Cutting these 24 buses, according to Fisher estimates, could create an annual savings of \$1.2 million. As noted, "If these small samples hold up across multiple districts and multiple schools, the savings across the 16 districts in central Ohio could top \$40-50 million."<sup>26</sup>

While further analysis is needed to examine the savings that would be achieved if such inter-district coordination was bought to scale in Central Ohio and statewide, the savings potential would be in the hundreds of millions of dollars.<sup>27</sup>

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<sup>25</sup> Bart Anderson and Aaron Reinheld, "Opportunities for savings through shared transportation," Primer, September 2010, accessed January 21, 2011, <http://www.ohioeducationmatters.org/node/1361>

<sup>26</sup> Anderson and Reinheld, September 2010.

<sup>27</sup> Without an in-depth look at each county, it is difficult to determine the potential savings statewide. However, if the experience in Franklin County is typical, then the potential savings from this best practice in just Ohio's eight major metropolitan counties could be \$188 million to \$238 million annually.

## *Cutting Educational Costs Through Regional Collaboration*

If Ohio mandated that educational service centers adopt best practices for shared services (as recommended by Brookings' *Restoring Prosperity* report), existing centers would need to be restructured. For example, most do not have the staff to go beyond their primary scope of facilitating special education support or health services.<sup>28</sup> ESCs are also limited geographically and lack jurisdictional authority to compel inter-district sharing of services.

Without new revenue, a state plan to build regional capacity would require consolidation of existing regional delivery agencies, including linking budget streams (such as the \$44 million set aside today to fund 56 educational service centers), as opposed to creating new entities and replacing expertise from the existing agencies. Of course, many existing ESCs could become the backbone of the new RSA network by building their capacity and expertise, and even some of Ohio's metropolitan school districts could coordinate with others in an RSA to take on the administrative work for a region. The point here is not to lay off regional staff, but to effectively align agency missions to serve broader regional jurisdictions.

Regional Service Agencies with broader scope and authority would have the capacity to help districts share services, helping Ohio realize hundreds of millions in savings from better coordination and sharing of services. Administrative functions would be more efficient, and districts could increase their focus on academics without having to divert so many resources to non-instructional areas like transportation, food service, operations and administration.

A regional service delivery system will not develop overnight, and the state will need to be deliberate in how it encourages the creation of this money-saving approach. The following steps can help the state move from its current system to the new system of Regional Service Agencies by the end of the next biennium:

1. Create a State Commission on Shared Services that will outline the process and oversee implementation of the Regional Service Agencies across the state. The commission of state and local stakeholders would highlight the service areas that would be subject to the best practices of shared services and oversee the creation process.
2. Empower the school districts in each regional service area to create a governing board constituting their superintendents that would create a Regional Service Agency based on criteria set out by the state commission.
3. Set a deadline and savings' targets for each new Regional Service Agency to implement shared services in the areas designated by the state commission but allow each agency to find its own ways to achieve savings from shared services.
4. Provide financial incentives (such as additional state aid) and allow agencies to keep the savings achieved and decide how to use them. Redirect existing regional entities to the new regional service agency once it is operating.
5. Engage the state's philanthropies to provide seed grants to help districts in each region create the new Regional Service Agency.

<sup>28</sup> In a sample survey of 210 Ohio district superintendents, KnowledgeWorks and the Ohio School Boards Association asked respondents, "What services do you contract to get from the Educational Service Center that you work with? The responses are listed below:

- 43.5% Special education
- 18.0% Therapy/psychologist/medical
- 11.0% Curriculum/teaching supplements
- 9.0% Aides/personnel
- 6.0% Pre-school services
- 6.0% Gifted and talented program
- 3.0% Professional development/leadership
- 3.5% Other

# Regional Alignment and Improved Education Quality

As discussed, all-inclusive Regional Service Agencies can provide multidistrict jurisdictional oversight and coordinate most external services to individual districts at significant savings. But regional educational governance realignment can also facilitate academic improvement by revolutionizing the overall state approach to educating students. An aligned network of regional services could serve as the delivery vehicle for deploying Ohio's longitudinal data system, now under development, that tracks the progression of each learner.

Communities throughout the country are increasingly embracing a holistic “cradle to career” or P-16 approach to education that begins with preschool and ends with a college degree or post-secondary vocational training. Various significant benchmarks throughout a student's life – such as kindergarten readiness and meeting achievement standards – can determine that student's success in school, including graduation. Without a holistic focus on the system of education that supports students, instances of students underachieving and dropping out will persist.

P-16 regional councils work collaboratively to help overcome the silo effects of schooling throughout a person's educational life by implementing reforms across the whole educational system. P-16 councils specifically focus on transition points and providing support to students to reduce the need for remediation and the number of dropouts. The councils provide services that help students gain early literacy skills and successfully make the transitions from elementary to middle to high school, as well as encourage long-term career skills and goals. These councils, including those in Ohio, are typically composed of community businesses, nonprofit and service organizations, public school districts and higher education institutions.<sup>29</sup>

## *Ohio's History of P-16 Involvement*

In Ohio, the first P-16 council was created in Stark County in 2002 as a result of a strategic plan of the Stark Education Partnership, created more than a decade earlier.<sup>30</sup> Four years later, KnowledgeWorks Foundation supported the creation of five P-16 councils as pilots to show how more of these collaboratives could support regional education improvement.<sup>31</sup>

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<sup>29</sup> Researchers John Kania and Mark Kramer make the persuasive case that the “collective impact” approach of the Strive Partnership in Cincinnati and other social innovators constitute a more effective communitywide response to social problems. They write, “Strive, both the organization and the process it helps facilitate, is an example of collective impact, the commitment of a group of important actors from different sectors to a common agenda for solving a specific social problem. Collaboration is nothing new. The social sector is filled with examples of partnerships, networks, and other types of joint efforts. But collective impact initiatives are distinctly different. Unlike most collaborations, collective impact initiatives involve a centralized infrastructure, a dedicated staff, and a structured process that leads to a common agenda, shared measurement, continuous communication, and mutually reinforcing activities among all participants. See Stanford Social Innovation Review, Winter 2011. [http://www.ssireview.org/articles/entry/collective\\_impact/](http://www.ssireview.org/articles/entry/collective_impact/)

<sup>30</sup> The Stark Education Partnership, Inc., [www.edpartner.org](http://www.edpartner.org), a 501(c)-3 non-profit education reform support organization, was formed in July 1989 by the Deuble, Hoover, Stark Community and Timken foundations with a \$3 million endowment. Community support was to come from the Stark Education Partnership (then known as The Education Enhancement Partnership). The Stark Education Partnership involves Stark County districts, higher education institutions and the community, representing more than 100,000 students, in studying issues and making changes. In 2002, the Partnership created the P-16 Compact of Stark County as the result of a new strategic plan. See <http://www.edpartner.org/about/history.php>

<sup>31</sup> Given the promise of P-16 education reform, the KnowledgeWorks Foundation invested in the development of P-16 efforts across Ohio. More specifically, in spring 2006, the foundation invited proposals from local communities and regions to support start-up funding, technical assistance, and coaching related to the development of P-16 Councils. Five sites were selected: Summit County (Akron area), Clark County (Springfield area), Highland County (Hillsboro area), the Greater Cincinnati area (including the Kentucky side of the Ohio River), and Ashtabula County (Northeastern Ohio).

On the state level, Ohio's Partnership for Continued Learning (OPCL) was established through legislation that took effect in 2005.<sup>32</sup> The state partnership under then-Gov. Bob Taft was directed to do three things: Support regional efforts to foster collaboration among providers of preschool through postsecondary education, identify the workforce needs of private sector employers and make recommendations to facilitate collaboration among education providers and to maintain a high-quality workforce. At the time, Ohio's Partnership for Continued Learning worked with 22 communities to develop P-16 approaches.<sup>33</sup>

Among 12 goals legislators laid out for the partnership were "expansion of access to preschool and other education for children under five years of age; expansion of access to workforce development programs administered by school districts, institutions of higher education, and other providers of career-technical education; reduction of remediation needs for postsecondary students; and appropriate means of measuring the impact of statewide efforts to promote collaboration among education providers and to develop a high-quality workforce and strategies for collecting and sharing data relevant to this evaluation."<sup>34</sup>

Ohio's P-16 curriculum and relationships were based on the transition points from pre-K to kindergarten, sixth grade to middle school and eighth grade to high school – areas that are critical for development and success through the education pipeline. Nonetheless, in 2009, the OPCL was disbanded under the administration of then-Gov. Ted Strickland, whose education policy did not place an emphasis on the P-16 approach in Ohio or continuing support for existing P-16 councils.

Only about half of Ohio's superintendents reported in a survey last fall that they were participating in a P-16 council in their region, and three-fourths said they thought it had improved education quality in their area.<sup>35</sup> Even two-thirds of those who did not have a P-16 council in their region said they thought it would improve education quality.

## *Regional P-16 Best Practices: Stark Education Partnership and the Strive Partnership*

### **The Stark Education Partnership**

The core areas for the Stark Education Partnership are professional development; realignment of educational systems through the P-16 Compact of Stark County; encouraging new approaches to leadership; and engaging the community in the reform process. The Stark partners, including private sector and education constituents, believe in systemic change to drive school reform, including new thinking about roles and responsibilities. To date, the partnership has secured, brokered or collaborated in nearly \$70 million in federal, state and local funds.

Stark's primary focus is on graduation rates and college admission for career success, including addressing remedial instruction that prepares students to make successful transitions from secondary to postsecondary education. This work brings together 14 Stark County districts in collaboration with the Kent State University branch campus in Stark County and Stark State College of Technology to eliminate the need for math remediation for Stark County high school graduates entering postsecondary institutions.

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<sup>32</sup> "P16/P20 Councils," ECS State Notes. Education Commission of the States. Accessed November 18, 2010. <http://mb2.ecs.org/reports/Report.aspx?id=910>.

<sup>33</sup> In 2007, the OPCL built on the KnowledgeWorks initiative by offering five \$10,000 state grants to create new regional P-16 sites.

<sup>34</sup> See [http://www.legislature.state.oh.us/analysis.cfm?ID=126\\_SB\\_6&ACT=As%20Enrolled&hf=analyses126/05-sb6-126.htm](http://www.legislature.state.oh.us/analysis.cfm?ID=126_SB_6&ACT=As%20Enrolled&hf=analyses126/05-sb6-126.htm).

<sup>35</sup> See Appendix One for details on the October 2010 survey of Ohio superintendents and principals.

Stark's focus on remediation makes sense for the state as a whole. Ohio spends \$102 million per year for remedial education because large numbers of high school graduates enter higher education without core skills needed to succeed.<sup>36</sup> This lack of preparedness hinders degree attainment:

- Only 27% of students who took remedial courses earned an associate's degree or higher within six years, compared to 54% of students who did not take remedial courses.
- Non-remedial students are three times as likely to earn a bachelor's degree (47%) as remedial students (15%).
- Only 1% of remedial students earned a bachelor's degree in a STEM (science, technology, engineering and math) field within six years compared to 9% of the non-remedial students.<sup>37</sup>

Stark's other college readiness strategies include support for Canton Early College High School, which provides low-income and first-generation college-going students with the college experience in high school; dual credit opportunities that give high school students the opportunity to earn college credit before graduation; and the Council of Scholarship, Internship and Co-op Providers, which seeks to increase internship and scholarship opportunities in Stark County.

Stark has also begun to use data from the National Clearinghouse Student Tracker to follow the college enrollment of students who graduate from one of the 17 school districts in Stark County. The Student Tracker will enable districts, for the first time, to track the college success of their graduates at college and universities across the nation. Until this project, districts received data only for Ohio higher education institutions, in the aggregate, and often data was two years old by the time it was received.<sup>38</sup>

### **The Strive Partnership**

The Greater Cincinnati region's Strive Partnership<sup>39</sup> believes that the effectiveness of the cradle-to-career approach to education depends on good data that can track an individual's learning journey. Strive works to build the capacity of districts and communities to make data-driven decisions that support education strategies proven effective by research.<sup>40</sup>

To this end, Strive is driving the creation of a comprehensive birth through college data system to ensure that better data about every individual student and teacher is available to help determine what is working and where to invest resources. Academic and nonacademic student support data is being incorporated in one web-based system so that a comprehensive picture of student learning will be available to all stakeholders.

With these new data resources, Strive is beginning to apply the information towards strategies that address the academic, social and emotional barriers that hinder student progress. The Learning Partner Dashboard (LPD) is a longitudinal data management system that tracks and manages

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<sup>36</sup> Ohio Public Expenditure Council, August 2008. "The True Cost of Schools Study." See: <http://www.oapcs.org/files/TrueCostofSchoolsStudy.pdf>

<sup>37</sup> "Costs and Consequences of Remedial Course Enrollment in Ohio Public Higher Education: Six-Year Outcomes for Fall 1998 Cohort," Ohio Board of Regents, 2006, p. 5. Accessed January 20, 2011. [http://regents.ohio.gov/perfrpt/special\\_reports/Remediation\\_Consequences\\_2006.pdf](http://regents.ohio.gov/perfrpt/special_reports/Remediation_Consequences_2006.pdf).

<sup>38</sup> [http://www.edpartner.org/links/issues\\_07-09-10.html](http://www.edpartner.org/links/issues_07-09-10.html)

<sup>39</sup> [www.strivetogether.com](http://www.strivetogether.com) See Appendix Three for information about the Strive Partnership's Cradle to Career Readiness Assessment.

<sup>40</sup> The Strive Partnership, a subsidiary of KnowledgeWorks, was launched in August 2006 with the involvement of education, business, civic and non-profits leaders from Cincinnati and the Northern Kentucky communities of Covington and Newport. The initiative, led by then University of Cincinnati President Nancy Zimpher, received significant support from the Greater Cincinnati Foundation, United Way of Greater Cincinnati, and KnowledgeWorks Foundation.



information from many sources and shares statistics on academic, health and some civic and social indicators:

- **Data Tools Determine Types of Academic Interventions**

Schools are individualizing learning through data, including six pilot schools that have developed “war rooms” where student academic performance data is constantly updated and teachers collaborate to develop solutions. A literal work plan is designed for each student defining the types of academic and social-emotional supports needed to help that student succeed.

- **Data Tools Determine Types of Social-Emotional Supports and other Non-Academic Interventions**

The Learning Partner Dashboard helps collect and analyze data related to health, housing and other demographic indicators. For example, INNOVATIONS, a Shared Outcome Measurement Tool developed by Cincinnati Children’s Hospital, includes data on topics such as students’ physical activity, safety, mobility rates and whether students have a caring adult in their lives.

Different members of the partnership are deployed depending on the identified need. For example, one Strive partner is the home visitation program Every Child Succeeds, which targets at-risk mothers. The program’s interventions result in 95% of children on target developmentally by age 3. This track record helps the program earn Strive’s endorsement, and philanthropic and education resources follow. In other words, community funders with a stake in early child development and academic (pre-K) readiness concentrate resources in programs that prove effective – a systems efficiency that uses data to ensure funds support programs that work.

- **Data Tools Bolster Community Learning Centers and Volunteerism**

Children’s Hospital INNOVATIONS tool also informed programming at Community Learning Centers. Neighborhood residents were studied at a demographic level and surveyed personally to shape offerings at neighborhood schools. As a result, schools saw significant improvements in programming offered outside of school time, parent use of school resources, and parent engagement activities, while the number of community volunteers doubled in all schools.

A solid foundation to collect, analyze and report data is fundamental to the success of the partnership and a core component of its evidence-based decision-making, Strive has found.

Nationally, P-16 initiatives have found success in raising teacher quality,<sup>41</sup> and in Georgia, where the Board of Regents of the University System of Georgia pioneered P-16 systems statewide, the P-16 collaborative structure was instrumental in working with teachers to raise rigor and close gaps in achievement and college readiness between low-income minority students and majority students.<sup>42</sup> Based on the promising research showing a connection between the P-16 approach and improved outcomes, the Pathways to College Network in 2004 recommended that federal and state leaders “create structures that connect K-12 and post-secondary governance and foster P-16 alignment” and “form state and regional leadership groups, such as P-16 councils, to facilitate communication and planning at all levels to ensure that teachers are preparing students for the challenges ahead at each level.”<sup>43</sup>

<sup>41</sup> The State Higher Education Executive Officers found in 2003 that teacher quality improvement efforts were more likely to be effective when they took place in the context of a statewide P-16. In “Student Success, P-16 Systems.” State Higher Education Executive Officers, 2003. Accessed November 18, 2010. <http://www.shheeo.org/k16/P16.pdf>.

<sup>42</sup> “A Shared Agenda: A Leadership Challenge to Improve College Access and Success.” Pathways to College Network, 2004. Accessed November 18, 2010. [http://www.pathwaystocollege.net/pdf/sharedagenda\\_FullReport.pdf](http://www.pathwaystocollege.net/pdf/sharedagenda_FullReport.pdf)

<sup>43</sup> Ibid, 26.

In Ohio, the Stark Education Partnership is finding student success countywide from initiatives it has started or shepherded, further evidence that the P-16 approach has translated into actions that have led to improved outcomes for students.<sup>44</sup>

- Sixteen of 18 Stark County high schools outperformed the state graduation rate, and all high schools had higher graduation rates than the national average. That included two Canton inner-city high schools, McKinley and Timken, which saw a 25% and 47% increase in high school graduation rates from 2003 to 2010, respectively.
- Stark County outpaced averages for Ohio and the nation in the growth in the percentage of adults age 25 and older who attained an associate's or bachelor's degree. Canton increased 2.2% in associate's degree and 2.5% in bachelor's degree from 2008 to 2009, compared to an average decrease of 0.1% in associate's degree holders across Ohio and no change in bachelor's degrees.
- Stark's initiative to support preschool children, Supporting Partnerships to Assure Ready Kids (SPARK Ohio) has seen higher scores on kindergarten readiness tests for students who participated (20.3 on the KRA-L readiness test) than those who did not (18.7).
- Stark has emphasized college degree attainment through initiatives such as the Canton Early College High School and the High School Based Dual Credit program. All Canton ECHS graduates, who attend high school on a campus connected to Stark State College, attained some college credit, and across Canton high schools, a higher percentage of students graduated from high school with college credits (53%) than across the state (33%) and the nation (10%).<sup>45</sup>
- Overall in Stark County, the number of students who earned college credits while in high school increased from 65 in 2007 to 2,460 in 2010.
- Stark helped educators intensify efforts to prepare students for college by having all eighth graders take the EXPLORE test (a pre-ACT college entrance exam), which is used by educators to adjust instruction. In 2009, Stark students had higher scores on the ACT (21.5 composite for females, 21.8 for males) than the national average (20.9 and 21.2 respectively.)

In Cincinnati, the Strive Partnership is also finding success on its measures of student performance:

1. Through its Cradle to Career education partnership, key education leaders and funders are now aligned to, setting targets around and tracking progress toward key student success indicators for students in the urban core of Cincinnati and Northern Kentucky: kindergarten readiness, fourth grade reading, eighth grade math, high school graduation, ACT scores, and postsecondary enrollment, retention and completion rates.
2. Forty of 53 indicators of student success measured annually are trending in a positive direction, up from 34.<sup>46</sup>
3. Strive facilitated foundation support of coordinated college access programs in five Cincinnati high schools that are identifying and implementing strategies to ensure students are prepared for and enroll in postsecondary education. In one high school, Aiken, the percentage of students being accepted at a postsecondary institution increased from 31% in 2008-09 to 71% in

<sup>44</sup> "Significant Education Progress in Stark County Ohio." Stark Education Partnership, January 2011. Accessed January 20, 2011.

[www.edpartner.org](http://www.edpartner.org) Additionally, the Stark P-16 working with private interests, provides Stark County schools with modern scientific instruments that can be borrowed by trained teachers to use in instruction through a project called Science and Math on the Move (SAMM.) As a result, Stark County students experience more days of hands on instruction, from 665 days in 1996-97 to 19,300 in 2009-10.

<sup>45</sup> Numerous studies show that students who earn college credits while in high school improve the likelihood of graduates attending college and succeeding while there as it lowers the cost of a college degree for families. For instance, consider testimony of Michael Webb, Jobs for the Future associate vice president, to the U.S. House Committee on Education and Labor, Sept. 20, 2009. Early College High School students were 65% more likely than a representative sample of other students to enroll in college directly after high school graduation. See [http://www.jff.org/sites/default/files/testimony\\_house\\_committee\\_sept09.pdf](http://www.jff.org/sites/default/files/testimony_house_committee_sept09.pdf).

<sup>46</sup> Download the Strive Partnership 2010 Report Card to see all of the results. [www.strivetogether.org](http://www.strivetogether.org)

2009-10. In another, Western Hills University High School, the percentage of students enrolled in college increased to 57%, exceeding the projection of 50%.<sup>47</sup>

4. Fourteen local funders are now investing together in what works to improve student achievement. Cincinnati was awarded a \$2 million, two-year federal grant from the White House Office of Innovation, which required local funders and providers to match (in cash or in kind contributions) a \$6 million education innovation effort.
5. Strive's advocacy work contributed to a new Cincinnati teacher's union contract that reflects many of the key reforms being pushed nationally, including the use of student achievement data in teacher evaluations, more use of performance-based compensation in place of longevity, restricting longevity and step increases to teachers with positive evaluations.<sup>48</sup>

### *Connecting communities more closely to education solutions*

A broad effort to reorganize state educational governance to include regional P-16 councils could facilitate partnerships that help support children from birth to career. At a comprehensive level, it would put in place the foundations needed for reform and reinforce – from Community Learning Centers<sup>49</sup> to community report cards that track performance – the kinds of strategies needed to propel performance in lean budgetary times.

In addition, a compelling case can be made that these P-16 and Cradle-to-Career councils actually save the state and communities in the long run.<sup>50</sup> Likewise, the councils have been able to leverage community resources and dollars for support.<sup>51</sup> For instance, The United Way of Greater Cincinnati's involvement in the Strive Partnership has levered more than \$9 million just in focused early childhood education investment. These investments have led directly to a 9% increase in kindergarten readiness over four years.<sup>52</sup> In addition, the Strive Partnership leveraged resources from Microsoft Corporation to develop a software system and corresponding implementation processes, with, when combined with support from the Cincinnati Public Schools, has an in-kind value of more than \$400,000. This system enabled educators to understand specific needs of individual children and teachers to streamline both student support services and professional development.

Finally, as noted previously, the Strive Partnership was awarded a \$2 million, two-year federal grant that leveraged a total of \$6 million to invest in what works to improve student achievement.

Ohio's reinvention of itself as a P-16 state would facilitate systems-wide expansion or replication of strategies that have had a measurable impact on improving student achievement, from kindergarten readiness to postsecondary completion. A robust network of regional councils would scale what works, and (as seen in the Strive Partnership and Stark Education Partnership examples) combine

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<sup>47</sup> Information supplied by Strive Partnership Executive Director Greg Landsman, January 22, 2010.

<sup>48</sup> [www.strivetogether.org](http://www.strivetogether.org). Also, information from Landsman, January 22, 2011.

<sup>49</sup> The core philosophy behind Community Learning Centers is placing the school at the center of the community and creating a web of resources housed in the school building that serve the whole family and community. Community learning centers become the hub for learning and wellness in the community, providing such services as health clinics, language instruction, computer access or recreational opportunities for adults after school hours. These schools have been shown to improve student learning, build cohesive communities and strengthen family connections to community and school. The Akron and Cincinnati school districts in Ohio have adopted Community Learning Centers as district-wide strategies to improve conditions for learning.

<sup>50</sup> See Appendix Two for a broader discussion of potential cost savings from P-16 and Cradle to Career councils.

<sup>51</sup> The Strive Partnership, for instance, enjoys primary support from non-public funders, including the Greater Cincinnati Foundation, the Carol Ann and Ralph V. Haile, Jr/US Bank Foundation, JPMorgan Chase Foundation, Craig Young Family Foundation, KnowledgeWorks, the Procter & Gamble Fund, SC Ministry Foundation, and United Way of Greater Cincinnati.

<sup>52</sup> Information supplied by the Strive Partnership, December 2010.

public and private resources. Investments would be made in proven initiatives and programs that have improved student-level outcomes along the education pipeline. Educational alignment would facilitate more effective use of civic and philanthropic resources, which could increase the capacity of service providers to help students overcome barriers to learning that occur outside the classroom, and ensure funding is directed to community-level goals for student achievement.

### **Connecting the regional systems**

Regional P-16s and Cradle-to-Career Councils would exist alongside Regional Service Agencies, described earlier in the report, with the RSAs providing support and coordination for the councils. For instance, the RSAs would be in a position to deliver to the councils longitudinal data and analyses that they could use to identify and address education pipeline issues in their communities.

As indicated earlier in the report, the state should collapse existing regional entities into all-inclusive Regional Service Agencies. Included among those existing regional entities would be the state's (now 22) Information Technology Centers. Such a merger would help ensure that the Regional Service Agencies are equipped to collect data, analyze that data, help form a plan and facilitate action on that plan.

The regional alignment of educational service delivery with the state's information technology regions would create the conditions to deploy longitudinal data in a manner that reinvents the state approach to education. That would create a system that supports alignment along a cradle-to-career pipeline and provides incentives for cross-sector collaboration and public-private partnerships that saves dollars and provides the resources, like longitudinal data, to help improve achievement on the local level.

Included among those data services could be the creation of Learning Partner Dashboards, a data analysis tool that connects school-based data (for example, information on academics, attendance and behavior) with program-based data from service providers (such as mentoring, tutoring and after-school programs.) With such a system in place, districts will be able to work with providers more effectively and efficiently, students will get exactly what they need to succeed academically, and funders and policymakers can better determine which programs are helping students do better and which ones are not.<sup>53</sup>

Ohio should begin to expand its existing regional councils into a statewide regional network across the state in FY12-13. Following are recommendations to accomplish that.

## *Recommendations*

### **Expand existing P-16 councils into a statewide network of regional collaboratives that help every community improve outcomes by better organizing their existing resources in support of children.**

Building a statewide network will help create an infrastructure of support for local schools and districts by connecting them more closely to their local and regional service providers for children – from birth to the time these students are young adults beginning their careers.

The state can usher this network into reality by tapping into the expertise of a dozen or so existing P-16 councils. Some of them, like the Stark Education Partnership in Stark County and Strive in Greater Cincinnati, have developed an array of resources and tools and have national stature as leaders in this field. They are ready to lead an expansion across the state.

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<sup>53</sup> For more information, contact the Strive Partnership at [www.strivetogether.org](http://www.strivetogether.org)

Instead of mandating a network from the top down, the state can encourage communities to opt in by offering matching planning grants of \$50,000 over two years to get the effort started. In addition, the state can incentivize the creation of these councils by offering additional state aid to districts that are connected to a P-16 council. The state investment over two years would be \$5 million in matching seed grants, which could be funded through reallocation of existing education dollars, and whatever incentives it devises.

The following actions taken during this biennium will help to build the network and make it active, resulting in the identification of local education issues, the addition of local and regional resources to address those issues, and the beginning of a measurable improvement in the education and well-being of children.

### **What the state should do in FY12/13:**

*Engage and support existing P-16 and Cradle to Career councils to create a statewide task force to provide support and direction to building out a comprehensive system across the state. Designate the Stark Education Partnership and the Strive Partnership to lead the effort.*

*Create financial incentives for communities to develop P-16 /Cradle to Career councils that provide additional state aid and/or freedom from state mandates governing the use of funds to benefit children.*

*Create a matching grant program for communities to use as seed money to create new P-16 councils and Cradle to Career Councils. The \$50,000 grant over two years would be matched by local communities to provide \$100,000 in seed money during the biennium for each regional effort. Reallocate \$5 million from education budgets to support the grant program.*

*Direct federal funds from Ohio's grants for longitudinal data systems to also be used as seed money for the creation of P-16 councils, which would become the implementation vehicle for the use of longitudinal data. Prioritize the creation of the longitudinal data system.*

*Call on Ohio's philanthropies to convene local stakeholders and to help provide the match for local seed money to begin the process of new P-16 councils on the regional level.*

*Under the auspices of the governor, organize state-level providers of education and supports for children into a state P-16 and/or Cradle to Career structure that will implement recommendations from the statewide task force on P-16 expansion.*

## **Conclusion**

The Ohio Smart Schools recommendations around governance reform focus specifically on creating a more intentional and strategic approach to shared services that moves money away from overhead and into classrooms. Savings would be achieved by empowering Regional Service Agencies to incentivize inter-district coordination of shared services, following best practices identified by the state. Local districts would no longer be required to devote so much of their resources to functions (from busing to legal services) that have little to do with the classroom and will be armed with new data tools that aid them in their academic refocus.

Ohio now enjoys an unprecedented window of opportunity to deploy federally funded longitudinal data systems in a way that facilitates a far more efficient education system. The regional

reforms would facilitate effective use of longitudinal data to drive targeted academic interventions to help students successfully transition from one grade level to the next. In short, the state's current budget crisis need not be a barrier to reinvention.

Ohio has the potential to emerge as a national model for regionalizing school district administration and non-instructional services and to use sophisticated data tools to reinvent its approach to education in ways that ensure student success from preschool to postsecondary education and into a successful career.<sup>54</sup>

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<sup>54</sup> On November 8, 2010, the Department of Labor announced that Ohio was one of 13 states to receive \$12.2 million worth of Workforce Data Quality Initiative (WDQI) grants. Ohio will use the funding to expand their longitudinal databases of workforce data and further develop links with education data. Along with the related Statewide Longitudinal Data System's grant program administered by the U.S. Department of Education, the WDQI aims to support better delivery and coordination of education and workforce services through the development and use of, "longitudinal data systems with individual-level information from pre-kindergarten through postsecondary and into the workforce." See <http://dataqualitycampaign.org/survey/issues/Workforce>.

# Appendix One: Statewide Survey of Ohio Superintendents and Principals

Ohio Education Matters coordinated with the Ohio School Boards Association and commissioned Fallon Research and Communications, Inc. to conduct two phone surveys on a variety of educational issues to learn more about common practices in schools and districts.

A survey of 210 Ohio public school district superintendents was conducted from Oct. 22 to Oct. 29, 2010. That survey has a margin of error of plus or minus 6.76%. A survey of 310 public school principals was conducted from Oct. 25 to Oct. 29, 2010. That survey has a margin of error of plus or minus 5.56%.

The analysis of the survey findings was prepared by Ohio Education Matters and does not necessarily represent the position of the Ohio School Boards Association

## *Tapping into community resources*

About half of Ohio public schools could be doing more to tap into community resources that provide support and services to benefit students.

One of every two schools does not provide access in their buildings to health and wellness services for students, which is a best practice of Community Learning Centers across the country that leads to the better use of resources for students.

Only about half of superintendents reported that they belonged to a P-16 collaboration that brought together community, civic, business and education leaders to examine and address education issues in their communities, and they overwhelmingly thought it improved education quality in their area.

### **Survey results:**

While most principals (86%) said their buildings provide space for community meetings during the school day and outside of the day, only 41% said their buildings have space for student or family health and wellness services. Likewise, only 30% of superintendents said they had buildings that provide such space.

Slightly more than half of the superintendents surveyed (53%) said their district had a community or regional entity that brought together community members, higher education, business and others with their district to explore education problems and challenges in their area and provided direction and support to fixing them. Of those that did have a P-16 collaboration, 77% said they thought it had improved education quality in their area. And of those who did not have such an organization, 65% said they thought it would improve education quality if they had one.

## *Doing more by working together*

While high percentages of superintendents reported that they worked with other districts in making some purchases and sharing some services, the survey indicates that this best practice could be more widely used across a broader spectrum of products and services to save districts more money.

Fifteen percent of superintendents reported that they don't do any cooperative purchasing, despite the significant savings other superintendents found in lowering costs of items that can be bought in bulk with others. Likewise, 20% of superintendents report that they don't share the delivery of services of any kind, despite the high potential for savings.

Those who do use cooperative purchasing report most often they are purchasing utility services cooperatively, but that practice could be more widespread. Likewise, only small percentages of superintendents are making purchases across a variety of services.

Those superintendents who are sharing services most often cite special education programs and transportation, but the potential for savings across a wider spectrum of services, including facilities and real estate, remains unexamined.

**Survey results:**

Most superintendents (84%) report that their district participates in consolidated or cooperative purchasing agreements with other school districts, public agencies or governmental entities. The purchase of utilities (24%) was the most widely cited purchase, with office supplies (15%), insurance (15%), transportation (12%) and instructional supplies (9%) also being cited.

Nearly all (91%) of superintendents who participated in cooperative purchasing reported the practice resulted in significant cost savings. As a result, 96% said they would recommend cooperative or consolidated purchasing to other school districts and 80% said they would use more of those agreements if they were available to them.

Most superintendents (71%) said their districts participated in shared services with other school districts, public agencies or governmental entities. Of those that participated in sharing services, 26% were sharing special education programs, 20% were sharing transportation, 11% were sharing therapy and psychological services, and 10% were sharing educational programs and curriculum. By a large margin (83%), superintendents said this resulted in significant cost savings and 97% said they would recommend sharing services to other school districts.

The barriers to sharing services were identified by superintendents as being location and distance (23%), different needs (11%), time (10%) and schedule (10%).

A smaller portion of superintendents (69%) reported participating in a multi-district healthcare purchasing pool, and 80% of those participating said they would enter a health care purchasing pool if it retained quality of care but reduced costs.

### *Saving money by contracting for services*

Only slightly more than half of superintendents surveyed indicated that they outsourced services to private contractors despite the significant savings reported by those who did outsource. The services most often cited for outsourcing were maintenance and information technology.

Most districts contracted for some services with an Educational Service Center, most often for special education services, and they reported high levels satisfaction with that experience, suggesting that ESCs might be even more of a resource for efficiency on a county or regional level.

**Survey results:**

The practice of outsourcing services to private contracts was cited less by superintendents. Slightly more than 55% of superintendents indicated that they outsource any services to contractors or outside providers. Among those who did, they indicated that maintenance services (37%) and information technology services (12%) were the most widely used, and those that outsourced said this has resulted in significant cost savings (68%) and that they would recommend to other district outsourcing services to contractors (78%).

Nearly all superintendents indicated that have contracted services with an Educational Service Center (regional or county-level public agencies that provide various support services to school districts that contract with them), and nearly all superintendents (90%) surveyed said they would recommend or encourage other districts to contract with an Education Service Center for services. A large number of superintendents (44%) reported that they contract for special education services with Educational Service Centers, with another 18% indicating that they contract for therapy, psychology or medical services and another 11% for curriculum and teaching supplements.



# Appendix Two: Why the P-16 / Cradle to Career Approach Saves Money

The costs of an educational system that loses students along the way are extremely high, both to individuals and society. For example, the average dropout costs the country about \$260,000 over his or her lifetime. In addition, students who earn their diplomas contribute to the economy, creating economic growth and a stable tax base in communities. In Ohio, “if the nearly 38,000 high school dropouts from the Class of 2008 had earned their diplomas instead of dropping out, [our] economy would have seen an additional \$9.8 billion in wages over these students’ lifetimes.”<sup>55</sup>

Education beyond a high school diploma is increasingly vital to achievement later in life.<sup>56</sup> “In 2008, Americans with bachelor’s degrees or higher earned a median income that was more than 50% higher than their peers with only high school diplomas. In the past few decades, earning differentials by education level have been increasing, especially among men.”<sup>57</sup>

The cradle-to-career approach of P-16 councils is a comprehensive strategy with the potential to raise graduation rates, increase student achievement, strengthen community partnerships and decrease the need for remediation in postsecondary education. All of these changes hold significant budgetary impacts for Ohio.

## *Graduation Rates*

Ohio could recognize substantial savings and increases in revenue by ensuring all students graduate from high school:

- On average, high school graduates pay \$564 more in taxes every year —\$880, compared to an average of \$316 annually for high school dropouts.
- High school graduates receive fewer government assistance payments for housing, food stamps, healthcare, unemployment and disability compensation, etc. High school graduates receive an average of \$2,851, while high school dropouts receive an average of \$5,091 annually, a net savings of \$2,240 per high school graduate.
- As a result of higher wages and higher employment, the per capita median earnings of high school graduates are \$8,459 higher than that of high school dropouts. On average, individuals who complete their high school education can realize a lifetime net benefit of more than \$470,000.
- After subtracting the cost of providing an education, Ohio taxpayers can realize a lifetime net benefit of nearly \$210,000 per high school graduate, a return of \$11.62 for every \$1 invested.<sup>58</sup>
- High school dropouts constitute the majority of prison inmates. Governmental savings on incarceration costs would equal \$1,586 per individual who completes high school rather than dropping out.

<sup>55</sup> “Understanding High School Graduation Rates in Ohio.” Alliance for Excellent Education. Accessed January 20, 2011. [http://www.all4ed.org/files/Ohio\\_wc.pdf](http://www.all4ed.org/files/Ohio_wc.pdf).

<sup>56</sup> Anderson-Butcher, D., Wade-Mdivanian, R. & Drew, H. (2010). Federal and state funding streams to support student learning across the educational continuum: A fiscal analysis for P-16 councils in Ohio. [https://ckm.osu.edu/sitetool/sites/caycipublic/documents/P-16/P16\\_Report\\_final.pdf](https://ckm.osu.edu/sitetool/sites/caycipublic/documents/P-16/P16_Report_final.pdf)

<sup>57</sup> U.S. Department of Education. The condition of education. Table A-17-1. Median annual earnings and percentage of full-time, full-year wage and salary workers ages 25–34, by educational attainment, sex, and race/ethnicity: Selected years, 1980–2008. Accessed November 18, 2010. <http://nces.ed.gov/programs/coe/2010/section2/table-er2-1.asp>.

<sup>58</sup> Brigitte Blom Ramsey et al., “An Evaluation of the Economic Benefits of High School Education.” University of Cincinnati Economics Center for Education & Research, 2008. Accessed January 20, 2011. <http://www.oapcs.org/files/benefitsofhsdiplomafinaljan2009.pdf>.

- These annual fiscal costs associated with dropouts total \$4,390 per dropout, or \$548 per individual Ohio taxpayer (counting Ohio joint tax filers as individual taxpayers).
- With a total of 749,879 high school dropouts in Ohio, the economic loss to the state economy in terms of lost earnings due to this lack of education amounts to a total of \$7.6 billion annually.<sup>59</sup>

P-16s – with their emphasis on high standards for all students, relationship building, community support and early warning data – represent a new strategy for Ohio to comprehensively remedy an education system that currently loses too many students, and at great cost to the state.

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<sup>59</sup> Ibid.

# Appendix Three: The Strive Partnership Community Assessment of Readiness

Strive has developed a Community Assessment of Readiness to help communities understand what elements are needed to establish a successful Cradle to Career Council. The partnership envisions this core elements checklist as the basis for a certification that a community is ready to proceed in building the C2C partnership.

## Community Assessment of Readiness

Core Elements of Cradle to Career	Core Attributes
<b>Civic Infrastructure</b>	
<b>Operations</b>	
Staffing	Project Manager, Data Manager, Facilitator (continuous improvement skills & competencies)
<b>Cradle to Career Pipeline</b>	
Engaged Leadership	Discussions have begun among CEO level cross-sector leaders around the cradle to career pipeline and the civic infrastructure needed to accomplish the vision.
Community Vision	Leadership agrees that a cradle to career civic infrastructure is critical to improving student academic and social outcomes
Organizational Affiliate	An organization/institution is willing to commit resources to develop the cradle to career civic infrastructure
<b>Evidence Based Decision Making</b>	
Community Level Outcomes	Leadership agrees that identifying community level outcomes across the cradle to career pipeline is critical to aligning community resources to improve academic and social outcomes.  The will and resources exists to compile baseline data for community level outcomes, monitor and report progress
Asset Mapping	The will and resources exists to compile data on programmatic and financial assets
Select Priority Strategies	Leadership is willing to commit to using evidence based decision making and continuous improvement processes to drive the selection of priority strategies.
<b>Collaboration &amp; Capacity Building</b>	
Continuous Improvement Action Plans	Leadership is willing to commit to using evidence based decision making and continuous improvement processes to drive the implementation of priority strategies.
Create Network(s) based on priorities	The will and resources exist to convene academic and social service providers to engage in continuous improvement work around priority strategies.
Establish Data Management System	Leadership is willing to commit to aligning data resources into a comprehensive data management system to drive interventions to improve student outcomes.
<b>Investment and Sustainability</b>	
Engagement of Funders	Leadership is willing to financially support and advocate for evidenced based strategies that improve outcomes.  The will and resources exist to financially support the ongoing operations of the cradle to career education partnership to reach its vision, mission and goals.
Community Engagement	Leadership is willing to develop messaging/rallying cry which engages the broader community in sharing accountability and taking action to improve student outcomes

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