

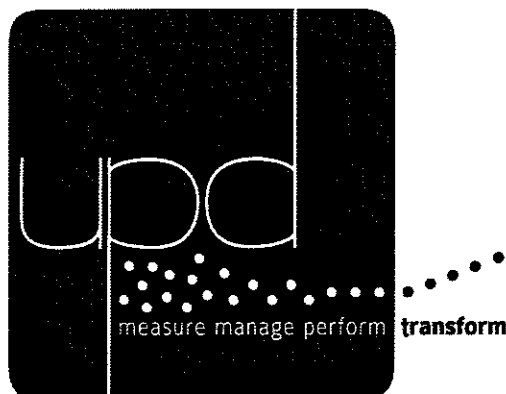
STATE OF WEST VIRGINIA  
EXPRESSION OF INTEREST  
EDUCATION EFFICIENCY AUDIT  
REQ # GOV 20110

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COMPARING DIVISION  
STATE OF WV

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## TRANSMITTAL LETTER

September 20, 2010

Roberta Wagner

Purchasing Division

P.O.Box 50130

Charleston, WV 25305-0130

Dear Ms Wagner:

UPD Consulting, LLC. (UPD) is pleased for the opportunity to offer this Expression of Interest for the Education Efficiency Audit for West Virginia's Primary and Secondary Educational System.

Our firm is a leader in educational performance management and efficiency reviews with direct experience in identifying efficiencies, analysis of State budget, development of public policy, and providing insight to public sector leaders. Our project plan is based on the State of West Virginia need to increase its Return on Investment (ROI) in primary and secondary education. The State needs to achieve more work-ready and college-ready High School graduates without increasing its investment in education. This can be achieved only through both cost-cutting and increasing educational effectiveness. These approaches in turn must be underlain by development of a series of data metrics to understand the value of a given approach, its effect on the desired goal, and to offer a cost-benefits analysis of a specific course of action. From these analyses, UPD will provide a set of recommended policy level, fiscal and programmatic actions which will optimize the State's ROI.

UPD's founding partners were there at the start of Baltimore's CitiStat performance management process and led the effort to expanding the Stat model into education in Baltimore, Washington DC and other several districts. As we speak, UPD is six-months into a

cutting edge operations-focused performance management engagement working with the Wichita Public Schools. There is simply no other potential partner for the State of West Virginia to balance need for fiscal constraint with the drive for higher student achievement.

Unlike many of our competitors, UPD prides itself in going beyond just strategy formulation or staff augmentation and into the comprehensive implementation of solutions. From our State performance management work, to our professional development trainings around special education, to our project management on technology solution implementations, UPD is uniquely prepared to manage complex projects.

We hope you find the enclosed proposal to be compelling. We are excited about the prospect of starting a partnership with you. Please feel free to contact us directly with any questions or concerns you may have. We look forward to discussing our proposal with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Austin", with a stylized flourish at the end.

Doug Austin  
President and CEO  
UPD Consulting, LLC.

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## 1. REQUEST FOR QUOTATION

The required Request for Quotation form can be found under **Appendix A – Request for Quotation**.

## 2. VENDOR EXPERIENCES & REFERENCES

### UPD HISTORY & CAPACITY

BOB I MADE CHANGES IN THIS SECTION BEFORE I STARTED TRACKING

UPD Consulting (“UPD”) LLC., a Baltimore-based, minority-owned public sector management consulting firm, was founded in 1995. The firm specializes in helping state education agencies, public school districts, and local government agencies to use data to manage performance for better outcomes. Our real strength is in helping to optimize the use of resources through data-driven decision-making. UPD provides a wide range of management consulting services including strategic planning, performance measurement and accountability systems, process re-engineering, efficiency and effectiveness studies, and staff capacity assessments. In short, we specialize in helping clients implement management reforms.

UPD has a long history of assisting States and other public agencies with organizational improvement and innovation. Our consultants have managed large-scale projects with the District of Columbia State Education Agency, the Rhode Island Department of Education, the DC Public Schools, and the eight largest urban districts in Texas, the Detroit Public Schools, and the Miami-Dade Public Schools. We have managed the development of data warehouses and enterprise special education systems in the Baltimore City Public Schools and the State Education Agency in Washington, DC. Our knowledge and experience base in the areas of human capital management, education data systems, value-added and growth models, special

education services management, and K-20 organization design positions UPD well up the learning curve of what has been attempted, what has worked, what has failed—and why. In short, UPD understands the fundamental management, cultural, political and resource challenges facing K-12 education and the necessity to view education through the PK-20 lens.

We have a deep understanding of pursuing data-driven operational improvements as a result of several projects at the Rhode Island Department of Education. UPD served as a project manager to the writing of the Race to the Top Application for RIDE. UPD also conducted a comprehensive current state analysis and gap analysis on the state's longitudinal data system. This report cataloged 10 specific recommendations the state should consider to develop a full PK-20 data infrastructure with its current system. UPD was also hired to work with RIDE's internal data team to form a strategic vision for developing the state's longitudinal data warehouse, including the development of a data governance committee and a statewide measure of teacher effectiveness.

In addition, UPD brings exceptional experience in supporting the development of Performance Management processes in state education agencies and school districts. UPD consultants were integral participants in Baltimore's innovative CitiStat process and created "Stat" accountability and project tracking systems for the Baltimore Housing Department and the Baltimore City Public Schools. UPD has assisted several organizations with the establishment of Performance Management processes, including the District of Columbia State Education Agency, the Detroit Public Schools, the Paterson, NJ Public Schools, and the Wichita, KS Public Schools. UPD's SchoolStat work in Paterson, NJ was highlighted in the Sunday New York Times. **(Please See Appendix C.)**

## SUCCESSFUL PROJECTS

### BALTIMORE CITY PUBLIC SCHOOL SYSTEM: SCHOOLSTAT PERFORMANCE MANAGEMENT SYSTEM IMPLEMENTATION

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#### CLIENT DESCRIPTION

The Baltimore City Public School System serves more than 83,000 students and 10,000 educators and staff.

#### PROJECT INFORMATION

- ▶ While serving as the Director of the SchoolStat program, UPD staff managed a team of 6 staff to operate all performance management processes over central operations including teacher recruitment and placement, the provision of special education services, facilities and maintenance, student attendance, and the district strategic plan.
- ▶ This work resulted in several increases in performance including a rise in new teacher GPA from 3.1 to 3.6, a rise in the number of teachers eligible to be highly qualified from 63% to 91%, a reduction in the number of interruptions in service to special education students by one-third, and a reduction in the backlog in Facilities work orders from more than 5,000 to less than 1,000 in four months.

<b>Customer</b>	Dr. Ben Feldman
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## WICHITA PUBLIC SCHOOLS: SCHOOLSTAT PERFORMANCE MANAGEMENT SYSTEM IMPLEMENTATION

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### CLIENT DESCRIPTION

Wichita Public Schools serves more than 50,000 students and 4,000 educators and staff. The District is high-poverty and racially diverse.

### PROJECT INFORMATION

- ▶ Following State of Kansas Department of Education recommendations that the District establish a performance management process, new Superintendent John Allison selected UPD to lead the effort. "SchoolStat" began with the Facilities Division in Summer 2010 and expanded to cohorts of Principals, and a single building-based effort at a low-performing Middle School in Fall 2010.
- ▶ The UPD led Stat effort has provided a new focus on operational efficiencies and productivity in the Facilities Division through the development of multiple new metrics and specific training on productivity and data-driven decision making. UPD has used Division data to identify numerous areas of inefficiency (opportunities for increased productivity) and is building capacity among District leadership to effect change.
- ▶ UPD worked with instructional and information technology staff to identify sophisticated measures of instructional implementation and student achievement.
- ▶ UPD provided a successful Workshop in performance management data analysis and techniques at the statewide Kansas Learning Network conference in May 2010.



<b>Customer</b>	John Allison
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OFFICE OF THE STATE SUPERINTENDENT, DISTRICT OF COLUMBIA -PERFORMANCE  
MANGEMENT AND POLICY AND PROCEDURES REVIEW

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CLIENT INFORMATION

As part of broad education reforms in the District of Columbia , the Office of the State Superintendent (OSSE) was given new responsibilities, powers and complete autonomy as an State Education Agency from the D.C. Public Schools LEA. OSSE oversees a range of traditional SEA functions including managing federal funding programs and supporting the over fifty LEAs in the Districts (DCPS plus more than fifty Charter School LEAs).

PROJECT INFORMATION

- ▶ As part of broad education reforms in the District of Columbia in 2007, State Superintendent Deborah Gist was responsible for building DC's new State Education Agency (SEA) separate from the District of Columbia Public Schools. This not only involved a top to bottom organizational re-structuring, it required the definition of new measures of performance and to establish a way to hold managers accountable for their work.
- ▶ Gist hired UPD to help OSSE develop and build the EdStat performance management program. The ultimate objective of this consulting work was to build OSSE's capacity to manage EdStat within an internal EdStat office staffed with a Director and Data Analyst.

- ▶ OSSE contracted with UPD to provide a sweeping analysis of program policies and procedures ranging from internal operational practices (processing invoices and fleet management among many examples) to a detailed financial and programmatic review of the large, \$300M annual budget Early Childhood Education component of the agency.
- ▶ EdStat led to the discovery of process bottlenecks and pushed more accountability to case managers. Within three months, OSSE reduced the backlog from 1,500 cases to zero and reduced processing time from 72 to 30 business days. In the year following implementation, processing time has been reduced to sixty minutes.
- ▶ Policy and Procedure review identified areas of potential efficiency gains and cost savings for implementation.

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**BILL AND MELINDA GATES FOUNDATION/ TEXAS HIGH SCHOOL PROJECT DATA DIAGNOSTIC AND PLANNING PROJECT**

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**CLIENT DESCRIPTION**

Group of Superintendents representing the eight largest independent school districts (ISDs) in the State of Texas including: Dallas ISD, Houston ISD, Austin ISD, San Antonio ISD, Fort Worth ISD, El Paso ISD, Corpus Christi ISD, Ysleta ISD as well as the IDEA Charter Schools in the Rio Grande Valley. The districts collectively represent more than 720,000 students in the State of Texas.

## PROJECT INFORMATION

- ▶ UPD managed all aspects of the planning and execution of the “Data Diagnostic and Planning Project”, a investigation into the data use processes and practices to improve student achievement in the Big Eight Urban Schools in Texas as well as the IDEA Charter Schools in the Rio Grande Valley
- ▶ With support from the Bill and Melinda Gates Foundation, conducted extensive on-site interviews of central administration staff, teachers, and principals at all Big Eight Districts to understand the current data practices in the district as well as the desired future uses of data to improve student achievement.
- ▶ Conducted a Data Health Diagnostic on 9 years of longitudinal data for each district. The Data Health Diagnostic is an automated database tool that measures the health and consistency of longitudinal data to understand its fitness for use in advanced analytics such as teacher value-added research and early warning system indicators for high school completion and college readiness.
- ▶ Created nine gap analysis reports with recommendations to implement the desired future state of data use in the district. This report focused on:
  - Developing teacher effectiveness measures based on value-added data modeling for use in performance pay systems, performance evaluations, and in research to understand the observable and measureable factors that predict teacher success as measured by student growth.
  - Integrating post-secondary data from the National Student Clearinghouse and the Texas Higher Education Coordinating Board into the districts’ data systems to understand the factors of college success.
  - Developing early warning indicators and supporting data inquiry processes for high school dropout and college readiness.

- Developing robust formative assessment systems with supporting professional learning communities to monitor student growth and progress within a year and to target interventions to specific student needs.

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<b>Customer</b>	Milan Sevak
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## DETROIT PUBLIC SCHOOLS EFFICIENCY STUDY

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### CLIENT DESCRIPTION

Large urban District of more than 120,000 students at time of study, year 2000.

## PROJECT INFORMATION

- ▶ A comprehensive management review of the entire school district. The primary objectives of this study were to evaluate the district's organization, management and operations to identify opportunities to streamline operations and to redirect resources; to work with district leadership to determine how DPS should be organized and managed to achieve district goals; to identify and develop specific recommendations to address priority issues to ensure the fiscal and operational integrity of the school system; and to create a baseline of the District's current performance against which the success of district improvement initiatives can be gauged.
- ▶ Turbulence in District Leadership led to failure to adopt most recommendations. UPD had brief technical advisory engagement with Detroit in 2009 and was saddened, but not surprised, to find many of the same problems as were analyzed nine years prior.
- ▶ UPD was a subcontractor to Berkshire Advisors, who was the prime contractor for the project. UPD was lead consultant for the reviews of the safety and security, facilities maintenance, transportation, community use of schools, printing, purchasing, and IT divisions.

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MIAMI DADE PUBLIC SCHOOLS EFFICIENCY STUDY

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CLIENT DESCRIPTION

Study conducted in 2002 on behalf of the State of Florida. Miami-Dade is one of the largest school districts in the United States.

PROJECT INFORMATION

- ▶ Conducted comprehensive studies of the Miami-Dade and Sarasota County Public School Districts utilizing Florida's OPPAGA Best Practice Standards established by the state to monitor both the efficiency and cost-effectiveness of its public school districts. These reviews evaluated each District's performance in meeting benchmarks established in thirteen operational areas, including management structure, performance accountability, educational service delivery, human resources, food services, safety and security, maintenance, facilities construction, use of lottery proceeds, cost controls, and transportation. An analysis of opportunities for cost-savings in each of these areas was performed as part of this study.
- ▶ In addition to individual interviews and in-depth analysis of each District's policies, procedures, audits, data documentation and other relevant materials, these studies included visits to schools and District operation sites and public forums that were conducted in locations throughout each county.
- ▶ UPD was a subcontractor to Berkshire Advisors, who was the prime contractor for the project. UPD was lead consultant for the reviews of the safety and security, maintenance and transportation divisions.

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CHARLOTTE-MECKLENBURG SCHOOLS AND THE DISTRICT OF COLUMBIA PUBLIC SCHOOL SYSTEM ON BEHALF OF THE BILL AND MELINDA GATES FOUNDATION

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CLIENT DESCRIPTION

The Bill and Melinda Gates Foundation provides grants in more than 100 countries. With an endowment of more than \$33 billion, the Foundation’s educational mission supports the use of data, preparing students for college, and improving the effectiveness of educators.

The Charlotte-Mecklenburg Public School System in North Carolina serves more than 134,000 Students and 19,500 employees . The District of Columbia Public Schools serves more than 45,000 students and 6,400 employees.

PROJECT INFORMATION

- ▶ On behalf of the Bill and Melinda Gates Foundation and in partnership with the Harvard Program for Policy Innovation in Education, UPD staff merged 10 years of student, teacher, and test data (including student-teacher links) from more than 30 data systems at Charlotte and DC into one database in order to construct teacher value added models, early warning systems, and integrated links to student data in the National Student Clearinghouse (NSC).

- ▶ Created an evaluation rubric for successful data diagnostic programs (linking teachers to students, linking students to the NSC, creating early warning systems), new schools strategy, and human capital strategy to be used by a regional collaborative of school districts. In addition, conducted a technology and process inventory and gap analysis based on a pre-established rubric to understand what investments would be needed in order for each district to create an early warning system, link student records to the NSC, and link teacher and student records for teacher value added analysis. The end result was a gap analysis report for both districts.

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## UPD PROJECT TEAM

The proposed UPD team under Scenario 3 of this proposal features Robert Pipik as the Partner-in-Charge, Julio Gonzalez as the Project Manager, and Catherine Sylvester as an Analyst. In addition, UPD partners Doug Austin and Bryan Richardson will provide support in areas of their subject matter expertise. Detailed resumes can be found under **Appendix B – Project Resumes**

### Experience with Government Program Review and Budget Analysis:

The UPD project team has extensive experience in this arena.

- Robert Pipik directed the program and budget review of the District of Columbia Office of the State Superintendent Early Childhood Agency. This large, \$300M entity provided oversight and subsidy to a large childcare and pre-school network in the District. Prior to the UPD analysis, OSSE had conducted a thorough review of staff alignment to functions and cost-implications of policy decisions. For example, the District was launching a worthy effort to align pre-Kindergarten content with Kindergarten standards for word and number cognition and other assessment measures. The ECEA staff were ill-equipped to add this element of complexity to their oversight of the funded locations by workload, training and sense of mission. Simultaneously, a series of reporting mechanisms were discovered to be opportunities for greater efficiency. A cost-neutral series of recommendation were made to improve system performance.
- Julio Gonzalez reviewed the City of Gulfport's fleet management operations, evaluating financial and accounting procedures, operational quality, technology suitability, and consolidation options. He has also analyzed the impact of new smoking regulations on Houston's retail and mixed beverage sales through econometric analysis. Gonzalez worked with the Tulsa Police Department to identified gaps in existing staffing and talent management for the Department (~1,000 employees) through data analysis and key stakeholder interviews. He benchmarked individual functions to peer departments

and suggested specific corrective actions based on data analysis, and developed new performance metrics for client.

- Douglass Austin was a member of team that conducted efficiency and effectiveness review for Miami-Dade County and Detroit Public Schools. These reviews evaluated each District's performance in meeting benchmarks established in thirteen operational areas, including management structure, performance accountability, educational service delivery, human resources, food services, safety and security, maintenance, facilities construction, use of lottery proceeds, cost controls, and transportation. An analysis of opportunities for cost-savings in each of these areas was performed as part of this study.

*Experience with Implementation of Cost Savings:*

UPD staff, acting both on a consultant basis and during tenures in the public sector, has presided over a number of cost savings and efficiency gaining efforts in large complicated, multi-stakeholder bureaucratic environments. At the City of Baltimore, UPD staff were involved in performance management processes aimed at controlling the use of overtime, for example.

Currently, UPD is working with the District of Columbia Public Schools on a cost-influenced reorganization of Special Education services. As a result of a large number of issues, DCPS spends an out-sized portion of its resources on comparatively few students on a per capita basis, even when compared to other urban Districts with similar demographics and profiles. The project combines a series of staff capacity and mission alignment analysis with detailed budgetary review, including a Title 1 Capture process. The project is undertaking a particularly thorough review of "Non-Public Placements" which are utilized in D.C. in extremely high proportions. This review combines financial considerations with creative alternative solutions to meeting the educational needs of these students.

*Experience with Research and Development of Public Policy:*

Mr. Pipik provided a series of analyses for DC OSSE to produce a set of policy recommendations regarding the State agency approach to teacher training and licensure. These recommendations led directly to revisions in the approval process for teacher-training programs in the District and lay groundwork for a Statewide teacher effectiveness measure linked to retaining licensure. Later, with UPD's assistance, this policy framework was incorporated into the Rhode Island's successful Race to the Top application.

*Experience Advising State-Wide Officials:*

In our work in Rhode Island UPD played an integral role not only in project managing the production of the Race to the Top application and offering specific content expertise but more broadly on advising Superintendent Deborah Gist on navigating aspects of the community and political topography. Previously, Ms. Gist had held the same position for the District of Columbia where UPD was a trusted advisor, be counted on for council both within our various scopes of work ("Stat" Performance Management, Special Education IT Implementation, Longitudinal Data Implementation Technical Assistance, Policy and Procedure Review, Charter Schools Financing) and generally on organizational growth and direction. Sometimes assisting strategy formulation and other times playing the "friendly critic" who has more distance and different incentives than internal advisors, and can sometimes be more forthright. We believe we offering similar value in Wichita Kansas.

Julio Gonzalez prepared a benchmarking analysis of financial and operational metrics for the Oklahoma Department of Corrections. Analysis helped identify bottlenecks to financial efficiency. He also worked on an efficiency study team focused on the University of Arkansas' operations. Gonzalez also worked with the Puerto Rican correctional system (which oversees ~14,000 prisoners) to implement tracking and measurement systems in collaboration with information technology partners to provide ongoing quantitative measurement of operational results for prisoner classification, facility management, and training.

As Chief of Staff for the Baltimore City Public Schools and previously Deputy Commissioner of Housing for the City of Baltimore, Mr. Austin has direct experience as high-level appointee to

elected officials, working very closely with then-Mayor, now-Governor Martin O'Malley. He was also the lead consultant for Transportation, Facilities Maintenance and Safety & Security for management reviews of the Miami-Dade Public Schools and the Sarasota Public Schools for the State of Florida's Best Practices reviews for the Office of Program Policy Analysis and Governmental Accountability (OPPAGA).

Please see attached for resumes of Proposed Team Members. It is further noted that pending award and negotiations, UPD anticipated building local capacity in West Virginia by hiring a middle level West Virginia based analyst as all-but full time presence of the team on-site by the conclusion of 2010. UPD has had success with a "remote team /local anchor" approach in Texas, Rhode Island, Kansas and other project nationally.

### 3. PROJECT PLAN

#### OVERVIEW

UPD understands that West Virginia needs to get better (not the same but better) results with its existing or reduced State funding. The State's investment in K-12 education needs to yield more and higher-quality, college/work ready high school graduates per dollar. To achieve this, we propose a three-prong approach focused creating a new *optimal portfolio* of regulations, administrative rules and investments:

1. METRICS. Development of metrics that catalyze maximization of return on investment (ROI)
2. COST SAVINGS. Streamlining costs by reducing low return mandates and investments
3. INVESTMENT. Re-allocation of some of the resources from cuts and streamlining into high impact programs and measures

Only through a combination of all three of these efforts will the State realize its ultimate goal. One cannot simply cost-cut their way to higher productivity and educational attainment. There are opportunities for savings, undoubtedly; and these shall be uncovered. But they will not translate into higher achievement. In fact, without care, cost-cutting will result in sub-optimal results compared to reinvestment into high impact measure. Similarly, UPD will explore efforts the State can play to most efficiently improve student outcomes. However, uncoupled from cost-savings, a proliferation of programs could raise costs, lead to disparate results across the State and fail to give the State "more bang for the buck." Undertaking both pathways simultaneously is the best path towards achieving an optimal portfolio that shifts resources from low return regulations, rule, and programs and into high return activity. Doing so requires a finely-honed definition of success that engages both state and local public sector managers. The goal of the new optimal portfolio of measures and investments is to improve student outcomes per dollar spent with the same or fewer resources.

It is noted in that the State has varying degrees of influence over the decisions and issues discussed below as potential cost-saving opportunity. In some instances, the analysis may indicate a need for policy level shifts to require actions at the State and District level of certain practices, either through administrative measures or possibly requiring legislative action. In other cases, the State may serve as a go-between allowing Districts, groups of Districts, or all Districts to act in unison voluntarily. In others, the State may be able to set technological or regulatory standards to create a commonality that will yield an ROI increase through enhanced effectiveness.

## I. DEFINE ROI: IDENTIFY OPTIMAL PORTFOLIO METRICS

UPD's past operations and public sector finance experience highlights the importance of utilizing the concept of an *optimal portfolio* to ensure West Virginia achieves the maximum return for its spending and administration of its K-12 regulations, mandates, and rules. The goal of our engagement will be to help develop a portfolio that shifts resources from spending and regulation that is relatively low impact and that do not amplify each other's impact towards a portfolio that features high returns that amplify each other. For example, shifting resources from central office administrative positions through technology-enable automation and into quality pre-Kindergarten education is an example of a shift from low return to high return activity. Moreover, pre-Kindergarten's positively affects and amplifies the impact of other elementary and middle-school student programs (e.g. a curriculum that integrates college awareness) that are likely to experience an increase in resources.

Developing an optimal portfolio requires the adoption of a primary metric and several secondary metrics around which to make decisions about resource allocation. The primary metric is the outcome around which the UPD team will evaluate changes in spending and regulation; the secondary variables serve as constraints on the primary variable.

Given the information in the RFP, UPD's preliminary recommendation is that West Virginia focus on the *cost per college-ready high school graduate* as the primary metric. This metric will

allow for the calculation of the ROI of different investments and legal requirements on local districts, facilitating the shift from relatively ineffective measures to effective ones to build an optimal portfolio. UPD also suggests that West Virginia potentially consider secondary variables that focus on equity across districts, local district morale, and parent support. The precise nature of these secondary metrics will ultimately depend on local factors that will become apparent to UPD as we begin the engagement. For example, the most efficient use of money might lead to a portfolio of investments and regulations that invests heavily in urban students at the margins of graduating and/or being college ready, shifting the overall allocation away from rural and suburban communities. Or perhaps the opposite will be the case. It will ultimately depend on the data; however, what is most efficient is not always the most prudent course given the many stakeholders involved, Secondary metrics focused in areas such as equity can help provide some useful refinement to the portfolio to ensure its implementation success.

UPD will work with stakeholders designated by West Virginia to arrive at a primary metric and secondary metric that allow the State to achieve its goals. UPD has vast experiencing in facilitating the development of metrics and key performance indicators and is confident that it can create a customized, efficient process for their development in this project.

## II. COST SAVING APPROACH TO GREATER ROI

The goal of the Cost Savings is to eliminate spending that doesn't add marginal value in terms of graduation of college ready students and to encourage economies of scale through pooling and other means. Using the definition and metrics to understand ROI as suggested in our metrics sub-section earlier, a cost-benefits analysis can be applied to provide a detailed and nuanced understanding of value of potential cost-savings measures. Through State and District levels interviews and data analysis, coupled with benchmarking for State and national norms, various cost-cutting measures as those below can be understood in how they contribute to a gain in ROI.. The Cost Savings shall be analyzed in three categories that capture the all of the conduits the State has to influence resource deployment:

1. State-level educational spending efficiencies and redundancies

2. State-level practices that drive local district costs
3. Discretionary district level practices that drive costs and which the State may influence indirectly. Findings from each of these areas will be analyzed with respect to potential savings and in terms of primary ROI metric. These analyses will yield recommended courses of action.

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#### STATE LEVEL EDUCATIONAL SPENDING

State Educational Agencies and other State Departments such as the West Virginia Department of Education and the Arts, the Center for Professional Development, the Board of Education and the Regional Education Service Agencies account for a significant level of direct educational investment of State dollars. UPD will Analyze salary and staffing benchmarks, benefits practices and purchasing reforms to determine internal efficiency issues and their relationship to student performance.

In addition, and perhaps most powerfully, these agencies represent a fairly complex constellation of service providers for Districts and front-line educators. Their array was largely established prior to recent changes in the primary and secondary educational landscape such as the drive toward understanding teacher effectiveness models, establishing common standards, advent of No Child Left Behind and its soon-to-be-determined second iteration. Furthermore, ongoing explosive growth in technological, information and communication sectors require a reconsideration of basic business practices in many industries including public education. A review of the core functions and missions of these entities will be undertaken to understand areas of overlap and redundancies, as well as potential gaps in services, between them.

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#### STATE LEVEL MANDATES AND PRACTICES THAT DRIVE DISTRICT COST STRUCTURE

States, as regulatory and funding entities, influence District level practices and as such have leverage over sometimes surprising amounts of local spending.. An analysis of State administrative, legislative and other (such as Court imposed) mandates and practices will be undertaken. This will occur through a review of State policy and budget but also through the eyes of the “consumers” – the districts themselves. District financial staff from a representative sample of staff will be engaged in discussions



about regulatory requirements, staffing ratios, fees and licenses, reporting demands and other state-influenced drivers of local cost.

First, because instructional personnel account for the largest expense for Districts, we will explore labor and benefits expenses that are driven by state-level decisions. UPD will examine several factors related to labor expenses:

*1. Drivers of FTE Count.* UPD will examine the policies that drive the head count of personnel at the district level. Specifically, UPD will start with an examination of maximum classroom size requirements by grade and sub-categories (e.g. special education) and instructional offering requirements and credit requirements (e.g. physical education credits), UPD will analyze the interaction of these cost drivers with the primary and secondary metrics. Our team will add further drivers based on discussion with the representative sample of districts.

*2. Demand-side Drivers of per FTE expense:* UPD will examine how state-level regulations impact the ability of districts to negotiate with employees, as well as any compensation floors that are mandated by the state. UPD will examine state-level certification requirements that might add per FTE cost. Further, UPD will add other areas based on the representative sample of districts and the issues they raise.

*3. Supply-side Drivers of per FTE expense:* UPD will examine how state-level policy affects the supply of personnel hired by districts, such as subsidies for teacher education, transfer of credentials, information technology that facilitates application by out of state applicants, etc.

Subsequent to labor and benefits costs, the main non-instructional categories of Purchasing, Facilities, Transportation and Food Services will be analyzed. State procurement, purchasing, design and service standards in these areas affect County-level decision makers when managing facilities, purchasing textbooks and foodstuffs, designing bus service routes, investing in technology and myriad other cost-related issues. UPD's team will work with the state-level point of contacts to identify legislation and regulations that potentially affect district-level decisions (e.g. mandated textbooks, mandated bus coverage, mandated health clinics, etc.) UPD will also work with the representative districts group to prioritize items they feel to be substantial drivers of cost that are not high-value adding (e.g. a required bus capacity that leads to substantial underutilization, or requiring athletic facility purchasing and maintenance even at high school magnets where the student population does not use those amenities).

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## IDENTIFY DISCRETIONARY DISTRICT-LEVEL PRACTICES THAT DRIVE COST

The State also can play a role in incentivizing District practices that drive expenditures. Providing local, regional, State and national benchmark analysis can provide county-level decision makers with the information need to be more prudent. It can also provide them a sense of broader support and validation, “political cover”, to undertake difficult decisions. States can offer efficient procurement vehicles and economies of scale for purchases, program investment, technological services, and other expenditures which Districts take advantage of on a voluntary basis. Following is a brief description of areas for potential analysis and cost-savings. This list is not comprehensive and may not reflect the highest yield or most urgent topics for West Virginia Districts. However, they do reflect proven practices that typically represent large sources of expenses.

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### DISTRICT LEVEL LABOR & BENEFITS COSTS

- **Benchmarking study for Salaries and Staffing Levels**

UPD shall use existing data and select interview to understand staffing and salary levels across Districts (as well as within the State itself). These can be benchmarked against national and regional standards to provide a finely grained understanding of potential over/under staffing and pay issues.

- **Benefit Program Redesign**

Benefits programs require constant monitoring and oversight to retain quality and manage efficiency. Large organizations, particularly in the public sector, struggle to commit to the level and expertise of analysis and oversight that is required to continually tune a benefits package to a changing workforce, evolving federal regulatory landscape and shifts in the market place of service delivery. As a result, anachronistic and unbalanced packaged lead to waste at the bureaucratic level and misaligned incentives for individual employees.

UPD has experience in analyzing potential cost implications for benefit program reform techniques such Shift employees to lower cost package; Better align benefit design with needs;

redesigning retiree packages for better fit with workforce and incentives, and others. These are conventional, proven, and logical strategies for substantial cost reduction. The challenge is in implementation.

UPD has advised individual Districts on approaching these forms by 1) bargaining from a position of strength: the stakeholders that might be affected by employee and retiree pressure understand the need for change; 2) explore all other paths to reducing benefit and retiree costs *before* moving to redesign benefits. For example, implementing and promoting wellness programs ahead of time reduce objections to the change.; 3) implementation through ample participation of employees and retirees, featuring a mix of focus group and statistical (e.g. conjoint analysis) techniques to ensure accurate redesign, 4) maintaining an analytic function focused to managing benefit and retiree costs on a continuous basis.

These may or may not be a match at the State or District level in West Virginia. However, they represent the “wrap-around” thinking UPD engages in: what is the benchmark, what is target in this context, what are the opportunity costs and trade-offs, how do we implement to increase likelihood of success and mitigate downsides.

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#### DISTRICT LEVEL OPERATIONAL COSTS

Our knowledge of the state-of-the art literature in K-12 operations and applied operations research, and UPD staff personal experiences as public sector managers provide a deep reservoir of expertise to draw on in seeking out potential efficiencies. Again, this list is not meant to be comprehensive, and it is probable that the State and Districts are already implementing some of these measures. But these are presented to reflect that the State can potentially exercise leverage in a variety of ways, as above, to help optimize District spending.

- **State facilitated reforms in Purchasing**

Office supplies, janitorial supplies, IT supplies, and furniture can be competitively priced thanks to a fierce marketplace; implementations of purchasing protocols that take advantage of the marketplace are routine in the public and private sector. A strategy of centralizing purchasing

and reduction of discretion points requires three non-negotiable undertakings: (1) aggressive negotiation over pricing with vendors, (2) creating highly-efficient, user-friendly interfaces and systems for school-level personnel to use centrally-approved vendors, (3) creation of a “safety-valve” campus-level purchasing fund for immediate, unforeseeable, high-need purchases where a centrally-approved vendor will not do.

The State could offer support through creating a “*Monthly basket audit*”. A “basket” consists of a pre-selected group of goods that are considered representative of MPS purchases given the total spend and number of transactions they use. Depending on available data, the total basket can be tracked longitudinally or a random sub-sample can be selected. On a weekly and monthly basis, the basket is examined for spikes in average pricing both in aggregate, sub-categories, and by individual pricing. This data can be shared with individual Districts for more sophisticated purchasing choices, techniques such as hedging against project future increases, or for pooled purchase decisions.

- **Pooled Purchasing Agreements and Consortia**

There exist a range of national and joint purchasing arrangements and consortia in which some West Virginia Districts may partake. The State could provide an analysis of the outcomes of these arrangements and, if found to be positive, providing incentives for further participation which could spread the benefits to smaller or otherwise unconnected Districts. Other effort could include a drive to identify and consolidate “SKU”s to identify lowest cost absolute or near substitutes for commonly used products.

- **Consolidating textbook spending**

Coordinating across the State and consolidating several subject committee purchases to gain scale in negotiation for textbooks and other educational publishing products is a well-established purchasing strategy for cost savings.

- **Creating value-oriented IT infrastructure and computer specifications –**

Many Districts pay for unnecessary processing power and memory. The State can play a role in benchmarking *Computer Capacity Utilization*. Encouraging Districts to use existing monitoring tools to track workstation processor and memory utilization can ensure that the average is below critical levels and identify outliers that are near capacity that might require more powerful computing or are over-supplied. In this age, it is tempting for Districts to invest in various technologies (advanced student information system, warehouses, dashboard, assessments) sometimes without a clear reckoning of their value to instruction or coherence to State requirements.

- **Food Service Delivery**

Food Services is a significant cost center as which also has revenue related implications. Nationally Districts have explored centralized kitchen, as well as hot and cold “pre-pack” meals with varying degrees of impact on quality, nutrition, cost and utilization rate. The relationship between these factors, and their subsequent impact on student achievement, is complex and highly contextualized. However, a rich set of data is emerging on a National basis against which a State benchmarking effort and recommendations can be measured.

- **Managing the cost of food purchases**

Using competitive bidding, auditing, and judicious item substitution to deliver the same meals provides cost-savings without affecting participation or student nutrition. The State could play a role in cultivating vendors to place aggressive bids in its next procurement round. And encourage a partnership between Districts to exchange information on food pricing to empower purchasing during vendor negotiation.

- **Facility Streamlining**

Facilities are another major component of non-instructional costs. There are certain to be Districts in West Virginia with under- or un-utilized, or obsolescent facilities which need to be considered for consolidation, repurposing or surplus. In addition to modest gains from sales, cost savings in maintenance, utilities, security and other upkeep are worth exploring. The State

can play a role in incentivizing these difficult decisions. Maryland, for example, sets utilization standards which buildings must meet to receive State capital funding. “Soft power” through political suasion and transparent public information campaign can spur local decision-makers as well.

Nationally, facilities divisions at School Districts routinely fail to use their own data for cost-management. Districts commonly allocate staffing by square footage or some geographic boundary instead of utilization and demand for custodial or repair services, for example. Prioritization of work is often not optimized for speed, efficiency or savings nor coordinated with building-based needs. The commonly used first-in/first-out work order system can ignore the need to schedule around State assessments, as one of many possible examples. A State sponsored survey, analysis and recommended practices could offer insights and incentives to District leadership to tightly manage the resources supporting facilities.

- **Transportation Optimization**

Transportation is the final major component of non-instructional costs. State analysis, benchmarking, recommendations, opportunities for pooled considerations can affect a range of cost-drivers. 1) alignment between bus size and student use helps reduce operational costs without compromising service quality; 2) route optimization and capital planning 3) competition-enhancing bidding and negotiating practices for contracting with private vendors 4) negotiating public transit costs (if applicable).

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## GREATER EFFECTIVENESS APPROACH TO GREATER ROI

The second means of increasing ROI is through increasing the effectiveness of the investment, get “more bang for the same/fewer bucks”. The initiatives are evidence-based best practices to make better use of existing investment and/or re-applying resources liberated through cost-savings in the fashion optimal for ROI, that is, more and higher-quality graduates per dollar.

Following are strategic areas of analysis which are likely to yield insight on ROI. Similar to the discussion about cost-savings above, in some cases, the analysis may indicate a need for policy level shifts to require actions at the State and District level of certain practices, either through administrative measures or possibly requiring legislative action. In other cases, the State may serve as a go-between allowing Districts, groups of Districts, or all Districts to act in unison voluntarily. In others, the State may be able to set technological or regulatory standards to create a commonality that will yield an ROI increase through enhanced effectiveness.

Following are brief discussions of key target areas which we recommend be included in the Efficiency Analysis.

- Alignment

States and even the federal level are increasingly moving to standardized approaches with curricular-options aligned with State Standards and the use of routine mid-cycle Formative Assessments correlated with State Assessments. West Virginia exists somewhere on a continuum, with the other States, of forcing-incentivizing-encouraging-allowing-and ignoring. But the trend is profound. Best practice educational research indicates that high performing Districts achieve an aligned coherence from building level to District to State. Also, State investments are more economical with more tightly-aligned Districts and schools.

A line of analysis for UPD is: how coherent are (some of/all of /the larger of /a sampling of) West Virginia Districts? We postulate that this finding has a direct relation to the ROI of State investment. Less coherent Districts lower the ROI both because of their performance and

because they force the State into a position of unproductive tailoring of servicing. This is not to argue for a uniformly mandated Statewide educational platform. But a balance must be struck according to local context, resources, history and constraints.

UPD would undertake an analysis of District coherence and alignment toward State goals (as realized through assessment standards and graduation) to determine

- **Special Education:**

Many Districts and States commit an outsized proportion of their budget to Special Educational needs on per capita or educational achievement basis. UPD has direct experience with this issue in the District of Columbia. Understanding and managing this issue is not to shy away from the need to educate all children. Research has shown that all children, regardless of pre-existing ability level, can achieve. Nonetheless, Districts of all sizes struggle with these issues. Many States and Districts are adopting a “Response to Intervention” model of tiered-differentiated instruction in parallel with Special Education reform.

UPD could look specifically at levels of Special Education spending staffing, diagnostic practice, levels of inclusion and their ramifications on financial and student achievement outcomes.

- *The Ground Troops: Principals and Teachers*

The teaching profession is undergoing a profound reorientation. Consistency of longitudinal data collection and adoption of standards leading to statistically valid measures of performance as well as radical new teacher-training practices and, in some areas, lessening of the influence of collective bargaining, are revolutionizing teaching. How teachers are trained, recruited, selected, mentored, offered professional development, given opportunities for advancement, retained and paid, these are all undergoing a process of change. While the arguments over “pay for performance” are taking up most of the public attention, it is changes across all aspects of this “human capital life cycle” have implications for cost and for ROI.



Principals represent a high-leverage point, actually probably *the highest* leverage point, for realization of increased student achievement; thus increasing the ROI that West Virginia seeks to maximize. The Principal's profession itself, like teaching, is also undergoing a tectonic shift, particularly in the realms of using data to manage for effectiveness.

The State has an opportunity to create the regulatory and possibly technical superstructure to advance the use of effectiveness measures to influence District behavior at all stages of human capital lifecycle for both Principals and Teachers. This effort need not take the form of expensive IT platforms or controversial policy stances. UPD will undertake analysis to understand whether there is a "bang for the buck" available in this realm.

- Additional potential areas for analysis, questions to ask and development of ROI enhancement are:
  - Early Childhood and PreK: Study after study proves the preventive wisdom of investing in the youngest learners. However, possibly because the returns on investment are achieved well after a given political cycle, many States struggle to find the resources.
  - Recovery of Dropouts: Some Districts and States have created "recovery" models, sometimes after-hours, computer-driven or otherwise alternative to the traditional school settings which were not affective with these particular students. Are such programs in place in West Virginia District and would they add value?
  - Link to College: Can Districts or the State play a leveraging position in College Application and Enrollment Programs?

As stated above, recommended actions stemming from analyses of these or other high-priority areas of potential enhancement which are found to be best investments with respect to overall cost and ROI, would also be divided into those that can be implemented unilaterally by the state administration, those that require state action such as departmental change or legislation and those which the State can only incentive and encourage District's to adopt.

## PROJECT ACTIVITIES MILESTONES AND TIMELINE

### PROJECT ACTIVITIES

Through its multiple experiences with various public sector clients, including State level agencies, UPD has developed effective internal processes and procedures for ensuring that client deadlines are met and that quality of work is high.

As detailed below, the project will initiate with a “Charter” process to ensure a commonly held understanding of roles and success. From there, for each of the major thrusts above (Defining ROI, Cost Savings, Enhancing Efficiency) we will deploy standard information gathering (requesting documents, analyzing data, one-on-one and group interviews, focus groups) with iterative check-ins to ensure we are interpreting information correctly and responsive to priorities of the State. As the three threads come together to a draft set of proposed activities, we will work with lead project contact and appropriate advisors to that party (to be determined in the Charter) to rank, fine-tune and trouble-shoot recommendations before a draft release. Final recommendations will be delivered after “beta testing” at a variety of levels of stakeholders (again, subject to approval of client at time of Charter).

The process itself, the tasks, are simple, despite what external advisors and consultants sometimes say. But the “devil is in the details”. What separates success from disappointment in these efforts is the attention to details.

- Defining success, expectation and roles. Busy public-sector managers do not have time to repeatedly revisit project details but how many times do they get to the end and feel “underwhelmed” by the deliverables. “It didn’t quite do for us what we were hoping for...” In our experience, from both sides of the table, this is a common occurrence. And an avoidable one. The Project Charter discussed below is best practice project management thinking in private sector, particularly IT, and is well-suited, necessitated by a project with potential for drift, such as this.

- Diligence in data –analysis: Ask and ask, again. They ask why. Do not assume. Look for inconsistencies. Test anecdotal observations. Recently, we were working in a District examining, among other things, student attendance metrics. Anecdotally, administrators believed that “frequently” absent standard should be set at
- Emotionally Intelligent – Efficiently interviewing large numbers of participants and stakeholders at varying institutions requires a balancing act between preparation (What are the key pieces of information I need out of this thirty minutes?) but also sensitivity to the other parties’ perspective (What is their daily reality? What might cause them to retract in this conversation or open up?). UPD understands this dynamic and is practiced in tuning our approach to maximize the quality of information gathered.
- Scheduling – Sounds simplistic but managing the schedule is a critical element of the project. As former high-level public sector decision-makers, we understand how to take pains to lessen your pain, that is, be very sensitive to time demands and other priorities of the people we are working with.
- Clarity Not Clutter – UPD prides itself on analysis and visual displays that create insight. While thorough, we do not “pad” presentations with excessive to impress people with its sheer weight. We know that leaders need data and analysis to make actionable immediate-term decisions.
- “What?” -“So What?” -“Now What?” -As performance management professionals, all of our deliverables – efficiency studies, strategic plans, data system implementation, staff reviews – are biased, frankly, toward implementation – what can get done. We effectively collect the information (the “What”). We ask the hard questions to be able to answer what the information means to the client. (the “So What”) but we go beyond that to address not only what should be done and what, in a resource-constrained multi-stakeholder political environment, what can be done (the “Now What”).

**PROJECT MILESTONES AND TIMELINE**

UPD proposes an eight month analysis, review and recommendations process. With a November 1 start date, preliminary set of recommendations would be available by May 31 and final recommendations by June 30, 2011. This timeline is proposed to accommodate required interviews, data requests and subsequent analyses. It is feasible to assume that the project could be make shorter to, for example, accommodate a budgeting cycle, but from our experience an eight month schedule is feasible within the constraints of State and District level staff and time availability.

Milestone	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Project Charter	█							
Selecting Metrics	█	█						
State-level District Cost Drivers		█	█	█	█			
District-level Cost Drivers		█	█	█	█			
State Cost Structure		█	█	█	█			
Preliminary ROI Cost Saving			█	█	█			
Educational Effectiveness ROI	█	█	█	█	█	█		
Draft Findings and Recs						█	█	
Final Findings and Recs								█

**MILESTONE 1: ESTABLISH PROJECT CHARTER NOVEMBER 2010**

The first is to create a “project charter”. Most projects succeed or fail based on ability of the project team to generate buy-in for a common project vision and jointly-held definition of success.

UPD believes this initial phase is critical in creating a lasting “social contract” between UPD, the State and crucial local stakeholders. We will ensure that the work streams of the project are aligned to meet State goals. We will also explore “operating agreements” we would like to

maintain with District stakeholders, individual State Departments and one another relating to communication, approval of milestones, project check-ins and reporting, and project scope change management. It may sound simplistic, but these meetings will help the UPD team and the DDOE team “gel” in their relationship. The strength of this relationship will ensure that the project team will stick together when the hard work of implementing recommendations begins. Per project management best practices, we will record all of these elements into a project charter.

The Chartering process also will highlight areas of specific concerns and threads of prioritized analysis. While we are strongly beholden to the three-prong approach (define ROI, measure cost savings and educational efficiency measures in terms of ROI), the specific suggestions for cost savings described above, for example, reflect a survey-level approach to areas of analysis. State and local staff, analysts and other stakeholders certainly have knowledge of high-priority and high-yield areas.

**MILESTONE 2: DEVELOPING RETURN ON INVESTMENT METRIC NOVEMBER 2010 –DECEMBER 2011**

UPD will conduct a series of discussions (some small group interviews, one-on-one interviews, cross-sectoral focus groups) with District leaders, other District level “middle tier” staff (Principals, heads of Human Resources, *e.g.*), State leaders and State staff from all relevant Departments including a focus on: How do we define success? How do we measure it? These interviews will be coupled with a “Data Diagnostic” to understand the State’s and Districts’ data systems, longitudinal constraints and potential inter-connectivity. Possibly, within the bounds of privacy constraints, other public data systems such as Department of Health could be cross-referenced as well, as has been done in Providence Rhode Island among other places. The data and interview process will be pulled together to create a set of achievable, accurate measures of success. This ROI Metric will be used both to measure progress going forward and in cost-benefit analysis of potential savings and efficiency efforts to fuel recommended actions from this study.

**MILESTONE 3: STATE REGULATORY AND OTHER INFLUNCE ON DISTRICT COSTS NOVEMBER 2010–MARCH 2011**

An analysis will be conducted on State policies and how they drive District cost decisions. Beginning with meetings described in Milestone One, UPD will meet with District CFOs and accountant teams to understand ways that State actions determine or steer local spending decisions. We will request meetings with State budget analysts within Departments and possibly the Legislature to also establish a full spectrum understanding of policy implications at the State level.

***MILESTONE 4: DISTRICT-LEVEL COST DRIVERS – NOVEMBER 2010–MARCH 2011***

This is the Milestone probably most driven by the Charter process to develop priorities and achievable valuable analysis. Put another way: there is a near bottomless-pit of analysis available here across the wide-range of issues and in fifty plus Districts. UPD has expertise in efficiently beaming down from high level data indicators to “on the ground” opportunities for productivity enhancement or fiscal efficiency. Nonetheless, prioritization during early discussions will be important. From there, UPD will carry out an sequence of interviews and data studies (building strongly on existing resources such as Council of Great City Schools data as well as our operational benchmarking work in other Districts) to uncover any likely points of State leverage.

***MILESTONE 5: STATE LEVEL EDUCATION SPENDING– NOVEMBER 2010 - MARCH 2011***

Analysis of redundancies, duplication of efforts, economies of scale, staffing and funding ratios against benchmarks of State Departments including Department of Education, Regional Centers will be undertaken. After initial introductory interviews to establish clear internal and explicit visions of agency Scope and mission, most of the analysis will involve staffing and budgetary reviews.

***MILESTONE 6: PRELIMINARY ROI ANALYSIS OF COST SAVINGS MEASURES FEBRUARY– MARCH 2011***

By February, findings from the three threads of cost savings will be ripe for analysis through use of the refined ROI metrics. In addition to potential savings, UPD will offer a sense of effect of

costs savings on the goal of increased high-quality graduates as well as opportunity costs for decision making.

***MILESTONE 7: EDUCATIONAL EFFECTIVENESS MEASURES ANALYSIS– NOVEMBER 2010 –MARCH 2011***

As above, we propose two ways of increase ROI, one is cost-savings, and the other is, at the core, doing more with same/less, that is, being more effective. The analysis of potential for Effectiveness Measures will include a patient dissecting of existing data and assessment usage and human capital paradigms at the local and State level. Initially, these will take the form of interviews inter-laced in the cost-savings studies above. It is anticipated that UPD will need repeated exposure to local and State culture to gain the necessary understanding and sensitivity to priorities, constraints and opportunities. In January 2011, under the proposed timeline, we will be in a position to posit various measures for reaction and feasibility testing among stakeholders.

***MILESTONE 8: PRELIMINARY ROI OF EDUCATIONAL EFFECTIVENESS MEASURES – MARCH-APRIL 2011***

By March, we will be in a position to provide the ROI and cost-benefits analysis of the educational effectiveness measures. Some recommendations may be cost-neutral or even cost-increasing but be positive ROI. The key will be understanding the trade-offs and obstacles to implementation.

***MILESTONE 9: DRAFT FINDINGS AND RECOMMENDATIONS– APRIL- MAY 2011***

The most promising cost-savings and educational-efficiency findings (in the form of specific policy level recommendations, proposed augmented funding programs, suggested best-practices strategy to incentivize Districts, etc) will be quantified in terms of financial impact, ROI effect and cost-benefit analysis. Many will be straight forward (“Eliminating redundancy of services at the State-level evident in the following agencies ... yields savings of  $x$  per year.”). Others will be complex (“Investment in this data platform and incentivizing adoption by LEAs would result in an increase of  $y$  in the number of high-quality graduates and a savings of  $z$  at the District level.” While the method for presenting and gaining feedback on recommendations is a

subject to be determined through the Chartering process, UPD recommends combining an Executive-level presentation to highest level staff available with several focus group facilitated conversations including a broad range of staff levels, geographic representation and technical areas.

***MILESTONE 10: FINAL FINDINGS AND RECOMMENDATIONS– JUNE 2011***

Recommendations and all findings will be finalized in the final month and presented to the receiving project team and other stakeholders (*e.g.*, Governor’s Office, State Board of Education) as determined jointly with the State in the Charter process above.



**4. APPENDIX A – RFQ COVER FORM AND PURCHASING AFFADAVIT**



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
 GOV20110

PAGE  
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
 BUYER 41  
 304-558-0492

VENDOR

RFQ COPY  
 TYPE NAME/ADDRESS HERE  
 Urban Policy Development LLC  
 P.O. Box 27175  
 Baltimore, MD 21230

SHIP TO

OFFICE OF THE GOVERNOR  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0370 304-558-2000

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
08/25/2010				

BID OPENING DATE: 09/23/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	JB		946-30		
EXPRESSION OF INTEREST						
					As per quoted in Section 1.14 "No price "fee" or "quotation" may be given or permitted in this response"	
EXPRESSION OF INTEREST						
<p>THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE GOVERNOR'S OFFICE, IS SOLICITING EXPRESSIONS OF INTEREST FOR AN EDUCATION EFFICIENCY AUDIT OF WEST VIRGINIA'S PRIMARY AND SECONDARY EDUCATION SYSTEM PER THE FOLLOWING BID REQUIREMENTS AND ATTACHED SPECIFICATIONS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICE SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Douglass Austin</i>	Douglass Austin	TELEPHONE 1-800-875-2574	DATE 9/21/2010
TITLE President and CEO	FEIN 20-5861830	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
 GOV20110

PAGE  
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF  
 BUYER 41  
 304-558-0492

AUCTION

RFQ COPY  
 TYPE NAME/ADDRESS HERE  
 Urban Policy Development LLC  
 P.O. Box 27175  
 Baltimore, MD 21230

SHIP TO

OFFICE OF THE GOVERNOR  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0370 304-558-2000

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
08/25/2010				

BID OPENING DATE: 09/23/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
***** THIS IS THE END OF RFQ GOV20110 ***** TOTAL:						As per quoted in Section 1.14 "No price "fee" or "quotation" may be given or permitted in this response".

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Douglass Austin</i>	Douglass Austin	TELEPHONE 1-800-875-2574	DATE 9/21/2010
TITLE President and CEO	FEIN 20-5861830	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO RFQ INSERT NAME AND ADDRESS IN SPACE ABOVE LABELLED MEMBER

RFQ No. Gov 2010

STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

**DEFINITIONS:**

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code* §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

**WITNESS THE FOLLOWING SIGNATURE**

Vendor's Name: Urban Policy Development LLC

Authorized Signature: *[Signature]* Date: 9/21/2010

State of Maryland

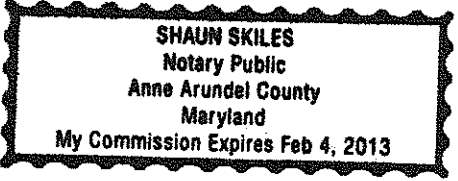
County of Anne Arundel, to-wit:

Taken, subscribed, and sworn to before me this 21<sup>st</sup> day of September, 2010.

My Commission expires February 4<sup>th</sup>, 2012.

AFFIX SEAL HERE

NOTARY PUBLIC *[Signature]*



## 5. APPENDIX B – PROJECT TEAM RESUMES

- ROBERT PIPIK
- JULIO GONZALEZ
- DOUGLASS AUSTIN
- BRYAN RICHARDSON

# Julio Gonzalez

## RELEVANT EXPERTISE:

- ◆ Management Reform
- ◆ Operational Optimization
- ◆ Predictive Analytics
- ◆ CitiStat and SchoolStat development, implementation and management
- ◆ Public Sector Finance
- ◆ Social Entrepreneurship
- ◆ Applied Design Thinking

YEARS OF EXPERIENCE: 11

## EDUCATION:

MBA, Stanford Graduate School of Business, 2006

Bachelor of Arts, Yale College, 1999

## SUMMARY:

Mr. Gonzalez brings over a decade of social sector management experience to the UPD. His consulting experience features a wide range of operational and organization problems ranging from municipal finance to correctional systems. Previous to his work at UPD, Mr. Gonzalez accumulated a rich experience in K-12 education management consulting. Mr. Gonzalez conducted facilities reviews for the St. Louis Public Schools, efficiency studies for the Austin and Gannett school systems, and predictive modeling for the New Haven Public Schools. Since joining UPD, Mr. Gonzalez has conducted data diagnostics in Houston and San Antonio, and worked with the Wichita Public Schools to implement a performance management system. Mr. Gonzalez also has experience as an elected official: he was elected to serve two terms on the New Haven, CT Board of Aldermen.

## WORK EXPERIENCE:

**UPD Consulting, Austin, TX**  
2009-Present, *Senior Consultant*

**MGT Consulting, Austin, TX**  
2007-2009, *Senior Consultant*

**Streetchant Consulting, Austin, TX**  
2002-2005, *Deputy Commissioner, Development*

**Flexcar Car Sharing, Seattle, WA**  
2005, *Management Analyst*

**Office of the Mayor, New Haven, CT**  
2001-2004, *Chief of Staff*

**LEAP for Youth, New Haven, CT**  
1999-2000, *Development Coordinator*

# Robert Pipik

## RELEVANT EXPERTISE:

- ◆ SchoolStat and CitiStat Implementation
- ◆ Human Capital Value-Added and Growth Modeling
- ◆ Public Sector Executive Management
- ◆ Housing and Community Development program administration
- ◆ Housing Authority program administration
- ◆ Homelessness program management
- ◆ Public School Facility and Capital Planning and Finance
- ◆ Public-Private Partnerships

YEARS OF EXPERIENCE: 21

## EDUCATION:

Masters of City Planning,  
Massachusetts Institute of  
Technology, 1997

Bachelor of Arts, Columbia  
University, 1987

## SUMMARY:

Robert Pipik has over 20 years of leadership experience in issues of urban redevelopment, housing, homelessness, economic development, facilities and finance. His direct experience in housing and community development in three of America's largest urban areas provides the backdrop to his expertise.

## WORK EXPERIENCE:

**URBAN POLICY DEVELOPMENT, Baltimore, MD**  
2007-present, *Partner*

**BALTIMORE CITY PUBLIC SCHOOL SYSTEM, Baltimore, MD**  
2005-2007, *Executive Director of Facilities*

**DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT, Baltimore, MD**  
2002-2005, *Director of Asset Management and Disposition*

**DEPARTMENT OF HOUSING, PRESERVATION AND DEVELOPMENT, New York, NY**  
1999-2002, *Third Party Transfer Program Manager*

**HELP, New York, NY**  
1998, *Policy Analyst*

**COLUMBIA UNIVERSITY, New York, NY**  
1997, *Data Analyst*

**METROPOLITAN BOSTON HOUSING PARTNERSHIP, Boston, MA**  
1996-1997, *Family Self Sufficiency Program Coordinator*

**BOSTON HOUSING AUTHORITY, Boston, MA**  
1995-1996, *Economic Development Officer*

**PINE STREET INN HOUSING & HOMELESS SERVICES, Boston, MA**  
1994-1995, *Public Grants Coordinator and Program Planning*

**ZIMBABWE, Harare, Zimbabwe**  
1993, *Economic and Housing Rights Intern/Community Organizer*

**DOWNTOWN EMERGENCY SERVICES CENTER, Seattle, WA**  
1989-1992, *Hot Meal Program, Volunteer Program and Donations Coordinator/Counselor*

**WASHINGTON ASSOCIATION OF CHURCHES IMMIGRATION AND REFUGEE PROGRAM, Seattle, WA**  
1988-1989, *VISTA Volunteer*

# Bryan Richardson

## RELEVANT EXPERTISE:

- ◆ CitiStat, SchoolStat, HRStat
- ◆ Management Reform
- ◆ Performance Measurement
- ◆ Data Analysis

## YEARS OF EXPERIENCE: 9

## EDUCATION:

Masters of Public Policy,  
Kennedy School of  
Government, Harvard  
University, 2005

Bachelor of Arts, Emory  
University, 2000

## SUMMARY:

Bryan Richardson brings almost a decade of public and private sector management experience to the team. As senior consultant at Urban Policy Development, Bryan leads the firm's accountability and management reform engagements with school districts, state education offices, cities, and state agencies. Mr. Richardson specializes in advising executive leadership in the development and implementation of the "Stat" management process

## WORK EXPERIENCE:

**Urban Policy Development, Baltimore, MD**  
*Senior Consultant*

**DC Office of the State Superintendent of Education**— Coordinated the creation of a permanent SEO EdStat office within the State Education Officer's Division with a team of 4 staff. As the Mayor's Office of the District of Columbia assumed control of the District of Columbia Public School System, advised the State Education Officer in the creation of a comprehensive accountability system within her office to over see the State functions that they would will inherit under recent school reform legislation. Implemented an applied training program with Division leadership to understand the Stat process by initiating an "EdStat" Process over its Higher Education Grants Services. Advised the State Education Officer on project management and governance relating to the creation of a State Longitudinal Data Warehouse. Completed a best practice study of accountability practices related to the State's Role in Enforcing and complying with "No Child Left Behind".

**Paterson (NJ) Public Schools**— Coordinated the creation of a permanent Paterson SchoolStat office within the Superintendent's Office of the Paterson School System with a team of 4 staff. Working with the executive leadership of the district, identified 3 priority areas of performance improvement. Designed and implemented a comprehensive training to Paterson leadership on managing the SchoolStat process itself, managing projects, and communicating the culture they sought for the district. Conducted workflow analysis or the Facilities and Maintenance, Curriculum and Instruction, and School Visit functions to determine performance measures and appropriate processes.

**Baltimore City Public School System**—Lead district work in the defining, scoping, and procuring of a data warehouse and assessment data collection system. Lead initiation teams in conducting 36 customer focus groups to articulate the work requirements. Conducted an inventory of the District's data systems and fields to compile a "Data Dictionary" of the District. Lead the writing of an RFP for a system to meet the user requirements and data architecture of the district. Managed the evaluation process to select a vendor to provide the services required in the RFP. Project will cost more than \$30 million over the next 7 years.



**Baltimore City Public School System**—Developed and implemented a comprehensive accountability system around the Department of Human Resources' teacher recruitment and teacher staffing functions. These management reforms utilized the SchoolStat accountability process pioneered in the Baltimore City Schools based on the CitiStat process from the Baltimore City Government and the CompStat process from the New York City Police Department. These reforms resulted in an increase in more than 250 additional teacher recruits with better indicators of quality. Comparing School Year 2005 to 2006, the average GPA of recruited teachers rose from 3.1 to 3.4 and 92% of recruits were eligible to be highly qualified vs. 63 %. The school systems averaged 17 fewer standing teacher vacancies in School Year 2006 compared to 2005.

**Baltimore City Public School System**—Developed and implemented a comprehensive accountability system around the management priorities of the Teaching and Learning Division of the Baltimore City Public School System (more than 2/3 of the Districts \$1.2 billion operating budget). Based on the Districts Master Strategic Plan, implemented a series of performance measurement systems to provide District leadership with a real time sense of results. Facilitated the application of these performance measures in weekly accountability sessions where district managers discussed their progress and problem solved based on the data.

**Somerville, MA Police Department**—Melded performance data with the Somerville Police Department's budget to form a performance budget based on activity-based costing.

# Douglass Austin

## RELEVANT EXPERTISE:

- ◆ Management Reform
- ◆ Organizational design and implementation
- ◆ Process analysis and reengineering
- ◆ CitiStat and SchoolStat development, implementation and management
- ◆ Public Sector Finance
- ◆ Public-Private Partnerships

**YEARS OF EXPERIENCE:** 23

## EDUCATION:

Masters of Public Policy,  
Goldman School of Public  
Policy, University of  
California at Berkeley, 1993

Bachelor of Arts, Princeton  
University, 1986

## SUMMARY:

Mr. Austin brings over 20 years of public and private sector management experience to the team. His consulting engagements have included large management reform projects for the Detroit Public Schools, the Miami/Dade Public Schools, the Washington, DC Department of Housing & Community Development, and the Philadelphia/Camden Empowerment Zone. Mr. Austin's direct executive-level public sector experience, including two years as the Chief of Staff of the Baltimore City Public School System and three years as the Deputy Commissioner for Baltimore's Department of Housing and Community Development, helps him relate to the particular constraints of operating large public sector agencies.

## WORK EXPERIENCE:

### **URBAN POLICY DEVELOPMENT, Baltimore, MD**

2006–Present, *President & CEO*

1996–2002, *President & CEO*

### **BALTIMORE CITY PUBLIC SCHOOL SYSTEM, Baltimore, MD**

2005–2006, *Chief of Staff*

### **DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT, Baltimore, MD**

2002–2005, *Deputy Commissioner, Development*

### **OFFICE OF THE CITY MANAGER, Oakland, CA**

1995, *Management Analyst*

### **AKL CONSULTING SERVICES, Oakland, CA**

1993–1995, *Principal*

### **ROSS PEROT PETITION COMMITTEE, Dallas, TX**

1992, *Urban Issues Policy Analyst*

### **URBAN PROFILE MAGAZINE, Baltimore, MD**

1987–1991, *Founding Editor*

### **CARRIER CORPORATION, Syracuse, NY**

1988–1990, *Domestic Credit Manager*

### **CHEMICAL BANK, New York, NY**

1986–1988, *Commercial Credit Analyst*

**6. APPENDIX C – PATERSON SCHOOLSTAT ARTICLE – NEW YORK TIMES**

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December 2, 2007

## Statistics Pinpoint Problems in Paterson Schools

By WINNIE HU

PATERSON, N.J. — Assistant school superintendents here are routinely summoned to a 10 a.m. Thursday meeting where they must answer for missing test scores, overdue building repairs and other lapses, which are presented in painful detail on PowerPoint slides. Excuses are not an option.

It is the latest evolution of Compstat, a widely copied management program pioneered by the New York Police Department in 1994. Paterson is one of a half-dozen school districts around the country that have embraced this confrontational approach, known here as SchoolStat, in an effort to improve school performance and overhaul bureaucracies long seen as bloated, wasteful and unresponsive to the public.

SchoolStat borrows the tactics of the Compstat program — regular, intense meetings in which police officials famously pick apart crime data and, just as often, their subordinates — to analyze police performance and crime trends, and to deploy resources to trouble spots. The school version taps into an ever-expanding universe of data about standardized testing and school operations to establish a system of accountability.

In Maryland, the process has been credited with reducing teacher vacancies and increasing student immunization rates in Baltimore schools. In Montgomery County, Md., it has pushed principals to come up with strategies like encouraging students to take the Preliminary SAT by offering a free pancake breakfast if they attend.

In Jackson, Miss., the state's largest district has used it to increase food sales in high school cafeterias by adding salads and hot breakfast items, after the data showed that more than one-third of the students were not buying meals. In Philadelphia, where as many as 42 SchoolStat meetings are held each month at all levels in the district, officials say it has helped develop strategies to reduce the number of suspensions, increase attendance and raise standardized test scores.

SchoolStat has attracted the financial backing of influential organizations like the Bill and Melinda Gates Foundation, which spent \$268,000 this year on consultants to start a version called EdStat in the District of Columbia's Office of the State Superintendent of Education to monitor federal grant use, special education referrals and programs for low-performing schools.

The Stupski Foundation, which has supported reform efforts in 17 urban school districts around

the country, spent \$85,000 this year to bring SchoolStat to Paterson.

Some critics say that SchoolStat relies too heavily on easily quantifiable standardized test scores to gauge academic progress, only adding to the pressure on schools that face sanctions under the federal No Child Left Behind law.

“The result is classrooms that are little more than test-coaching factories,” said Robert A. Schaeffer, public education director of FairTest, an advocacy group that opposes the broad use of standardized testing.

The SchoolStat approach has also alienated some school employees, who say they feel that they are being unfairly attacked, and has put others in embarrassing situations.

During a meeting in Paterson last month, Brenda Patterson, an assistant superintendent, was chided for showing up a few minutes late because she had stopped at the bathroom. Another assistant superintendent had to explain why one elementary school’s test scores were missing. (There was no one trained at the school to put in the data, prompting district officials to send over help immediately.)

“Who wants to sit among colleagues and not know the answer?” Ms. Patterson said afterward, adding that she tried to anticipate what questions would be asked and brought along thick binders of information to keep at her fingertips.

You may leave there feeling uncomfortable, but you also get a direction,” she said.

In some school districts, there has been a backlash against SchoolStat. Bryan Richardson, a former director of Baltimore’s program and now a consultant who helps implement SchoolStat nationwide, said that after Baltimore stepped up its efforts in 2005, the windows in his car were broken on school grounds, and a school employee called him and his staff derogatory names on a local radio show.

“Is it a dramatic shake-up of a school culture? It certainly can be,” Mr. Richardson said. “When you start moving from a culture that rewards relationships to one that rewards results, there are people who feel a sense of diminished importance and loss, and that’s upsetting and makes them angry.”

In New York City, where the Compstat model has been applied to the Correction Department and the Human Resources Administration, Rudolph W. Giuliani proposed a version for the school system, called LearnStat, when he was mayor in 2001.

But the schools chancellor at the time, Harold O. Levy, rejected the proposal, saying that it was too confrontational for the school culture and not flexible or nuanced enough to take into account education variables like truancy, disciplinary problems and the number of special education students in a school.

Mr. Levy said recently that while the quality and analysis of education data had become more

sophisticated, he was concerned about how that data would be used in a SchoolStat system. “The best use of data is when it’s used collegially in an analytic way to improve the teaching practice, and not when it’s used simply as a ‘gotcha’ game to cull the herd,” he said.

Some school districts, in response, have sought to adopt a version of the process that avoids criticizing people or making it part of job evaluations. Instead, these districts seek to provide help to failing schools rather than assess penalties. Questions are typically addressed to a group rather than to individuals.

Questioning administrators about their schools is hardly a new practice, although it is often not as formalized as SchoolStat. Michael E. Glascoe, the Paterson superintendent since 2005, recalled that as a district official in Montgomery County, Md., he would be called to meetings to explain test scores and disciplinary issues.

“We called it ‘hell’ because some of us would go in there and be there for four or five hours,” Dr. Glascoe said.

In Paterson, an industrial city once known for its silk factories, district officials rolled out SchoolStat last spring to help turn around a school system that has been under state control since 1991 because of fiscal mismanagement and poor academics. The district’s 27,222 students are among the poorest in the state, with 75 percent qualifying for free or reduced-cost lunches.

SchoolStat is directed by a panel of a half-dozen district officials who decide what areas to focus on, and to follow up, in weekly meetings. Data specialists compile statistical information on the topics, be they test scores, staff assignments or repair orders.

While school officials have pored over data like test scores for decades, in SchoolStat the information is broken down into unusual detail, not just by school but also often by student, and presented in elaborate charts and graphs so the SchoolStat panel can look for problems or trends that are not evident in routine reports. The data is updated every three to five weeks in “relentless follow-up,” said Michael Kanarek, a district official who plans the meeting.

For instance, when the SchoolStat panel examined the backlog of work orders in the district’s 52 schools last spring, the data specialists created an electronic tracking system to find out when work orders were being completed, and also kept a running tally of the results in weekly and monthly charts. When SchoolStat looked at classroom instruction, it started keeping tabs on the number of visits by instruction support staff who are required to — but do not always — go to schools three times a week.

Once the data has been analyzed, SchoolStat follows a predictable pattern in which assistant superintendents and their staffs are called into meetings to answer questions and explain problems.

The process of being “stat-ed” — as some participants have termed it — begins promptly at 10 a.m. Thursdays and lasts for one hour; district officials stick so closely to the agenda that they periodically call out the time and even cut off conversations.

“When we ask a question, it’s not a gotcha; it’s not at you, it’s to try to solve the problem,” the deputy superintendent, Michael Rush, said at a November meeting.

Jerrick Hoff, the principal of School 6, said he felt empowered by the changes. Two years ago, it took more than three months to repair a chair in the school auditorium that he had reported as broken — so long, in fact, that a woman tried to sit on it during a parents’ meeting with the superintendent and fell to the ground.

“There would be a lot of breakdowns in communication,” he said. “And you’d never be quite sure when they’d come to your building.”

But this fall, Mr. Hoff reported a broken gym door, and it was fixed the next day.

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