

February 24, 2020

Ravenswood City School District: Funding Strategic Priorities

The Opportunity

Ravenswood City School District (RCSD) has launched work with Attuned Partners to update the district's Strategic Plan and identify investments to support the priorities that emerge from that planning effort. At the same time RCSD faces declining school enrollment, school consolidation, and the need to address teacher compensation which lags surrounding districts' compensation by \$10-30k annually over the course of a teacher's career. In work over the past several months, ERS has partnered with RCSD to develop options for an updated compensation system that can help make teacher pay more competitive and identified ways to strengthen the use of limited resources to enhance the overall teacher value proposition and support stronger instruction.

To accelerate progress along its path forward, RCSD will need a robust funding strategy. That strategy must include meaningful resource shifts and tradeoffs that meet budget constraints. It also must include catalytic investments from local philanthropies to jump start the district's work and provide the runway needed for the district to make the adjustments needed to assume full financial ownership of its improvement strategy. This is an exciting opportunity for RCSD and local funders to be exemplars - locally, statewide, and nationally - to show how private funding can help launch district improvement efforts and provide the financial support districts need as they make the system-wide changes that permit sustained long-term efforts.

ERS proposes support to RCSD that will build on the foundation laid by our previous work to:

- Support decision making around a revised human capital strategy including updated teacher compensation
- Outline and refine cost estimates for other strategic priorities and resource re-allocation opportunities to fund them
- Support development of a funding strategy that enables RCSD to leverage philanthropic funding to catalyze improvement as it works to assume long-term implementation costs

I. Key Work and Deliverables

Refining RCSD's Human Capital Strategy

ERS has developed multiple scenarios for an RCSD human capital strategy aimed at significantly improving the value proposition for teachers and re-enforcing instructional improvement strategies. ERS will build on this work by supporting a Human Capital Steering Committee - aligned closely with the work of the Strategic Planning Steering Committee - to finalize a scenario for recommendation to the RCSD board for approval.

Key Deliverables of this work include:

- Facilitation of 2 sessions with the Human Capital Steering Committee. While specific agendas are still to be determined these might include:

- A Teacher Compensation and Value Proposition workshop to introduce the existing scenarios, build understanding of human capital design levers, articulate priorities, and test tradeoffs
- A session to refine human capital strategy proposals based on priorities
- Updated cost estimates based on a refined scenario
- Collaboration with RCSD leadership and Attuned Partners to integrate the human capital strategy into broader strategic planning efforts and communications

Funding RCSD's Strategic Priorities

RCSD is in the process of updating its strategic plan, including work in partnership with Attuned partners and ERS that will result in a set of priorities to invest in over the coming years. ERS will develop a funding strategy to support implementation of these priorities in a sustainable way. This work will answer questions such as:

- ***What are the likely costs of initiatives associated with RCSD strategic priorities?***
 - What start-up/transition costs are associated with these initiatives?
- ***What opportunities does RCSD have to re-allocate resources, e.g., by making tradeoffs to free up funding to support strategic priorities?***
 - What shifts in how schools organize people, time and money (such as group sizes, scheduling, and staffing) might free significant resources to be reallocated towards strategic priorities?
 - Are there ways to organize middle school grade resources to create a more sustainable and attractive teaching job?
 - What impact could different approaches to school consolidation have on school design potential as well as ongoing costs and FTE requirements?
 - How might the reorganization of central office impact ongoing costs?
 - What are the costs (increases or decreases) associated with anticipated changes to SPED service delivery models?
 - What is the timeline in which resources could be re-allocated?
- ***How can RCSD leverage a combination of general operating funds, restricted funds, and philanthropic funding to support this strategy?***
 - How is RCSD's revenue from all sources including LCFF, local taxes, grant funding, and other private sources projected to change over the next ten years (including the impact of declining enrollment on projected revenue)?
 - How can philanthropic dollars be leveraged to enable long-term impact (including short-term investments to launch initiatives and transition funding to support initiatives while resources shift)?

Deliverables would include:

- Cost estimates and key considerations for RCSD strategic priorities and resource re-allocation opportunities, including the impact of likely school consolidation plans
- Funding strategy including likely funding sources and potential schedules/timelines for how the district could take on costs or re-allocate resources

II. Proposed Timeline & Budget

We recommend beginning this work in early March following confirmation of the contract by the board, during which ERS would begin the detailed financial analysis to determine potential opportunities for re-allocation of resources and plan for Human Capital Steering Committee Meetings, which will kick off following the initial work on financials so that it can benefit from those insights. The total cost of the engagement, as indicated in the table below, is \$145,000, which includes all expenses and travel.

	Cost	March				April				May				June			
A: Funding RCSD's Strategic Priorities	\$95k																
B: Finalizing RCSD's Human Capital Strategy Finalization	\$50k																

Please note: Significant efficiencies are gained for each workstream by being completed in conjunction with the other. These prices reflect the combination of these workstreams, not the stand-alone price of each. The timing noted here depends upon timely confirmation of the contract and quick formation of district project teams.

We understand that the cost of ERS's support is significant to school districts and their philanthropic partners. We are proud that our non-profit status enables us to charge significantly less than for-profit consulting firms. Our internal analysis suggests that our daily blended rate is roughly a third the cost of for-profit consulting firms who provide consultation to school districts.

III. How We Work

We envision working closely with Ms. Sudaria, or another designated district leader, and Attuned partners on a regular basis (likely weekly or bi-weekly) throughout the project to identify and provide data, support coherence with ongoing strategy development, and review findings and facilitation materials along the way.

ERS is uniquely positioned to play our role because of our nationally recognized team, unrivaled data systems, and nonprofit status that encourages collaboration.

ERS is the only organization with more than ten years of experience working with urban school systems across the country in strategic resource allocation. We are staffed by approximately forty district and state technical assistance providers and 15 members of our core services team, which includes administration, communications, technology, finance, and human resources. Our team has a unique blend of strengths: we look for talented, motivated individuals with both analytic expertise and a deep understanding of public education. Many of our team members have been public school teachers or administrators. Our leadership team brings a blended background from the top private-sector strategy consulting firms (e.g., Bain, McKinsey, Parthenon) and district leadership (Budget Director of DC Public Schools, Director of Accountability for Chicago Public Schools). Together, our team is drawn to the work and to ERS for our mission and core values: impact, service, teamwork, learning, candor, and work-life balance.

ERS typically maps each district stakeholder to a primary point of contact on the ERS team based on experience and level so that most of the interaction district staff members experience with the project is run through a single ERS point of contact. Our feedback over the years has been that this approach is strongly preferred by district staff and enables stronger relationship development, more efficient use of time and ultimately better project outcomes. Finally, ERS core team members are typically assigned to a project for its duration. We have an average 90% annual retention for employees, which allows us to maintain teams over project durations.