

# Functional Consolidation

## Study and Program Overview

Organizational Leadership Services, LLC has been engaged by two school districts to conduct a functional consolidation study. The purpose of this study is to determine if two school districts can find the economic efficiencies and educational enhancements as would be found in the more traditional merger and annexation of school districts.

### Guiding Principles

1. The study must conclude that there is potential for absolute operational cost cutting. The concept of functional consolidation rejects the notion of cost shifting to other educational entities and it rejects the idea of receiving additional tax revenue thus offsetting the local tax burden and transferring that burden to state government.
2. The study must conclude that there is potential to increase educational opportunity for students. Functional consolidation promotes opportunities to share instructional staff and programs.
3. Principles One and Two must be achieved within the context of Principle Three, that each district participating in a functional consolidation study is assured it will maintain its individual identity and unique community culture. Asking citizens to choose between the realities of their respective economic conditions and the authenticity of their respective districts is putting residents in an untenable, “no-win” position. Functional consolidation avoids that conflict.

### Introduction to the OLS Study Design

There are four components to OLS Functional Consolidation Process. As the only organization in New York examining functional consolidation from a systemic school district perspective, we believe it is important to sequentially move through certain stages in the examination process. Specifically there are four steps from the commencement of the research effort to delivery of the final report. These steps include:

1. Board of Education Awareness Level Workshops
2. Submission of an High Needs Efficiency Grant to the State of New York
3. The completion of a functional consolidation study
4. The completion of a Unified Contract Analysis

## **Board of Education Awareness Level Workshops**

Given the dynamic we find in most communities, we believe it is important to work systematically with local school superintendents and school board members. If there is no consensus between these two groups, the probability completing of a successful functional consolidation study are greatly diminished. The multi-step process that culminates with a formal presentation to the combined school board membership includes the following:

1. Superintendents meet with OLS representatives to discuss the concept of a functional consolidation study and how such a study might be applied to each respective district.
2. Superintendents meet with their board of education members to discuss the concept of functional consolidation and ascertain the level of interest from the school board in considering participation in a multi-district study.
3. Participating superintendents and school board officers meet to discuss the contemplated joint functional consolidation study effort.
4. OLS holds a workshop for board members in all participating districts. This workshop includes the following:
  - a. The educational and economic framework from which the study is conducted
  - b. The research methodology used to conduct the study
  - c. A review of the seven sections of the research project
  - d. The anticipated project schedule
  - e. The anticipated project budget
  - f. A review of the grant funding proposal which will be submitted by the lead agency

Within several weeks of the board of education workshop, it is expected that each school board, in public session, will make known their decision concerning project participation.

## **Submission of a Grant Proposal**

OLS will work with the staff of the school district designated by the participating school districts as the Lead Educational Agency (LEA) in the submission of a grant proposal to the Office of the Secretary of State. Our grant writing team is familiar with the "High Priority Grant Program" as well as the several grant application requirements for this program. The protocol used in the submission of the funding applications includes:

- Create an agreed upon timeline for grant submission
- Define data the participating districts need to collect for submission
- Research state archives for find and select appropriate previously funded grant applications to serve as a model for the current project
- Prepare a final draft proposal for review by each school district and for submission by the LEA
- Prepare the final funding proposal

- Work with Department of State officials during the application process to insure funding decisions in a timely fashion

### **Conduct the Functional Consolidation Study**

The functional consolidation study can take as little as four months or as long as seven months depending on district staff availability and schedules of school board meetings. As a matter of practice, we believe that a focused and concentrated research effort is in the best interests of each participating school district. Once commenced, the investigate team will be on site at regular intervals to ensure that the research inquiry progresses in a substantial and substantive manner.

There are nine research components. Each section examines a specific aspect of a functional consolidation program and represents an independent study. When each section is combined into a single report, what emerges is a comprehensive and systemic analysis of a functional consolidated school district.

The nine areas of study include:

- 1. Instructional research:**
  - a. Curriculum sharing and instructional design
  - b. Professional staffing to accommodate instructional sharing
- 2. Financial research:**
  - a. Budget and expenditure analysis
  - b. Income analysis including state and federal aid as well as local tax efforts
- 3. Non-Instructional Support:**
  - a. Transportation operations and bus routing
  - b. Food service operations including staffing and central food preparation
  - c. Shared business operations and other “back-office” support services
- 4. Enrollment Analysis:**
  - a. 5 year enrollment projections using traditional research models
  - b. GIS demographic enrollment analysis
- 5. Facilities Analysis:**
  - a. Review of district long range facility plan and other related documents
  - b. Physical inspection (“walk-through”) of all district facilities
  - c. Individual building level capacity study
- 6. Staff Sharing**
  - a. Examination of the issues surrounding the sharing of a superintendent
  - b. Potential of sharing district level administrators including curriculum management, pupil personnel, and special education staff
  - c. Analysis of sharing building level administrators

## **7. Technology**

- a. Analysis of instructional technology program including curriculum, hardware, and software
- b. Analysis of technology used for the management and administration of the school district

## **8. Boards of Education**

- a. Review of the statutory authority of a board of education to create alternative models of organization, operation, and governance.
- b. Review of other considerations school should take into account when considering a functionally consolidated school district

## **9. Common Employment Contracts**

- a. Review and identify the legislative, political or management issues which will require attention as the districts move toward functional consolidation

OLS recognizes that a functional consolidation study is a significant undertaking therefore one of our managing partners is assigned to facilitate, manage, and coordinate all study activities. It is not uncommon that a research team of eight to ten experts will be assembled for one functional consolidation study. In addition, we employ a writer and editor to coordinate all project writing so that the final report is cohesive in language and consistent in presentation.

Our research methodology is comprehensive. Our goal is to insure to all districts that OLS has discovered as much information as possible to assist the school districts in reaching informed decisions concerning future actions. We will:

1. Review all relevant written materials
2. Interview all necessary staff to fulfill our research demands
3. Physically inspect all school facilities

## **Unified Contract Analysis©**

The single greatest school district expense is personnel. It is critical that each board of education participating in the functional consolidation study know what their financial obligations will be under a newly formed operating structure. To ensure that each district understands its obligations vis-à-vis personnel, OLS requires that each district participate in the Unified Contract Analysis program.

The Unified Contract Analysis program is a mathematical analysis of employment contract costs, both current and projected. Using this analytical tool, districts participating in a functional consolidation study will:

1. Know their present employee costs based upon analysis of their current contract(s)
2. Know the parameters of future costs if functional consolidation among the participating districts occurs

3. Know how the employment agreement of a functionally consolidated school district compares to districts of similar size within a commonly accepted geographic region

### **Summary**

The goal of the OLS functional consolidation research process is to provide participating school district decision makers with sufficient information that result in sound judgments.

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