



School-Based Management: A Practical Path to School District Reform

by Cara Stillings Candal

Introduction

Located in the “bicep of Cape Cod,” the Town of Barnstable, Massachusetts, is widely considered that area’s economic and municipal hub. Home to a thriving business sector, healthcare facilities, an airport, and a host of other municipal services, many of Cape Cod’s citizens rely upon Barnstable and its seven surrounding villages for economic and cultural prosperity. But Barnstable’s status as a center of activity in the Cape Cod region is only one of the things that make the town unique. In recent years, Barnstable has received state and national recognition for its commitment to financial accountability and responsibility. This commitment has, in turn, enabled the Town of Barnstable to make important and sweeping changes in the way its schools are financed and managed—changes that many in the Commonwealth have come to recognize as worthy of emulation.

All school principals in Barnstable, traditional public schools included, now control roughly 80 percent of their operating budget and have the autonomy to make and implement leadership and instructional decisions that can mean real change for students.

Such change in Barnstable was facilitated, in large part, by municipal and school employees who were especially qualified and motivated to create more effective schools. For, while the public charter schools of Barnstable have historically performed at or above the state average, the town and its schools have long faced some of the challenges found in most American school districts as well as most of the challenges that are unique to the Cape Cod region of Massachusetts.

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Despite its status as an innovative center of financial and municipal activity on the Cape, Barnstable is, in many respects, similar to the area's other towns and municipalities. Culturally diverse, Barnstable's residents span the economic spectrum. On one end of the town, expensive, beach front properties are common while further inland much of Barnstable's population struggles to stay employed, afloat, and in affordable housing. Complicating matters for the municipality, the town, which swells to well over 125,000 residents in the summertime, has been steadily losing year-round residents (the year-round population was an estimated 49,000 in 2008). This decline affects the town's ability to raise revenue, which is largely derived from the property tax. Coupled with the difficult financial climate experienced nationwide in recent years, the decline has necessitated cutbacks in municipal services and led to layoffs and school reorganizations and closures.

All things considered however, Barnstable has weathered these challenges admirably. Even in the current economic climate, the Town has managed to maintain a balanced budget and, more importantly, a AAA bond rating from Standard & Poor's. The latter puts Barnstable in a special group; only nine of the 351 Massachusetts cities and towns have received this rating. The kind of sound fiscal policy that has garnered Barnstable this excellent reputation has also allowed the town to maintain a comparatively high level of municipal services for its citizens.

That high level of service also extends to the student population of Barnstable—a population that is served by a school system that is rare in the Commonwealth. It is a system in which two important functions, finance and human resources, have been consolidated with the finance and human resource functions of the municipality. It is also a system in which school leaders are entrusted with the ability to manage the major day-to-day financial functions of their own

TABLE 1. BARNSTABLE AT A GLANCE

General Information	
Villages (7)	Barnstable, Centerville, Cotuit, Hyannis, Marstons Mills, Osterville, West Barnstable
Area	62.72 square miles
Demographics	
Year-round residents	49,000 estimated
Median Family Income	\$46,811
Per Capita Income	\$25,554
Student Population Eligible for Free and Reduced-Price Lunch	27.3%
Economic	
FY 2009 General Operating Budget	\$154,370,065
Assessed Value Per Capita of Real and Personal Property	\$302,750
Median Home Value (Town Wide)	\$368,500
Largest Employers	1) Cape Cod Health Care, 2) Town of Barnstable, 3) Barnstable County

Adapted from Town of Barnstable, FY 2009 Operating Budget; MA DESE, FY 2009 Budget summary, Town of Barnstable

schools and in which managerial and instructional decisions, though supported and monitored by the town’s School Department, are initiated by school principals.

This policy brief recent, seemingly radical, reforms in Barnstable’s education and municipal sectors and goes on to discuss the myriad ways in which the reforms have affected the town’s schools. Furthermore, with the intent of guiding others interested in initiating similar changes in their own schools and districts, it provides a step-by-step account of the process that Barnstable followed to create the system that is in place today. Finally, this brief provides recommendations for how other cities and towns might look to Barnstable’s experience to implement their own reforms.

The Barnstable Story

Barnstable’s experience with educational innovation dates back at least six years prior to the consolidation of town and school financial and human resource functions. As early as 1999, the town had pursued and won its first Horace Mann Charter, which allowed a former traditional public middle school, now called the Barnstable Horace Mann Charter School, to convert to charter school status and therefore dramatically change the way the school was governed, led, and funded.

Prior to receiving charter school status, then-school principal, Tom McDonald, like most principals of traditional public schools, controlled very little of the school’s nearly \$3 million dollar budget. Indeed,

TABLE 2. TOWN OF BARNSTABLE ADEQUATE YEARLY PROGRESS (AYP) DATA, 2007-2008*				
English Language Arts				
Grade Spans		2007	2008	2008 Subgroups Not Making AYP
Grades 3-5	Aggregate	Yes	Yes	Afr American/Black -Low Income Hispanic/Latino -F/LEP**
	All Subgroups	No	No	
Grades 6-8	Aggregate	Yes	Yes	Special Education
	All Subgroups	Yes	No	
Grades 9-12	Aggregate	Yes	Yes	Low Income
	All Subgroups	No	No	
Overall Performance Rating		Very High		
Mathematics				
Grade Spans		2007	2008	2008 Subgroups Not Making AYP
Grades 3-5	Aggregate	Yes	Yes	F/LEP
	All Subgroups	No	No	
Grades 6-8	Aggregate	Yes	Yes	Special Education
	All Subgroups	Yes	No	
Grades 9-12	Aggregate	Yes	Yes	Low Income
	All Subgroups	No	No	
Overall Performance Rating		High		

*Barnstable has no accountability status for 2007-2008, which means that it is not in corrective action under the federal No Child Left Behind Law.

**Limited English Proficient.

Massachusetts Department of Elementary and Secondary Education, http://profiles.doe.mass.edu/ayp/ayp_report

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McDonald estimates that he was able to spend only about \$50,000 every year to impact instruction and other school matters as he saw fit. The Horace Mann charter, however, allowed McDonald to behave as the CEO of his school, enabling him, as he describes it, to “put in place programs and protocols that made sense and enhanced the education of students.”

It is also a system in which school leaders are entrusted with the ability to manage the major day-to-day financial functions of their own schools and in which managerial and instructional decisions, though supported and monitored by the town’s School Department, are initiated by school principals.

In exchange for such autonomy, the school was also more accountable to the state. Both autonomy and accountability proved beneficial for the school, and the School Committee of Barnstable took notice. In managing his school, McDonald made more efficient use of educational resources for students than he had been able to under the traditional public system. Perhaps more importantly, under McDonald’s tenure, student outcomes improved.

With the success of this one school, a belief in the benefits of site-based management began to take hold within the community. By 2004, the Town of Barnstable had won its second Horace Mann Charter and the majority of the School Committee had become committed to allowing even traditional district schools to function in a “charter-like” fashion.

In at least one sense, the site-based philosophy was more likely to take hold in Barnstable than in other communities, for, in 1995, only a few years prior to the establishment of the town’s first charter school, there was tremendous turmoil, uproar, and anger when it was discovered halfway through the school year that the School Department was more than \$2.5 million dollars in debt. The deficit meant that school budgets district-wide and the delivery of education would be dramatically affected; for the foreseeable

future, already scarce resources would have to be cut back, and the small percentage of their budgets that principals in most schools managed would be largely unavailable. Many in the community, including some School Committee members, could scarcely imagine how the School Department could find itself in such a position. Eventually, the School Committee had to turn to the municipality for a bailout.

This incident cultivated in Barnstable a general and persistent skepticism of the School Department’s ability to manage its own affairs. By 2004, this skepticism, coupled with the improved student results and sound budgeting practices that the School Committee was seeing from the town’s charter schools, led to the appointment of a new superintendent. The man chosen for the job was Tom McDonald, principal of the first Horace Mann Charter School established in Barnstable. An innovator and a proponent of the charter model and site-based management, McDonald saw in his appointment an opportunity to work with the School Committee and with a municipality that had been nationally recognized for excellent accounting practices to bring about radical change in the way that Barnstable’s schools were run.

Principals had to be trained to function as CEO’s, and other school administrators had to be trained to manage their many new responsibilities, budgetary especially.

With the encouragement of the School Committee, one of the first changes that McDonald enacted was to establish an agreement between the School Department and the district’s non-charter schools that gave those schools many of the same autonomies that charter schools enjoy. All school principals in Barnstable, traditional public schools included, now control roughly 80 percent of their operating budget and have the autonomy to make and implement leadership and instructional decisions that can mean real change for students.

As one current school leader, Frank Gigliotti, explained, when he gained the ability to manage

the majority of his budget he “immediately used the ‘extra’ money” derived from a reallocation of funds “to hire a math teachers’ assistant.” MCAS scores indicated that math was an area in which Gigliotti’s students were struggling, and he seized the power that came with school-based management to make an administrative and instructional decision that he believed would benefit students. According to Gigliotti, making such a decision might have been possible prior to the district’s site-based reforms, but he would have had to “jump through countless hoops” before the change could have been implemented.

In 2004, the three bodies began working together to consolidate the School Department’s finance and human resource functions with those of the Town—a model that, while entirely permissible under state law, is not often used in Massachusetts cities or towns.

Of course, the move to site-based management, though swift, was not necessarily seamless. Principals had to be trained to function as CEO’s, and other school administrators had to be trained to manage their many new responsibilities, budgetary especially. And not every principal was immediately comfortable with increased responsibility; for some, like Gigliotti, it was necessary to first “dip a toe” and then “a foot” into the tide of change before immersing themselves fully into the new site-based reforms.

Fortunately, for those who were at all leery of becoming a true school CEO, the School Department, the School Committee, and the Municipality had already begun to collaborate on another reform that would eventually make the job of running a school and its budget a more manageable task. In 2004, the three bodies began working together to consolidate the School Department’s finance and human resource functions with those of the Town—a model that, while entirely permissible under state law, is not often used in Massachusetts cities or towns.

After careful evaluation, a team comprised of relevant town and school personnel arrived at the conclusion that the Town was in a better position to allocate and track school site and School Department budgets than was the School Department itself. Later agreeing that it would also make great sense to consolidate the Town and School Department human resource functions, the relevant parties drafted two separate memoranda of understanding that outlined how these two related consolidation processes would proceed.

Within a year and a half, the Town had developed a system to deliver to school leaders accurate and constantly updated information regarding the money available in each site budget. On the human resources side, the town had developed a system that housed all relevant personnel, pay, and hiring and firing information in one place. Perhaps most importantly, both consolidations had made necessary information clear and accessible to school leaders.

These reforms have had, according to many in the district, a positive impact on the way that schools are managed. Notes Frank Gigliotti, Principal of the Barnstable/West Barnstable Elementary School, “at first I was skeptical, but it’s really worked out.” The systems that are now in place, Gigliotti believes, are “healthier” for schools and enable school leaders to function as CEOs of their buildings.

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The process of merging the financial and human resource functions of the schools and the Town was not, however, as easy or clear cut as it might initially seem. Along the way, the town and the schools developed a comprehensive plan for how things were intended to work. They also learned that politics and unforeseen barriers can sometimes foil even the best laid plans. Because of this, it seems that it is best to

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TABLE 3. GENERAL STEPS TO CONSOLIDATING TOWN/SCHOOL FINANCE AND HUMAN RESOURCE FUNCTIONS IN BARNSTABLE

Step 1: Gauge the Political Will		
Step 2: Know the Goal and Assess the Capacity for Change		
Step 3: Draft a Clear Plan on which All Parties Agree	<i>Components of Barnstable Draft Plan:</i>	
	FINANCE	HUMAN RESOURCES
	1) Position schools as customers, and establish decentralized teams at each site.	1) Position schools as customers, and establish decentralized teams at each site.
	2) Decide upon financial services that Municipality will/will not provide.	2) Decide upon financial services that Municipality will/will not provide.
	3) Streamline (eliminate and create) positions appropriate for the consolidated office(s).	3) Streamline (eliminate and create) positions appropriate for the consolidated office(s).
	4) Train New Staff	4) Audit decentralized sites to determine inefficiencies and inaccuracies in HR processes
		5) Train New Staff
Step 4: Implementation		
Step 5: Constant Evaluation and External Input		

describe the general process of how a consolidation can take place by looking back at the Barnstable experience. Certainly, other towns and cities interested in pursuing a similar effort have much to learn from the insight that Barnstable can offer.

A “How-To” Guide to Consolidation

Although the consolidation process in Barnstable proceeded quickly—about one and a half years from the conception of a plan to implementation—it was a multifaceted process, which many in the Town and School Department still consider ongoing. From the initial idea that consolidation might ultimately benefit the town and its schools to recent and ongoing evaluations of the effort and the difference it has made, Barnstable has proven it is willing to do what it takes and to learn from experience in order to provide the best possible services, including education, to its citizens.

The following pages describe the step-by-step approach that Barnstable took to consolidate its Town and school finance and human resource functions. While it is likely the general process outlined here can be of great use to other cities, towns, and school departments interested in a similar consolidation effort, it should be noted that the specifics of what happened in Barnstable are, of course, specific to the town itself. Other localities might find, for example, that it makes sense to consolidate entirely different functions. Differing details, however, do not make the overall process any less meaningful. The guide provided here consists of valuable lessons learned from the Barnstable experience, along with examples of how specific functions were merged and some of the benefits reaped from those mergers.

Step One: Gauge the Political Will

“It almost felt that nine-tenths of the battle had been won when we achieved consensus that the consolidation process should take place.” This sentiment, expressed by Barnstable Town Manager

John Klimm, captures what the two major parties involved in the consolidation effort, the Municipality and the School Department, believe to be true. To be sure, migrating responsibility for school financial and human resource functions to the town side did not begin with the conception of a consolidation plan. Instead, proponents of consolidation had to correctly gauge the right time for such a dramatic change.

Before plans for consolidation could proceed, it was necessary to engage in an “assessment of the political reality of the community.” As Klimm points out, “if enmity exists between a Town and its school department, the process won’t work.” There must be, in the first place, “a willingness to discuss the changes that are needed.” This advice isn’t based solely on the Barnstable experience. Klimm notes that towns and school departments have been set up, historically, for a somewhat adversarial relationship. Not only do schools and municipalities compete for limited dollars, they also conduct their business in two very different cultural environments—environments that don’t always meld. Thus, understanding the politics at play, Klimm and others suggest, is one key—perhaps the key—to affecting the kind of change that happened in Barnstable.

Although consolidation of the human resources function was not foremost in the minds of all involved when they began drafting a consolidation plan, it eventually became clear it didn’t make sense to consolidate one and not the other; too many of the finance and human resource functions, such as payroll and benefits, were intertwined.

In some ways, as previously discussed, the environment in Barnstable in 2004 was ripe for change. Following discovery of its deficit, the town lost faith in the School Department’s ability to manage its financial affairs, and an attempted override failed to raise the revenue needed for the schools.

There was a general feeling that if something didn’t change, and if the Town and the School Department didn’t develop a more amicable relationship, disaster would be imminent. At the same time, the School Committee was changing shape; a number of new members were more willing than the old guard to take whatever action was necessary to solve the School Department’s problems. It was at this time that Tom McDonald was appointed Superintendent, a move that would precipitate the overall school-based management and consolidation efforts.

In large part, if the political will for change isn’t present in a community, and if the lines of communication between a school department and a town are not open, then it is unlikely that consolidation will be an effective route to transforming school district management. The bulk of any consolidation process depends upon these factors as much as it depends upon capable and hardworking people to make it happen.

Step Two: Know the Goal and Assess the Capacity for Change

True change is not achievable without a clear, uniformly accepted goal and without a clear picture of where the capacity for change exists. In Barnstable, the goal of consolidation, according to Tom McDonald, was to meet “a critical need to have a system in place [in schools] that ensured accuracy and accountability.” Cost savings that would derive from consolidation, while desirable, “were not the key reason to consolidate.” In short, the School Department and School Committee in Barnstable had come to a point where they could not control costs because they didn’t know what the real costs of running the school district were—each time a budget was created, the School Department failed to account for actual (and differing) costs at each school. Moreover, for many years, the School Department did not have an accurate picture of the funds that it actually had at its disposal. In migrating the financial function to the Town side, the primary goal was to put in place a system of data management and cost tracking that would once and for all allow

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the School Department and individual schools to forecast an accurate budget and monitor expenses as they made their own site-based decisions. While the consolidation effort was not necessary to implement site-based management strategies, the ultimate success of the consolidation greatly enhanced the school-based management effort.

Importantly, however, had the School Committee or any other party lacked confidence in the Town's financial management capabilities, drafting a consolidation plan and smoothly implementing school-based management policies would have been infinitely more challenging. As incoming School Committee Chairman Patrick Murphy explains, the key to implementing any kind of change is people—"you have to know where your skill sets are, and you have to know your talent base." In Barnstable, the Town Finance Department had a long-standing reputation for excellence, especially with regard to accurate and efficient reporting and cost control. Because of this, it was clear where the expertise in financial management lay. Moreover, there was also confidence in the Town's Human Resource Department. Although consolidation of the human resources function was not foremost in the minds of all involved when they began drafting a consolidation plan, it eventually became clear it didn't make sense to consolidate one and not the other; too many of the finance and human resource functions, such as payroll and benefits, were intertwined.

[W]hile this new culture is, arguably, still evolving, the initial challenges that differences between Town and school cultures posed were overcome.

Others looking to consolidate Town/school functions should take away from the Barnstable experience two critical ideas when it comes to goal setting and assessing the capacity for change. First, goal-setting and an understanding of how goals can be achieved with the resources available is paramount. It is important to realize that any number of Town/school

functions can be consolidated, and that any eventual plan will depend upon the needs of the Town and its schools and upon the available talent pool in the locality. If, for example, a town has as much difficulty managing its finances as a school department, then consolidating the financial function may not be a viable option. Second, it is important throughout the process of consolidation to remain open to new ideas and to continually evaluate the extent to which the plan that is taking shape will meet the ultimate goal of the consolidation. It stands to reason that a full understanding of all the processes that can or must necessarily be consolidated to achieve the set goal will not become clear until the process itself is underway.

Step Three: Draft a Clear Plan on which All Parties Agree

The third step in the process may sound deceptively simple but in reality calls for "time consuming and detailed analysis," according to Town Manager, John Klimm. A clearly delineated process for change and its implementation—one upon which all parties agree—is indispensable. Also of great importance is that the plan be legal and binding.

In Barnstable, the drafting of the Consolidation Plan included the creation of several memoranda of understanding between the Town and the School Committee. Each memorandum and its preceding drafts were carefully analyzed by all involved parties, made available for public scrutiny, and debated before the consolidation process itself proceeded. Key components of each memorandum are a section detailing the various "points of understanding" shared by the Municipality and the School Elected Bodies, as well as a paragraph explaining "that it is prudent to have in place a policy to terminate this agreement should either party to this agreement wish to do so." Also an important part of each document is a statement noting that the memoranda of understanding are "subject to review and revision as needed."

One minor obstacle that became apparent to those involved in the process of drafting the consolidation plan was that neither the Town nor the School Department had a clear idea of how its counterpart operated. According to Barnstable's Human Resource Director, William Cole, when drafting and implementing a consolidation plan, it is important that neither side "underestimate the impact of culture."

What Cole means is that municipal and school employees, in general, carry out their day-to-day work in very different environments. In schools, where the primary focus of an employee's work is likely to be on students and student learning, certain tasks that might be of great importance in a municipal building, bureaucratic tasks especially, may not be a first priority. On the other hand, municipal employees, especially managers, are not necessarily familiar with the day-to-day necessities and challenges of running a school. To further complicate matters, the processes of teaching and learning are likely to be viewed differently by municipal and school employees; whereas teachers, principals, and perhaps even school administrative personnel have educational backgrounds in teaching and learning, municipal employees and managers are likely to approach these processes from a vantage point that does not include that type of education. This latter difference can be especially important to recognize when school employees become students for the purposes of training.

[F]ailure to work together, it was understood by most involved, would likely mean a troubled path to consolidation.

For the Municipality of Barnstable, differences in the school and municipal cultures posed a special challenge, for it was the Town that was absorbing many of the School Department's responsibilities. From understanding that teachers have different payment schedules than town employees to pinpointing the kind of training that would be needed at school sites, human resource managers, especially, had to educate themselves about the different needs and day-to-

day operations of school employees and schools. Interestingly, in making that effort it became clear to all involved that the merging of town and school functions was creating a new culture unto itself. Today in Barnstable, human resource personnel on the municipal side have changed the way that they operate in an attempt to accommodate the schools. The same kind of change has also occurred on the school side.

In sum, the challenge for the new human resource team was not only to understand the culture of the School Department and its schools but, more specifically, to uncover inaccuracies in data and reporting that had contributed to poor human resource and financial management strategies within the School Department.

Of course, while this new culture is, arguably, still evolving, the initial challenges that differences between Town and school cultures posed were overcome. Today, the Town and the different school sites that it works with continue to keep the lines of communication open so that future and/or potential culture clashes can be handled in a manner that minimizes problems. And at the end of the long process of drafting the official Consolidation Plan, Barnstable had in place a process to follow for merging the Town and school finance and human resource functions, the major components of that plan follow.

1. According to Town Finance Director, Mark Milne, to fulfill the goal of allowing the School Department and each school site to manage its own budget, and to help the School Department and each school site shift away from antiquated budgeting and data input processes, the Town Finance Department "agreed to take on an auditing and analytical function." To this end, it was necessary to conceive of a new structure for the Finance Department. In the new, consolidated structure, the School Department and its accompanying school sites were viewed as

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TABLE 4. TOWN FINANCE DIVISION, CONSOLIDATED POSITIONS (U=Union Position)			
Eliminated Positions	Number Eliminated	Created Positions	Number Created
Administrative Assistant	1	Assistance Finance Director	1
Principal Assistants (U)	3	Comptroller	1
Division Assistants/Part-time (U)	2	Financial Analyst (U)	1
School Business Manager	1	Financial Support Team Members (U)	4
Finance Clerk	2	Insurance Coordinator (U)	1
Payroll Supervisor	1	None	
Payroll Assistant	1	None	
Payroll Clerk	1	None	
	Total=12		Total=8
Estimated Total Cost Savings in Salary		\$75,000	

Adapted from: Town of Barnstable, Finance Division Consolidation, 11.

“customers” of the Town Finance Division. To support the work of the Finance Division, it was necessary that each customer also have its own “decentralized finance support team”. It was also decided, according to Milne, that \$692,835 would initially be allocated from the School Department budget to the Town side in order to cover the cost associated with the consolidation and the new responsibilities that the Town would acquire.

2. The new structure in place, it was decided that the Finance Department would provide most financial services to the schools, including: 1) assessing operations; 2) treasury operations; 3) budget operations; 4) accounting operations; 5) property management operations, and; 6) tax and bill collection. It was made clear in the Consolidation Plan that the Finance Division would not: 1) determine how its customers would spend appropriations; 2) supervise school buildings or grounds or provide needs analysis for capital improvements; 3) supervise information technology services, student transportation, or food services, or; 4) undertake any grant writing.

3. Once the services to be provided were made clear, it became necessary for the Finance Department and the School Committee to decide which positions were no longer needed. It was further necessary to delineate the new positions that would be needed to fulfill the

goals of the plan. Importantly, Barnstable chose to work very closely with the Barnstable Municipal Employees Association (BMEA) to ensure a smooth path to change; failure to work together, it was understood by most involved, would likely mean a troubled path to consolidation. Ultimately, five union and one non-union positions housed in the municipal finance office were eliminated in addition to six non-union positions that were housed in the central office of the School Department. The 12 eliminated positions were replaced with eight new positions, six of which are now union affiliated. In total, the consolidation meant a net loss of four municipal and school department positions but a net gain of one position for the Barnstable Municipal Employees Association. Town Finance Director Mark Milne stresses that pains were taken to ensure minimal job loss and to provide training so that current employees would have the opportunity to remain employed by either the School Department or the Town. Nonetheless, employees who did not have or acquire the skills to succeed in the new environment had to be let go. Table 4 shows a list of positions that were eliminated and created under the consolidation and provides an estimate of the cost savings that derived from the new structure of the Finance Department and its decentralized school sites.

4. With a new and largely decentralized structure in place, and with new positions relevant to the consolidation's goal established, the Finance Department was poised to move ahead with training new employees and decentralized site staff members at each school. That process, which is very relevant to how the consolidation and site-based management efforts within the Town merged, is described in greater detail in the next section of the brief, which recounts how the process of fiscal migration in Barnstable aligned with the Town's efforts to make every principal the manager of his or her own school site.

[B]oth Barnstable's Finance and Human Resource directors firmly believe that the consolidation might not have been as successful had it not been for the time and resources that went into training school site personnel to use the town data system.

5. Although separate from the effort to consolidate the Town and school finance departments, the move to give the Town responsibility for school human resource functions in Barnstable followed much the same process as the financial consolidation. Moreover, the goals of the human resource migration were very similar to the goals of the financial migration. According to Barnstable's Human Resource Director, William Cole, there was a great need within the school system for accuracy with regard to reporting. "We took a phased-in approach," says Cole, "when we merged the benefits administration, for example, we discovered that there hadn't been an audit in some time; people were on the wrong plan, some were receiving insurance that they shouldn't have been receiving." In sum, the challenge for the new human resource team was not only to understand the culture of the School Department and its schools but, more specifically, to uncover inaccuracies in data and reporting that had contributed to poor human resource and financial management strategies within the School Department.

6. With these goals in mind, the Town Human Resource Department, like its financial counterpart, also made changes in staffing. However, while some functions and positions were made obsolete, there was not, ultimately, a change in head count on the human resources side. Notes Cole, "we did save roughly \$30-35,000 that derived from pay differences; the majority of the pay difference stemmed from moving from two human resource directors to one." By the time the consolidation was complete, the Town Human Resource Department was responsible for: 1) administering the recruitment and selection process for all non-teaching positions, 2) coordination of substitute teachers, 3) maintenance of the classification plan, job evaluation and job description development, and 4) oversight of attendance and leave accruals.

[T]ransparency and accountability in the school system, achieved through accurate information gathering and reporting, were the main goals of the consolidation.

Clearly, no matter the services to be consolidated, any city or town can learn from the planning process that Barnstable put in place. Recognizing not only that any plan had to be built around clear goals and would involve some degree of uncomfortable change and sacrifice, those involved in implementing the aforementioned steps in Barnstable paved the way to a successful consolidation early on. Of course, the next phase of Barnstable's consolidation effort, the actual implementation of the draft Consolidation Plan would also depend upon an attitude that embraced revision, open communication, and some degree of improvisation on the part of all involved parties. Implementation was by no means an easy process, but it was accomplished successfully and within a timeline that came reasonably close to meeting the Town's established goal.

Step Four: Implementation

With a clear plan to follow, those responsible for

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implementing the consolidation in Barnstable understood the end goals of their work and the steps necessary to achieve them. The presence of this plan did not guarantee, however, the absence of obstacles along the way or that revisions to the plan would be unnecessary. With new positions filled, training personnel for their new functions and for their work with the Municipal Information System (MUNIS) became the focus of implementation.

Training, which is widely cited in Barnstable as a second key to the success of the consolidation, was hands-on in nature. It required Finance and Human Resource Department personnel as well as School Department information technology personnel to spend a significant amount of time at the various school sites. There were many lessons learned along the way, especially with regard to the different ways in which schools and finance and human resource personnel are accustomed to learning. However, both Barnstable's Finance and Human Resource directors firmly believe that the consolidation might not have been as successful had it not been for the time and resources that went into training school site personnel to use the town data system.

[I]t must be recognized that site-based management requires school leaders, many of whom are already stretched thin, to assume additional responsibilities.

Indeed, the end result of the enormous time and effort that went into training is a district environment in which budgets are comparatively easy to predict and balance and in which school site personnel and School Committee members alike can, at any time of the day, access complete financial and human resource information about the budgets and people that they manage. Outgoing School Committee Chairman Ralph Cahoon notes the great difference he sees in terms of information accuracy and delivery post consolidation: "We receive monthly reports now that tell us, pretty much to the penny, where we stand; where before [the consolidation], I didn't trust the math."

It is, perhaps, this sentiment from Cahoon that provides the greatest testament to the success of Barnstable's consolidation effort. For, transparency and accountability in the school system, achieved through accurate information gathering and reporting, were the main goals of the consolidation. Any town or school district experiencing budget difficulties or problems with data tracking and information would be well-served to strongly consider the benefits that Barnstable has reaped from its decision to consolidate.

Step Five: Constant Evaluation and External Input

While it is accurate to say that the Consolidation Plan drafted in Barnstable in 2004 has now been fully implemented both at the municipal level and at the various school sites, it would be premature to suggest that consolidation in Barnstable is complete. According to former Superintendent and current School Committee member, Tom McDonald, it is conceivable that any number of Town and school functions could be consolidated in the future. Whether or not further consolidation occurs is a matter of an identifiable need, an identifiable benefit and, perhaps, the political will to do so. Most importantly, the process of evaluating whether further consolidation is necessary and feasible is part of the process of constantly evaluating the success of consolidation efforts. Says McDonald, "we must constantly stop to ask: 'How are we doing? What can we do better? What makes dollars and what makes sense for the students in Barnstable's schools?'"

To that end, the Town of Barnstable has committed itself to bringing in outside evaluators to gauge its success and elaborate upon what it could do better. A June 2007 evaluation of the town's efforts, which included a survey of employees affected by the consolidation at all levels, concluded that the level of financial service, especially, in Barnstable's schools has improved with consolidation. While the report did note some difficulties in implementing human resource functions at the school sites, it also indicated that with increased communication and ongoing training, such issues were likely to be

resolved. On the whole, it is important to note, the tone of the evaluation was positive. According to Town Manager, John Klimm, the Town intends to request another outside evaluation be performed in the near future.

[T]he Barnstable consolidation team had to engage in the painstaking task of developing a detailed budget for every school site. All costs associated with running each school, from utility bills to payroll, had to be accounted for and included.

The emphasis on outside assessment and evaluation should provide a valuable example for any community looking to follow the Barnstable model. The steps to consolidation outlined above provide a valuable guide for how one Massachusetts town gave its schools a better chance at success by dramatically changing the ways in which they were financed and managed. Without a willingness to assess and improve upon its progress, however, it stands to reason that Barnstable would not be where it is today.

A “How-To” Guide to Aligning Consolidation Efforts with School-Based Management

From the start, consolidation in Barnstable was focused on providing school leaders and School Committee members with the information they need to manage schools in an efficient and transparent manner. Although not the only factors, state and federal education policy environments that were increasingly focused on accountability for outcomes only made the need to meet these goals more urgent. With a system in financial disarray, it was becoming increasingly difficult for all involved to focus educational resources in a manner that made a difference to student achievement.

Importantly, though, the move to site-based management, which many believed would boost outcomes for students, preceded Barnstable’s effort to deliver better information at the school level via consolidation. With the early success in the district of two Horace Mann Charter Schools, a “philosophy of site-based management” had, according to incoming School Committee Chair Patrick Murphy, “already taken hold.” Thus, the consolidation effort in Barnstable, if successful, would only serve to enhance, not facilitate, site-based management practices district-wide.

The latter point is particularly important when considering how Barnstable’s consolidation team, School Committee, and district leaders worked to align the overall consolidation effort with management at each school site. In brief, those working for consolidation did not have to gauge the political will for a move to site-based management; by the time consolidation proceeded, then-Superintendent Tom McDonald was ensuring that school leaders were making the transition to becoming not only instructional leaders but school CEOs as well.

Gigliotti attributes an increase in math scores at his school to some of the flexibility he has gained with site-based management.

Of course, this does not mean that other cities and towns interested in initiating site-based management should fail to gauge the willingness of constituents to take on such a responsibility. For, while many both outside of and inside Barnstable attest to the benefits that site-based management can bring, it must be recognized that site-based management requires school leaders, many of whom are already stretched thin, to assume additional responsibilities. Some school leaders will be wary of taking on additional responsibilities; others may be unwilling or incapable.

What follows is a brief synopsis of the important steps that Barnstable took to align its consolidation efforts with the existing practice of site-based

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management, especially in its non-charter schools. As with the process outlined for the consolidation effort in previous sections of this brief, those interested in learning from Barnstable’s experience should be willing and able to adapt this specific process to the political and other realities of their own cities, towns, and districts.

Step One: Transfer Responsibility to School Leaders and Provide Them a Model

According to Principal Frank Gigliotti, as he transitioned from being a principal in a traditionally managed public school to the instructional leader and CEO of the site that he now manages, the most important tool he received was the confidence and support of the district’s superintendent. Making the move to site-based management, Gigliotti points out, required a willingness to experiment as well as a willingness to take responsibility for both success and failure. “Having confidence that the superintendent was 100% behind you,” says Gigliotti, made all the difference.

In Barnstable, the superintendent at the time saw site-based management as an important tool for achieving better student outcomes in the district. Moreover, as a former charter school leader, then-Superintendent Tom McDonald could not only provide advice to principals, he could also point to models of site-based success. It is perhaps, those models for site-based management that allowed McDonald to fully support his principals, providing them with the confidence they needed to move ahead. McDonald firmly believed that if he could be CEO of a school site that others could do it as well. However, McDonald was also aware that some of his

colleagues would not ultimately be willing or able to handle the many new responsibilities that they would acquire; because of this, he was poised to make tough decisions regarding keeping and placing appropriate leadership in Barnstable’s schools.

While the major management training that principals would receive in Barnstable would not come until the consolidation effort was underway and principals could see and manage their site-based budgets, the early transition to site-based management involved apprising principals of the new responsibilities, especially with regard to discretionary spending, that they would be able to take on. For McDonald and his principals this entailed keeping the lines of communication constantly open. It meant, says McDonald, “sitting and meeting with every principal in every building,” and committing to a multi-year process.

Barnstable has seen an overall increase in student performance since the consolidation effort was undertaken.

Communication and modeling in this way was the key to providing principals in Barnstable with the confidence they would require to take on their new roles. Other communities looking to transition schools to a site-based model would do well to keep these important components of Barnstable’s transition in mind.

Step Two: Identify and Deliver School-Based Budgets

The next step was in some ways the most important

TABLE 5. GENERAL STEPS TO ALIGNING CONSOLIDATION AND SITE-BASED MANAGEMENT EFFORTS	
Step 1: Transfer Responsibility to School Leaders and Provide Them a Model	Requires one-on-one training led by personnel experienced in site-based management
Step 2: Identify and Deliver Site-Based Budgets	Requires extensive time and commitment on the part of School Department and site personnel—a distinct and accurate budget must be developed for each school site
Step 3: Training, Training, Training	Requires input from finance, human resource, and information technology personnel and use of one, standard municipal data tracking system.

and most time consuming aspect of aligning the consolidation effort with school-based management techniques. Prior to consolidation in Barnstable, as in most places, all school budgets had been centrally housed. Problematically, central office had not tracked budgets in a manner that attached dollar amounts to the budgets required or spent at each school site. This, in particular, hampered the effort for site-based management, for if nobody knew the real cost of running an individual school, then it was difficult to devolve a sound budget to the school level for principals to control. Given this, the Barnstable consolidation team, with great cooperation from principals and other school staff, had to engage in the painstaking task of developing a detailed budget for every school site. All costs associated with running each school, from utility bills to payroll, had to be accounted for and included.

Notes Tom McDonald, before the process of creating an individual budget for each site began, “we could tell you if someone worked in the district, but we couldn’t tell you where.” Problematically, staff who would “float” from school to school might therefore receive a paycheck from the school where they happened to work most Fridays. This meant that the school would bear the budgetary burden of paying the full salary of a staff member who only spent one-fifth of his or her week working at that site. And such a budgetary injustice is only one example of the challenges that McDonald and his team faced in figuring the actual budget for each site. The larger consolidation effort notwithstanding, an effort to gain a clear idea of what it cost to run each school in the district and to then make that money available to school leaders was the key to making a true transition to site based management. Moreover, much like the process of acclimating school leaders to the idea of their new roles, the task involved plenty of one-on-one time with principals and staff at each site. “At each school,” says McDonald, we had to go line-by-line to figure out what costs were.” The same task was undertaken at the central office of the School Department.

Today in Barnstable, the benefits of having comprehensive site-based budgets to work from are

TABLE 6. SITE-BASED BUDGETS, BARNSTABLE PUBLIC SCHOOLS	
School	Budget
Barnstable/West Barnstable Elementary	\$1,926,094
Centerville Elementary	\$2,174,599
Cotuit Elementary	\$1,140,066
Marstons Mills Elementary	\$1,231,323
Marston Mills East Horace Mann Charter School	\$3,149,221
Hyannis East Elementary	\$2,624,517
Hyannis West Elementary	\$2,603,025
Osterville Elementary	\$1,712,071
Barnstable Horace Mann Charter School	\$6,605,393
Barnstable Middle School	\$6,839,042
Barnstable High School	\$13,938,941

Source: Town of Barnstable, Finance Department

clear. With precise data, the Town Finance Department can accurately perform its auditing function, sending to each school site a detailed accounting of its overall budget and fixed costs. This allows principals, according to Frank Gigliotti, “greater confidence to move things around.” “Now,” he says, “I can take discretionary funding from program X and move it to program Y,” where the need might be greater. Prior to the site-based reforms “I would simply be wondering ‘how much have I used?’” Indeed, Gigliotti attributes an increase in math scores at his school to some of the flexibility he has gained with site-based management.

And such information gives one the power to make small changes that can add up to substantial savings. McDonald notes, for instance, that when he ran the Barnstable Horace Mann Charter School a decision was made to remove every other light bulb in the hallway in an effort to save money: “no one noticed that we had a little less light, but it made a big difference in our bottom line!” Interestingly, similar changes and savings were seen at the School Department once the Town Finance Department began to understand

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how budgets had historically been handled. Town Finance Director, Mark Milne, notes that the town derived substantial savings by switching the School Department's telephone service over to one, lower-cost carrier. Prior to the consolidation, different offices in the School Department were served by different phone service providers. Indeed, phone service had been switched so many times and with so little attention to cost, that nobody had a clear idea of who the provider was or how much the Department was actually paying for such a vital service.

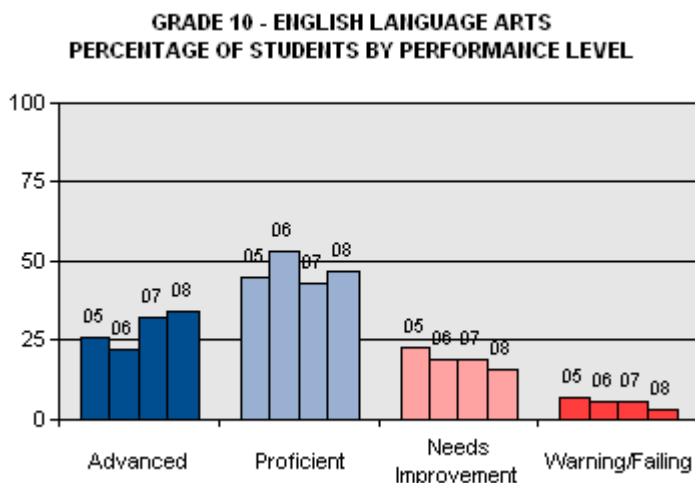
These examples, though seemingly small, point to some of the benefits that a school district can derive from thorough accounting and data-tracking, whether those functions are meant to enhance site-based management efforts in schools or not. "Now when mistakes happen," says McDonald, "they are smaller and easier to rectify." With new site-based budgeting techniques in place, it is highly unlikely that Barnstable will ever again find itself with an

unforeseen budget deficit of 2.5 million dollars. Perhaps more importantly, as indicated by Figure 1 below, Barnstable has seen an overall increase in student performance since the consolidation effort was undertaken in 2005.

Step 3: Training, Training, Training

Already described as part of the general consolidation effort, training of school site personnel was a critical step in ensuring that school leaders be able to effectively manage their site-based budgets. Finance, Human Resource, and Information Technology personnel worked closely with school leaders and their support staff until they understood the municipal data tracking system. More importantly, they continued to work with school staff until those staff further understood what the data available to them would mean for effective school management techniques.

FIGURE 1. BARNSTABLE, PERFORMANCE GROWTH, GRADE 10, 2005-2008*



*Grade 10 is provided as an indicator because it is the first year that students participate in the MCAS graduation examination.

Massachusetts Department of Elementary and Secondary Education, http://profiles.doe.mass.edu/ayp/ayp_report

With new site-based budgeting techniques in place, it is highly unlikely that Barnstable will ever again find itself with an unforeseen budget deficit of 2.5 million dollars.

Indeed, because some support staff in schools were required to take on new and more demanding roles with regard to data entry and data-tracking, raises were given to those staff throughout the district. All involved point out that the overall cost of these pay increases was a very small price to pay in exchange for the accuracy and transparency in reporting and management that the district has gained by aligning its consolidation and site-based management efforts. Other cities and towns interested in Barnstable's efforts should note not only that training personnel to manage site-based budgets is a key to success but also that effective training is ongoing and delivered whenever necessary and feasible.

Conclusions and Recommendations

The effect of consolidation and of a culture of site-based management in Barnstable can be seen, many argue, in its increased student achievement in recent years. Of course, there have been other benefits reaped from these processes, most of which contribute to the overall aim of improving education.

While it is tempting to concentrate not only upon student results but also on the cost savings derived from consolidation, it is important to remember, as all parties interviewed for this work pointed out, that overall cost savings were not the goal of Barnstable's education reforms. Instead, the major outcome for which proponents of consolidation were aiming was an efficient and transparent system of budgeting and school management that allowed the town to devolve as much money as possible to each school site. It is from the school sites, those in charge in Barnstable believe, that the best and most important decisions about students and school improvement come.

Other cities and towns looking to learn from the Barnstable experience can benefit by taking to heart a few important recommendations given by those who saw the consolidation and site-based management efforts in Barnstable through from beginning to end. Those recommendations are:

- 1.** Carefully assess the pros and cons of consolidation in your locality and have a clear goal before initiating the consolidation process.
- 2.** Realize that cost savings are likely a perk of but not a reason for consolidation.
- 3.** Know where your resources, human and otherwise, reside and plan any consolidation effort accordingly.
- 4.** Be sure to achieve the consensus and understanding of all involved parties before proceeding with any effort to consolidate town and school functions.

5. Be aware that in merging town and school functions, you are merging two distinctly different business and educational cultures.

6. Proceed with a willingness to revise processes along the way, but always keep the original goal of consolidation in mind.

7. Commit not only financial and human resources but also time to the process of training and of bringing each and every relevant constituent on board—the value of training cannot be underestimated.

8. Understand that a commitment to ongoing evaluation, especially by an outside party, is key to the success of any consolidation effort—the process of making schools more efficient and accountable and of making data more accurate and available is ongoing and can always be improved. In the end, the story of Barnstable could be the story of any Massachusetts town. Regardless of size, demographics, or location, the real tools needed to effect educational change are the political will to do so and the hard work of willing people. Barnstable is a testament to this idea. And such hard work brings with it many unforeseen benefits. From better lines of communication between school and town employees to the creation of an entirely new culture that merges municipal and education functions, most in Barnstable express a general sense of satisfaction with the change that has occurred there, and most are eager to share what they have learned with cities and towns throughout the Commonwealth. Says incoming School Committee Chairman, Patrick Murphy, “It was a good thing to do,” and in Barnstable today, there is no looking back.



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