



## NEW CHALLENGES, NEW MINDSETS, NEW DISCIPLINES: TRANSFORMING THE SEA INTO A MODERN PERFORMANCE ORGANIZATION

Betheny Gross, Ph.D., Ashley Jochim, Ph.D., and Dean Nafziger, Ph.D.

### The Question

How does the new Building State Capacity and Productivity Center differentiate between Performance Management and Project Management?

State education agencies (SEAs) are under fire and face new expectations from all sides. The federal government, state legislatures and governors, and citizens themselves are calling upon the SEA to do *more*—more to improve outcomes for students, more to close the achievement gap, and more to meet the diverse instructional needs of students. But, these new expectations do not come with new funding. SEAs must learn to work with *less*; what Secretary Arne Duncan has called the “new normal.”<sup>1</sup>

It is within this context that the Building State Capacity and Productivity Center (BSCP Center), funded through the federal Comprehensive Assistance Centers Program of the U.S. Department of Education, will help SEAs to improve their performance and productivity. This work will address today’s “productivity challenge” by emphasizing a new, performance-oriented way for states to structure their work, make decisions, and re-imagine and transform their institutions. The new BSCP Center will help states better implement strategies and also make smart decisions about what strategies to implement in a diverse and rapidly changing policy environment.

### Performance Management: A New Mindset for the SEA of the Future

For SEAs to achieve a dramatic improvement in outcomes and respond to the productivity challenge, they will need to transform into performance management organizations. Performance management can be defined as a holistic approach to improve the functioning of an organization by focusing on clear, measurable, and well-communicated goals and managing organization

<sup>1</sup> Duncan, A. (2010). *The new normal: Doing more with less*. Remarks at the American Enterprise Institute November 17, 2010. Available at <http://www.ed.gov/news/speeches/new-normal-doing-more-less-secretary-arne-duncans-remarks-american-enterprise-institute>



performance at all levels to attain those goals. In addition to organizational goals, performance management includes metrics and targets aligned with goals; timely and accurate data reports to track organizational progress (improved practice and results); accountability and responsibility for monitoring metrics regularly; processes for acting on data; protocols for intervening; protocols for discontinuing ineffective practices; and processes for continuously improving the organization. Another important aspect of performance management is the alignment of organizational resources with desired outcomes so that all of its resources can be leveraged to achieve high priority organizational goals.

### ***What Does Performance Management Entail?***

The reforms of the 1990s emphasized the centrality of standards, assessments and accountability to performance management. But, performance management is more than measurement and public reporting. It requires the SEA be more intentional about what it does and does not do, how it does it, and when to change. The classic compliance role of the SEA will never go away completely, and Federal and state requirements will always circumscribe SEA flexibility. But the means by which SEAs achieve compliance need to be closely scrutinized to truly contribute to high quality educational delivery, changed when they have suspect contribution to educational delivery, and strengthened when they are deemed valuable or unavoidable. Performance management is ultimately about learning and adapting, not just measuring.<sup>2</sup> The feedback loop for performance management operates at a strategic level, one that encompasses the entire system, even as each component in the system also functions with its own performance processes. Front and center in the feedback loop are the matters of whether the SEA is meeting performance expectations and delivering maximum return on investment.

#### **5 Functions of the SEA of the Future**

To more effectively manage performance, the SEA of the future will feature five functions: *program administration; standards, assessment and accountability (SAA) oriented toward performance and productivity; support for LEAs to improve practice; intervention in cases of persistent failure; and innovation to replace current practice with better practice.* Together, these comprise the differentiated state systems of recognition, accountability, and support (SRAS) for districts and schools, and the Center will focus on this aspect of the SEA's operation to meet the productivity challenge.

States will need help as they seek to reorient themselves towards performance and adaptation when compliance and stasis have long governed their orientation.<sup>3</sup> To some extent SEAs today have engaged in all of these functions, but their priorities and emphases within these functions are different from the vision we laid out above. We summarize in Table 1 how the SEA typically organizes its SRAS and how that changes as the SEA transforms into a performance management organization.

<sup>2</sup> Garvin, D.A. (1993). Building a learning organization. *Harvard Business Review*, July-August.

<sup>3</sup> Timar (1997). The institutional role of state education departments: A historical perspective. *American Journal of Education* 105: 231–60.



Table 1. Reimagining the State Education Agency's Work

Function	SEA as Compliance Monitor "The Old SEA"	SEA as Performance Manager "The New SEA"
Program Administration	<ul style="list-style-type: none"> <li>• Manage programs to ensure state and district spending complies with state and federal regulations</li> <li>• Map organizational functions to funding streams</li> <li>• Outsource non-essential functions to reduce administrative overhead</li> </ul>	<ul style="list-style-type: none"> <li>• Manage programs to ensure state and district spending has maximal impact</li> <li>• Map organizational functions to program purpose</li> <li>• Outsource essential functions to improve program performance and spur innovation</li> </ul>
Standards, Assessment, and Accountability	<ul style="list-style-type: none"> <li>• Align accountability system towards performance</li> <li>• Establish high quality longitudinal data systems for federal reporting</li> <li>• Develop reporting procedures for performance data and communicate results to parents.</li> </ul>	<ul style="list-style-type: none"> <li>• Align accountability systems towards performance <i>and</i> productivity</li> <li>• Establish high quality longitudinal data systems and measurement tools for cost-effectiveness analysis</li> <li>• Develop reporting procedures for cost and performance data and communicate results with key internal and external stakeholders including staff, teachers, principals, and parents.</li> </ul>
LEA Support	<ul style="list-style-type: none"> <li>• Rely on districts for school turnaround</li> <li>• Help districts and schools with federal reporting requirements</li> <li>• Increase regulatory burden and reduce funding flexibility by mandating improvement strategies</li> <li>• Uniform systems of support that lack customization</li> <li>• SEA accountable to Governors, legislators, voters (when elected) for program implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Broker support for school and district staff according to need</li> <li>• Help districts and schools leverage federal, state and private resources</li> <li>• Reduce regulatory burden and increase funding flexibility to provide the freedom to make improvements</li> <li>• Differentiated systems of support that tailor supports to school and district need</li> <li>• SEA accountable to LEAs for support and state for productive use of resources</li> </ul>
Intervention	<ul style="list-style-type: none"> <li>• Support system for cases of school and/or district failure</li> <li>• Programs and schools rarely face real consequences</li> <li>• Closure decisions lack transparency and communicated poorly with stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Intervention system for cases of school and/or district failure</li> <li>• Programs and schools with systemic performance problems closed</li> <li>• Closure decisions based on transparent cost and performance data and communicated in a timely fashion to stakeholders.</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>• Reduce district innovation by imposing "one size fits all" requirements for schools</li> <li>• Leave it to districts to support local innovation in curriculum, teaching and educational delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Foster district innovation by providing regulatory and financial flexibility to develop new programs</li> <li>• Incentivize local innovation in curriculum, teaching, and educational delivery</li> <li>• Evaluate innovation for effectiveness, productivity</li> <li>• Disseminate information on productive new approaches to teaching and learning</li> </ul>



### ***Project Management: The Discipline of Implementation***

An important element in program administration is *project management* (sometimes referred to as *program management*), a set of activities and processes used to assure that programs and new initiatives are implemented on time, within budget and with fidelity. Project management is a mind-set and discipline that can help increase effectiveness and efficiencies. It has its roots in industries that are dependent on the accurate, timely and cost effective completion of outcomes. It is a well developed and methodical approach to executing projects by planning, guiding, and controlling resources to achieve specific goals and objectives. Therefore, project management brings added value to an organization's strategic plan by connecting project results to goals of the organization.

Project management includes 9 knowledge areas. For each knowledge area there are related key components of a quality project management approach. These knowledge areas and key components are outlined in Table 2. Within each knowledge area there are processes and tools that help the project manager and team to organize, document, track, and report on project tasks and progress.

**Project Management and Performance Management**

- **Project management** enables a management team to monitor the key aspects of program implementation to assure implementation fidelity by providing ongoing feedback that can be used to identify and mitigate implementation risks, anticipate problems, and take corrective action as necessary.
- **Performance management** provides an overarching direction for work while project management focuses on implementation (time, money, fidelity).
- **Performance management** and **project management** act in concert to provide powerful capabilities for an organization.
- **Performance management** identifies WHAT activities, projects, and programs the organization should undertake, and **project management** identifies HOW these activities, projects, and programs will unfold.

***Table 2. Project Management Knowledge Areas and Key Components***

Project Management Knowledge Area	Key Components
<ul style="list-style-type: none"> <li>• Integration Management</li> <li>• Scope Management</li> <li>• Time Management</li> <li>• Cost Management</li> <li>• Quality Management</li> <li>• Human Resource Management</li> <li>• Communications Management</li> <li>• Risk Management</li> <li>• Procurement Management</li> </ul>	<ul style="list-style-type: none"> <li>• A defined and sponsored project scope</li> <li>• A roadmap for deliverables</li> <li>• Documented roles and responsibilities</li> <li>• A common language for communication relative to project phases, tracking and reporting</li> <li>• Processes to enable communication, accomplish the work, facilitate issue resolution and risk mitigation</li> </ul>



## The Challenge Ahead

The changes that SEAs need to make will be disruptive. They will challenge long entrenched ways of doing business. SEA organizations, traditionally built around federal and state funding streams (e.g. Title I) and focused on regulatory monitoring, must be restructured and repurposed around goals and strategic efforts toward these goals with related programs coordinating their efforts. SEAs must shift their expectations for districts, schools and staff from whether they are following the rules to whether they are meeting performance expectations and delivering maximum return on investment. External providers that offer rapid expansion of needed services and flexibility in the provisions of service and human capital will need to be integrated into the SEA's support offerings. States will need to make explicit efforts to seek and test innovative models of educational delivery dealing with the sometimes uncomfortable experience of failed initiatives.

In forming the *Comprehensive Center Program* and, specifically, the *Building State Capacity and Productivity Center*, the U.S. Department of Education recognizes that SEAs are prepared to undertake this new work, and they will benefit from concerted technical assistance. The mission of the new Building State Capacity and Productivity Center (BSCP or the "Center") is to provide states with high quality information, tools, and implementation support that enable the transition towards performance management.

The partners in this Center—Edvance Research, Inc., the Academic Development Institute, the Center on Reinventing Public Education (University of Washington), and the Edconomics Lab (Georgetown University)—will work with the Regional Comprehensive Centers jointly to address the issues and challenges SEAs face as they transform into this new role. The partners for this Center have led research on SEAs, including recent state reform initiatives, and worked successfully with State and local education agencies to implement bold and sustainable change. The Center's technical assistance plan aims to both provide compelling evidence about the impact of performance management systems on the SEA and help states build the capacities they need to more effectively manage their own performance and the performance of the schools and LEAs within their purview.



The Building State Capacity and Productivity Center (BSCP Center) focuses on helping state education agencies (SEAs) throughout the country, as they adapt to reduced fiscal resources and increased demands for greater productivity. As State Departments of Education are facing a daunting challenge of improving student performance with diminishing financial resources, the BSCP Center provides technical assistance to SEAs that builds their capacity to support local educational agencies (LEAs or districts) and schools, and to the 21 regional and content comprehensive centers that serve them, by providing high quality information, tools, and implementation support. The partners in the BSCP Center are Edvance Research, Inc., the Academic Development Institute (ADI), the Center on Reinventing Public Education (University of Washington), and the Ednomics Lab (Georgetown University).

*Solutions* emerges from specific questions or problems facing an SEA that arise during the work of the BSCP Center with the SEA in a consultancy. It represents information that is highly responsive to an SEA's practical needs. The writing of a *Solutions* issue is also stimulated by questions from Comprehensive Centers or SEAs regarding the use of a BSCP Center tool, the application of a new concept, or an implementation challenge.

#### About the Authors

Drs. Betheny Gross and Ashley Jochim are with the Center on Reinventing Public Education at the University Washington, a partner of the BSCP Center. Dr. Dean Nafziger serves as the Director of the BSCP Center and is the Chief Executive Officer of Edvance Research, Inc.

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