

Executive Summary

Analysis of Ohio Education Matters Benchmarking Report

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Overview

Ohio Education Matters, a subsidiary of KnowledgeWorks, published a study earlier in 2011 in which it boasted that schools could save \$1.37 billion if they replicated the experience of “best practice” districts in several areas of non-instructional expenditure. Education Matters falsely characterized its report as a “benchmarking” study. A true benchmarking study consists of a three-part process. Education Matters completed only the first part and proclaimed large amounts of savings on the basis of a study which that organization conceded as incomplete:

To get these kinds of savings will first take examination of best practices that these districts follow, an examination that will come in a separate study. Benchmarking Ohio’s School Districts p. 4.

Although Education Matters admitted that additional study was needed to identify savings, it pronounced the amount of such savings before it completed that essential work.

Part I: The Ohio Education Matters Study Provides an Incomplete Analysis

The term “Benchmark Study” is a term of art. By definition such a study includes three parts.

- 1) Identification of *potential* savings through the selection of the lowest cost performers.
- 2) Investigation into *how* the low cost performers achieve those lower costs.
- 3) Consideration of the extent to which participants in the study can implement changes to achieve similar savings.

All three parts of the process play an important role. The first step deliberately casts a wide net to find the most extreme comparison in anticipation that the subsequent two steps will identify unrealistic expectations, outliers with unusual combinations of advantages, or other outliers with unusual cost requirements.

By touting the results of the first part of the process before the other parts even had an opportunity to occur, Ohio Education Matters perverted the whole reason and purpose for benchmarking. That purpose involves the engagement of a study’s subjects in an earnest effort to identify realistic cost savings. In contrast, the Ohio Education Matters study politicized the benchmarking process by branding most school districts as inefficient on the basis of one-third of a study.

(In an extended analogy, the ETPI analysis shows how benchmarking works by presenting a simple and non-political example.)

Part II: The Ohio Education Matters Study Relies Upon Questionable Assumptions

Ohio Education Matters study used a series of minimal screens to identify school districts with acceptable performance on the measures considered in its analysis: transportation, food service, maintenance, and administration. This approach has the effect of setting quality at the lowest common denominator. The study defines spending as excessive and potentially wasteful if it exceeds those minimal levels even if that spending “*brings a much higher level of quality.*”

The Ohio Education Matters study made four assumptions unsupported by its data or analysis. All of them ignore the importance of quality in education programs.

- 1) Expenditures to achieve higher standards of quality in non-classroom aspects of school budgets equate to waste.
- 2) Decisions by local school boards, school administrators, and parents about appropriate levels of quality are irrelevant. Ohio Education Matters should define the quality level and not principles of local school control.
- 3) Expenditures for transportation, food service, maintenance and operations, and administration do not connect directly to academic performance. Ohio Education Matters ignores the connections by which delivery of students to school on-time, preparation of school meals of sufficient quality that students actually want to eat them, and the maintenance of a wholesome building environment may have important effects on classroom performance.
- 4) Ohio Education Matters perpetuates the false assumption that expenditures for school administration at best represent a necessary evil. This assumption ignores the role played by expenditures for administrative support for teachers, curriculum development, program evaluation and assessment, and planning in the delivery of classroom services.

Part III: The Ohio Education Matters Study Omits Important Data and Reaches Unsupportable Conclusions

Ohio Education Matters had months to prepare its (incomplete) study. ETPI had only a few weeks to analyze it. Under the circumstances, the best ETPI analysis would involve the completion of the work that Ohio Education Matters failed to do through the development of a real benchmarking analysis.

Nevertheless, ETPI’s analysis of the one portion of the Ohio Education Matters study shows serious problems. Specifically, the transportation analysis included at least one \$5 million error based on a combination of the use of wrong data and a mathematical error. More importantly, the transportation analysis discarded detailed data about transportation performance published by the Department of Education. Ohio Education Matters substituted its own bizarre definition of efficiency based on per bus costs. A simple example in the ETPI analysis shows how the Ohio Education Matters approach ignores details like the number of miles driven per year and the size of bus transportation operations.

In its discussion of transportation savings, Ohio Education Matters points out that some of its benchmark districts met a measure of efficiency designed by the Department of Education. Here is Ohio Education Matters' comment:

It is worth noting that, of the 39 benchmark districts selected, 17 met or exceeded ODE's ridership ratio. Further research into the best practices of the benchmark districts would be needed to understand and interpret the effect of this measure. Benchmarking Ohio's School Districts pp. 22-23.

Exactly. Further research was needed to understand and interpret the transportation data. Further inquiry was needed to learn why 22 of the benchmark districts, a clear majority, failed to achieve the ODE ridership target. Ohio Education Matters did not do that additional research, but they proclaimed the existence of millions of dollars of potential transportation savings anyway.

Conclusion

The Ohio Education Matters "Benchmarking" study ignored the fundamental principles of the benchmarking process by delivering a simplistic cost savings computation without completion of the other two analytical steps required by benchmarking theory.

The study rests upon assumptions about quality of education services and about the interaction of different aspects of education expenditures without any data or analysis to support it.

A benchmarking study should provide a tool with which participants in an activity can identify opportunities for improvement in their own operations with reference to other target participants who may have found better or cheaper practices. However, the presentation of the Ohio Education Matters benchmarking study has turned it into a political bludgeon with which opponents of expenditures for education can justify reductions in funding for school districts. Such a use of a benchmarking study cannot help but cause a counter-productive outcome. Rather than involving school districts in a process by which a thoughtful measurement of costs and benefits can occur in the context of examples from target districts, the study has politicized the benchmarking process.

Whatever merit a genuine benchmarking effort might provide, Ohio Education Matters has so perverted the benchmarking concept that it has transformed a benchmarking study from a tool into a weapon.