

**BAC FINAL REPORT**  
*(BUSINESS ADVISORY COUNCIL to ADMINISTRATIVE SERVICES)*  
**“Performance Management Plan” for Westerville City Schools’**

**COMMITTEE OBJECTIVE**

The “*Administrative Services*” Business Advisory Council was charged with assisting the District in:

- Development of a *results-oriented* “Performance Management Plan” for Administrators that promotes accountability
- Development of a system of reward that is commensurate with performance results
- Reviewing the “Balanced Scorecard” pilot program that was established for the FY08 school year

**COMMITTEE MEMBERS**

Rod Rice (Sub-Committee Chair)  
Bob Gilbert (BAC Chair)  
Gerry Cotter  
Larry Jenkins  
Ed Unger  
Paul Wise  
Dick Maxwell  
Laura Ehninger  
Jeff Gale  
Jeff LeRose (Facilitator)  
Curt Jackowski

**ORGANIZATION**

Former Ohio Superintendent  
Ohio Health  
ODJFS  
City of Westerville / HR Consultant  
City of Westerville  
Genoa Township  
Finance Consultant  
Westerville City Schools  
Westerville City Schools  
Westerville City Schools  
Westerville City Schools

**PREAMBLE**

The sub-committee was charged with assisting the District in development of a results-oriented Performance Management Plan for Administrators that promotes accountability.

As citizens of this school district we believe in the school district’s efforts to retain and recruit the very best administrators available. A system of performance evaluation that recognizes improvement and is based on objective results data, and not just longevity and credentials, is critical in that retention recruitment.

The system we have recommended is based on earlier development as well as information from business. The Balanced Scorecard approach offers an opportunity for performance growth that is measurable. The system must be sustainable and supported by the Board of Education in order to be recognized by employees as the long-term plan of results-oriented performance review.

We believe this recommendation is worthy of your serious consideration and will result in the first step in rewarding and recognizing employees based on merit.

We commend the staff of the Westerville School District and especially Jeff LeRose, Executive Director of Facilities & Operations, who participated with us in this project. Their provision of excellent supporting data was critical to our deliberations.

Lastly, we commend the Board of Education for soliciting input from the business and overall community in order to formulate policy that embraces forward looking policies in evaluating, recognizing, and rewarding their employees.

Thank you,  
The Committee

## **COMMITTEE PREPARATION**

### **Duration**

- 10 meetings (from January 27, 2011 thru July 12, 2011)

### **FY10 Committee Review**

- Reviewed the status of our committee recommendations from FY10 (The Facility Master Plan)

### **Evolution of Performance Management** (the past forty years)

- From tactical to strategic
  - Tactical - carried out with a limited or immediate end in view
  - Strategic – emphasis on aligning an organization’s vision and strategy and translating them into action
- Project Management (1970’s)
  - Financial Perspective
    - Increase revenue/profit
    - Reduce cost (not for profit organizations)
- Total Quality Management (1980’s)
  - Added Customer Perspective
    - Increase customer satisfaction and retain customers
  - Reviewed the work of Dr. Edward Deming who is credited with the rise of Japan as a manufacturing nation
    - Deming’s 14 points
    - The Deming Wheel (Plan/Do/Study/Act)
    - Smart Goals
      - S - specific
      - M - measurable
      - A - attainable
      - R - relevant
      - T - time bound

- Performance Management (1990's)
  - Added Growth Perspective
    - Individual and organizational self improvement
- The Balanced Scorecard (2000)
  - Four Perspectives
    - Financial
    - Customer
    - Internal Business Processes
    - Learning and Growth

### **Sustainability**

- Reviewed the culture of companies that continue to sustain themselves in the marketplace (Apple, Disney, Victoria's Secret)
  - Focus on collaboration and innovation (District values #5 and #6)
  - Re-invent yourself (often)
    - Apple ("Think Different")
    - Victoria's Secret ("Getting to Next")

### **Ohio Health's Process**

- Ohio Health presented their balanced scorecard approach to performance management
  - Four areas that success is measured
    - Clinical Quality
    - Quality of Work Life
    - Customer Service
    - Financial Performance

### **WCS Administrator Compensation Committee Report**

- Reviewed WCS Administrator Compensation Committee Report presented to the Board on March 5, 2007
  - Four goal areas
    - Student Achievement
    - Stakeholder Engagement
    - Process Improvement
    - Fiscal Accountability

### **Accountability Initiatives in Education**

- No Child Left Behind
  - Requiring states to implement accountability systems
- Race to the Top
  - Revising teacher evaluation, compensation, and retention policies to encourage and reward effectiveness
- Senate Bill 5
  - To abolish salary schedules for public employees and instead require merit pay
  - Teacher evaluation perspectives per Ohio House plan

- Student's academic growth (40% to 50%)
- Quality of instructional practice
- Communication & professionalism
- Parent & student satisfaction

### **Performance Based Compensation**

- Spirited discussions occurred about the pro's and con's of performance based compensation
- Concluded that educational organizations need a system to identify, reward and promote performance results
  - In lieu of pay increases based on longevity and credentials

### **Challenges and Controversies of Performance Management**

- Less than 10% of strategies formulated are effectively executed (*Fortune Magazine*)
- In the majority of failures (we estimate 70%) the real problem isn't bad strategy... it's bad execution (*Fortune Magazine*)
- 85% of management teams spend less than 1 hour per month on strategy issues (Balanced Scorecard Institute)
- 60% of organizations don't link strategy to budgets (Balanced Scorecard Institute)
- Few issues in management stir up more controversy than the performance appraisal process
  - Some believe the process is so inherently flawed that it is impossible to perfect (consistency throughout the organization, subjectivity vs. objectivity, fear of change)
  - Others view it as the most crucial aspect of an organization's sustainability (to use measurable, objective data)
  - Whatever its flaws, the performance appraisal process is a valid tool to help achieve fair, decent and consistent reward outcomes

## **COMMITTEE RECOMMENDATIONS:**

### **Employee Focus**

- The Performance Management Plan should start with the administrative team
- The following groups should be considered in the future
  - Teachers (WEA)
  - Educational Support Staff (WESSA)
  - Administrative Support Staff (Non Union Classified)
  - Maintenance/Custodial/Food Services/Warehouse (138)
  - Bus Drivers & Mechanics (719)

### **District Balanced Scorecard**

- District should have an "annual" overall scorecard in order to create steadfastness in purpose towards improvement
  - FY11 (reference attachment)
  - FY12 (reference attachment)

- Two performance levels per objective at the district level
  - Achieved (90%+ of goals achieved)
  - In-Progress (less than 90% of goals achieved)
- Recommend four “*Performance Perspectives*”
  - Student Achievement
  - Stakeholder Engagement
  - Internal Process Development
  - Fiscal Accountability
- Performance perspectives should be weighted
  - Student achievement should represent 40% + of the total objectives
- Innovation should be considered when developing the goals under each of the four performance perspectives

### **Individual Contributor Balanced Scorecard (reference attachment)**

- The individual contributor scorecard should be tied directly to the job description
- The individual balanced scorecard should be developed in collaboration between the employee and their reporting senior
  - The scorecard should be finalized by the start of the evaluation period
- Four performance levels per objective
  - **Does Not Meet** expectations (approximately 5% of employees)
    - No salary increase for not meeting expectations
    - Consecutive occurrences of not meeting expectations shall result in termination of employment
  - **Effective** performance (approximately 60% of employees)
    - The job description would define the requirements for an *effective* performance rating
  - **Excellent** performance (approximately 25% of employees)
  - **Exemplary** performance (approximately 10% of employees)
- Average overall performance rating (1 to 4 numerical rating, 4 being the best)
  - Increased degree of difficulty from pilot
    - Does Not Meet: (1.00 to 1.99) was (1.00 to 1.50)
    - Effective: (2.00 to 2.99) was (1.51 to 2.50)
    - Excellent: (3.00 to 3.59) was (2.51 to 3.50)
    - Exemplary: (3.60 to 4.00) was (3.51 to 4.00)

### **Performance Compensation Matrix**

- Compensation must be enough to motivate changes in behavior but not so much to make the program unsustainable
- Recommend two compensation scales (reference attachment)
  - One for District goals *in-progress*
  - One for District goals *achieved*
- CPI to serve as the baseline percent increase for employees “meeting expectations” (reference attachment)
  - Recommend 2% for FY11 (yearly average from last average presented to the Board in 2007)
    - Recommended 2.5% in 2007

- Increments of 2.0% from CPI + 0.5% (for achieving 90%+ of District Goals)
- Increments of 1.5% from CPI (for achieving < 90% of District Goals In-Progress)
- Contracted Teacher Compensation for FY12 (reference attachment)
  - Central Ohio Average = 3.33%
  - Westerville City Schools Budget = 3.75%
  - Committee Recommendation
    - Average = 2.58% (District Goals In-Progress)
    - Average = 3.28% (District Goals Achieved)

**Individual Contributor Compensation Range**

- The compensation range of a position should be adjusted to reflect changes in the job description
  - Provides growth opportunities based on an employee’s skill level
- Individual contributors shall have the opportunity to absorb the responsibilities of open positions in an effort to increase their value to the organization
  - Promotes the concept of working efficiently

**Communication of Goals**

- Regular and consistent communication with the Board
- Regular and consistent communication with all employees
  - New hires should be trained on the performance management process
- Monthly review with individual contributors by reporting senior

**Sustainability (CRITICAL)**

- Establish a work culture that results in breakthrough performance (promoting our vision to become the benchmark of educational excellence)
  - Build an environment that reflects the District’s values and promotes strategic thinking
  - Ensure an environment that adheres to an ethical code of behavior
- Recommend a full-time Performance Management leadership position
  - Requires a strong knowledge in Performance Management implementation
  - Position shall lead district-wide training initiative
  - Consider having position independent of any district departments
- Stick to the plan despite external pressure (per the American Association of School Administrators)

**Attachments**

Consumer Price Index History (CPI)  
 Performance Compensation Matrix  
 FY11 District Balanced Scorecard  
 FY12 District Balanced Scorecard  
 Individual Contributor Balanced Scorecard  
 FY12 Contracted Teacher Increases (Central Ohio School Districts)

## FY11 DISTRICT SCORECARD Westerville City Schools

Goal Area	Performance Objective	Unit of Measure	Target	FY11 Actual	Weight	Weight Achieved
<b>STUDENT ACHIEVEMENT</b>	<b>GOAL 1: Every Student Achieves Educational Success</b>					
	Report Card Indicators	% Met (Exc. 94% to 100%)	94% or >	96%	5	5
	Performance Index	0-120 points (Exc. 100 to 120)	100 or >	100.8	5	5
	Adequate Yearly Progress (Read/Math, 3rd - 10th)	Met / Not Met	Meet	Met	5	5
	Value-Added Measure	Above / Met / Below	Meet or >	Above	5	5
	Attendance	State Requirement = 93%	93% or >	95.7%	2	2
	Graduation Rate	State Requirement = 90%	90% or >	93.4%	3	3
	District's State Report Card Designation	State Report Card Designation	Excellent or >	Excellent w/D	20	20
<b>INTERNAL PROCESS DEVELOPMENT</b>	<b>GOAL 2: Learning and Working Environments are Safe, Nurturing and Efficient.</b>					
	Capital Improvements Plan Implementation	Project Completion of year 1 of 5	100% Comp	Completed	5	5
	Admin Office Consolidation (Eastwind)	Schedule Compliance	100% Comp	Completed	4	4
	Districtwide Phone System Replacement	Schedule Compliance	100% Comp	Completed	3	3
	Realignment of M.S. Attendance Boundaries	Board Approval	Board Approval	Approved	5	5
	936 Eastwind Purchase	Close on Property	Purchase Property	Completed	5	5
	<b>GOAL 3: The Best Staff are Recruited, Selected, Developed and Retained</b>					
	Labor Contract Negotiations	Board Approval of Contracts	Board Approval	Approved	5	5
<b>STAKEHOLDER ENGAGEMENT</b>	<b>GOAL 4: Community, Parents, Students and Staff are Engaged as Partners in Education</b>					
	Emergency Notification Implementation	Schedule Compliance	100% Comp	Completed	5	5
	"What Parents Want" Award Recognition	Award Recognition	Award Recognition	Achieved	3	3
<b>FISCAL ACCOUNTABILITY</b>	<b>GOAL 5: Financial Resources are Maximized to Support Educational Success</b>					
	Operating Budget	Cost per Pupil	At or < County avg	\$2,399 under	5	5
		Cost per Pupil	At or < Similar District avg	\$799 under	5	5
	Capital Improvement Budget	Construction Contingency %	7% (per OSFC) or <	3%	5	5
Energy Management Program	Cost Avoidance (EEI)	\$965,000	\$1,575,099	5	5	
					<b>100</b>	<b>100</b>
					<b>Goals In Work (below 90%)</b>	
					<b>Goals Met (90% and above)</b>	

## FY12 DISTRICT SCORECARD Westerville City Schools

Goal Area	Performance Objective	Unit of Measure	Target	FY12 Actual	Weight	Weight Achieved as of 11/01/11
<b>STUDENT ACHIEVEMENT</b>	<b>GOAL 1: Every Student Achieves Educational Success</b>					
	Report Card Indicators	% Met (Exc. 94% to 100%)	94% or >	100%	5	5
	Performance Index	0-120 points (Exc. 100 to 120)	100 or >	101.9	5	5
	Adequate Yearly Progress (Read/Math, 3rd - 10th)	Met / Not Met	Meet	Met	5	5
	Value-Added Measure	Above / Met / Below	Meet or >	Above	5	5
	Attendance	State Requirement = 93%	93% or >	95.8%	2	2
	Graduation Rate	State Requirement = 90%	90% or >	93.3%	3	3
	District's State Report Card Designation	State Report Card Designation	Excellent or >	Excellent w/D	20	20
<b>INTERNAL PROCESS DEVELOPMENT</b>	<b>GOAL 2: Learning and Working Environments are Safe, Nurturing and Efficient.</b>					
	Capital Improvements Plan Implementation	Project Completion of year 2 of 5	100% Comp	Completed	5	5
	Wireless Network Implementation	Schedule Compliance	100% Comp		3	0
	Server Access for Students	Schedule Compliance	100% Comp		5	0
	Open Early Learning Center (ELC) (innovative design)	Schedule Compliance	Open for start of school	On Time	5	5
	Open Academic Enrichment Center (AEC) (innovative design)	Schedule Compliance	Open for start of school	On Time	5	5
	<b>GOAL 3: The Best Staff are Recruited, Selected, Developed and Retained</b>					
	Performance Management Plan	Implement with Administrators	Scorecards for managers >		5	0
<b>STAKEHOLDER ENGAGEMENT</b>	<b>GOAL 4: Community, Parents, Students and Staff are Engaged as Partners in Education</b>					
	Classroom Websites	Schedule Compliance	100% Comp		5	0
	"What Parents Want" Award Recognition	Award Recognition	Award Recognition		2	0
<b>FISCAL ACCOUNTABILITY</b>	<b>GOAL 5: Financial Resources are Maximized to Support Educational Success</b>					
	Operating Budget	Cost per Pupil	At or < County avg	\$1,128 below	5	5
			At or < Similar District avg	\$162 below	5	5
	Capital Improvement Budget	Construction Contingency %	7% (per OSFC)		5	0
	Energy Management Program	Cost Avoidance (year 5 per EEI)	\$1,062,000		5	0
					<b>100</b>	<b>70</b>
					<b>Does Not Meet (below 90%) Meets (90% and above)</b>	





## FY12 ADMINISTRATOR PERFORMANCE COMPENSATION MATRIX (PROPOSED)

<b>Does Not Meet Expectations</b>	<b><i>Individual Contributor Performance Rating</i></b> Effective	Excellent	Exemplary
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<b>District Goals Achieved</b>				<b>Average</b>
0.0%	2.5%	4.5%	6.5%	3.275%
Performance level increases of 2%				

<b>District Goals In-Progress</b>				<b>Average</b>
0.0%	2.0%	3.5%	5.0%	2.575%
Performance level increases of 1.5%				

<b>Percentage of Staff (Budgeted)</b>			
5%	60%	25%	10%
Historically budgeted for 1/3 of FTE's Exceeding Expectations (COLA plus Step Increase, avg increase of 6% to 7%)			

**Notes:**

Blue = CPI average from 2006 thru 2010

# CONSUMER PRICE INDEX HISTORY

## Midwest Area

Year	CPI (Midwest)	CPI % Change	% Change 5 Year Avg.	Notes
1967	33.4			
1968	34.8	4.19%		
1969	36.8	5.75%		
1970	38.8	5.43%	5.12%	
1971	40.3	3.87%		
1972	41.5	2.98%		
1973	43.9	5.78%		
1974	48.7	10.93%		
1975	53.0	8.83%	6.48%	
1976	56.1	5.85%		
1977	59.9	6.77%		
1978	64.7	8.01%		
1979	72.6	12.21%		
1980	82.4	13.50%	9.27%	
1981	90.1	9.34%		
1982	96.5	7.10%		Base Period
1983	99.9	3.52%		Base Period
1984	103.6	3.70%		Base Period
1985	106.8	3.09%	5.35%	
1986	108.0	1.12%		
1987	111.9	3.61%		
1988	116.1	3.75%		
1989	121.5	4.65%		
1990	127.4	4.86%	3.60%	
1991	132.4	3.92%		
1992	136.1	2.79%		
1993	140.0	2.87%		
1994	144.0	2.86%		
1995	148.4	3.06%	3.10%	
1996	153.0	3.10%		
1997	156.7	2.42%		
1998	159.3	1.66%		
1999	162.7	2.13%		
2000	168.3	3.44%	2.55%	
2001	172.8	2.67%		
2002	174.9	1.22%		
2003	178.3	1.94%		
2004	182.6	2.41%		
2005	188.4	3.18%	2.28%	2.51% 3 year
2006	193.0	2.44%		
2007	198.1	2.65%		
2008	205.4	3.66%		
2009	204.1	-0.64%		
2010	208.0	1.95%	2.01%	5 yr avg
2011	211.5	1.65%		1st quarter average
<b>General Notes:</b>				
CPI measures inflation as experienced by consumers in their day to day living expenses.				
Intent is to adjust payment to consumers to purchase at today's prices.				
CPI is generally the best measure for adjusting payments to consumers.				
<b>Source:</b> Bureau of Labor Statistics ( <a href="http://www.bls.gov">www.bls.gov</a> )				
<b>1st Administrator Performance Compensation Matrix developed around the CPI 3 year average</b>				
<b>2nd Administrator Performance Compensation Matrix developed around the CPI 5 year average</b>				

**CONTRACTED TEACHER COMPENSATION (FY12)**  
**Central Ohio School Districts**

School District	% Increase		Total % Increase	Teachers Eligible for Steps	Notes
	Base	Step			
<b>FY12</b>					
Bexley	0.00%	2.00%	2.00%	71%	
Canal Winchester	0.00%	2.30%	2.30%	77%	
Columbus	0.00%	3.80%	3.80%	61%	
Dublin	0.83%	3.70%	4.53%	70%	
Gahanna	0.00%	1.70%	1.70%	60%	
Grandview	2.75%	?	2.75%	?	2.75% base increase plus steps
Hamilton	1.00%	1.80%	2.80%	100%	
Hilliard	0.00%	4.20%	4.20%	64%	
New Albany	3.00%	3.10%	6.10%	80%	
Olentangy	0.00%	3.00%	3.00%	85%	
South-Western	0.50%	3.70%	4.20%	68%	
Upper Arlington	0.00%	1.70%	1.70%	80%	
<b>Westerville</b>	<b>1.75%</b>	<b>2.00%</b>	<b>3.75%</b>	<b>57%</b>	Teachers eligible = 15% below the average
Whitehall	?	?	?	?	
Worthington	0.00%	3.20%	3.20%	67%	
<b>Average</b>	<b>0.70%</b>	<b>2.78%</b>	<b>3.29%</b>	<b>72.31%</b>	Average of 13 districts
<b>State Average</b>		<b>1.50% to 2.00%</b>			Per the Ohio Education Assopciation
<b>FY11 (under negotiation for FY12)</b>					
Groveport	1.25%	2.20%	3.45%	70%	
Pickerington	0.00%	5.40%	5.40%	64%	
Reynoldsburg	0.00%	4.00%	4.00%	66%	
<b>Average</b>			<b>4.28%</b>	<b>66.67%</b>	
<b>Source:</b>					
The Columbus Dispatch on 6/12/11					