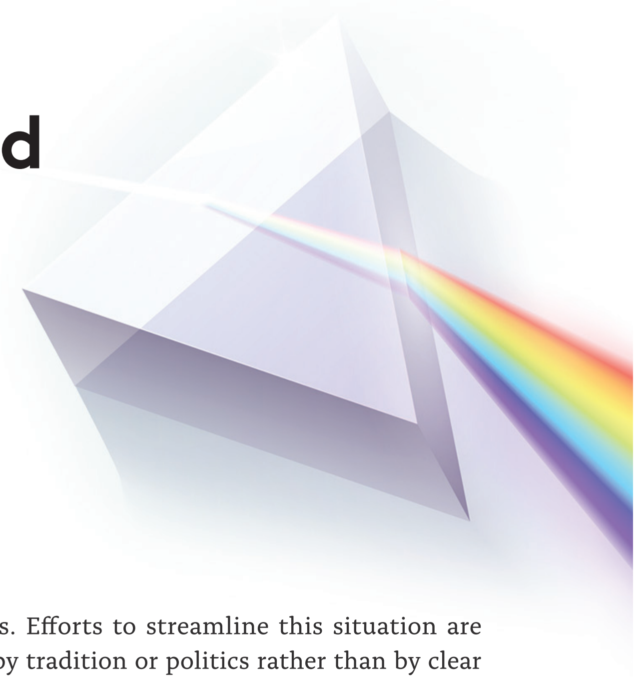
District Management Group

PRISM™

Prioritizing Resources and Initiatives for Strategic Management



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Many school districts today are caught in a vise. Student needs continue to rise along with costs to serve them; meanwhile, ESSER funds have expired, and enrollment declines and competition fueled by new legislation are increasing fiscal pressure for many districts. Against this backdrop, student outcomes continue to fall short of expectations and achievement gaps persist or are widening.

Meeting today's challenges requires more than incremental adjustments. Districts must ensure that every dollar—and every hour of staff time—is aligned to what works and to what matters most. This demands a clear view of each initiative's purpose, each initiative's full cost, its effectiveness, and its alignment to the district's strategic priorities.

While this approach seems sensible and straightforward, in reality, it is complex work, and districts often lack the tools or bandwidth to address these issues at scale. In the effort to meet rising student needs, new programs have been layered over old ones, year after year. District leaders are hard pressed to even list all the initiatives happening across their district, much less provide an analysis of each. Programs frequently overlap, often fail to align, and are seldom retired, even when they fail to deliver results. Efforts to streamline this situation are often driven by tradition or politics rather than by clear strategy and data.

Also, school district budgets are inherently designed as tools to ensure that sources and uses of funds comply with regulations; they are not designed to provide information that would enable easy analysis and better allocation of funds to more effective uses. As a result, budget development processes in school districts often disconnect those who are driving instructional strategy from those who allocate resources. Resources are allocated based on funding source, and departments typically build their budgets in silos, creating initiatives that often overlap or conflict with one another.

To help districts better understand how their resources can be most effectively allocated, District Management Group (DMG) has developed PRISM—Prioritizing Resources and Initiatives for Strategic Management. PRISM is a structured approach that helps districts make data-driven decisions to streamline programming to align with student needs and district priorities, increase accountability, and ensure resources are directed where they can deliver the greatest benefit—all while promoting long-term financial sustainability.

Exhibit 1

District Management Group's PRISM Approach

Source: District Management Group

The PRISM approach is comprised of four key phases (*Exhibit 1*):

1. **Phase I: Initiatives Inventory**
   A comprehensive, validated catalog of all district initiatives is created, detailing the purpose, target population, costs, and results of each initiative. This inventory helps to identify overlap, gaps, and alignment with strategic priorities.

2. **Phase II: Academic Return on Investment (A-ROI)**
   Deeper analyses of specific initiatives are conducted to determine what is working, for which students, and at what cost, providing actionable insights to keep, expand, segment, fix, replace, or eliminate programs.

3. **Phase III: Build Internal Capacity for Ongoing A-ROI**
   Through professional learning and hands-on practice, district teams learn to conduct their own A-ROI studies. This builds long-term capacity and helps to create a culture of data-driven decision making.

4. **Phase IV: Benchmark Staffing**
   Staffing allocations are analyzed within and across schools and compared to similar districts to ensure people resources align with student needs and district strategy.

In the following sections, we will explore each of the four phases in greater detail.

Phase I: Cataloging Initiatives with an Initiatives Inventory

For many districts, the first step is to gain a clear understanding of the current situation. After years of well-intended additions—grants, pilots, vendor programs, new roles—few district leaders can list all the initiatives that are underway, let alone specify whom they serve, how success is defined, who is involved, and what the total cost is.

Therefore, DMG begins by building what we call an Initiatives Inventory—a comprehensive, validated catalog of all district initiatives outside of core classroom activities. While this sounds straightforward, each district contains a multitude of departments with limited information sharing across the district, and student needs and demographics that change more rapidly than do departmental responses. Virtually every district, small and large, thus finds itself with many programs that no longer have a clear definition of success or an accurate tabulation of the cost.

In order to build this inventory of initiatives, DMG works with department leaders and the budget and finance department on a rigorous, standardized, bottoms-up process to gather key information including the following:

- Expected outcomes,
- Target population,
- Financial commitment and source of funding,
- Teachers and staff involved and time spent,

- Relation to organization priorities and strategic plan, and
- Measures of outcomes (if available) or principals' perception of effectiveness.

By the end of this phase, the district has a portfolio view that includes the **total number of initiatives** and the **total dollars invested**. In addition, DMG provides the following information for each initiative:

- A definition of success, the target students, and core features,
- The direct expenses (licensing, materials) plus the cost of staff time at both the school and central office levels,
- Outcomes data and principal feedback,
- Alignment to the district's strategic priorities, and
- Alignment to the needs of the students that the initiative is intended to serve.

With this comprehensive catalog of all the programs, people, and processes outside of day-to-day operations, DMG is able to provide districts with a variety of insightful analyses. For example, the Cost/Impact Matrix (*Exhibit 2*) plots initiatives by impact and cost, providing leaders with powerful insights. Based on this matrix, high-impact/low-cost efforts become candidates for expansion; low-impact/high-cost efforts might be flagged for review; and high impact/high-cost efforts might warrant some tailoring. Exhibit 3 is an example of one district's Cost/Impact Matrix. Based on this matrix, district leadership decided to more closely examine their dual language program, which was very high cost but also high impact. As a result of an A-ROI analysis, district leadership decided to maintain the program but further tailor its target group. The Initiatives Inventory phase typically identifies millions of dollars that can be redirected to the most essential priorities of the district and can help address significant budget gaps.

The Initiatives Inventory also clarifies where goals or data processes need to be strengthened so that progress can be tracked more consistently in the future. While trying to address these issues, many districts will immediately institute processes for any new initiatives to better set themselves up going forward.

Phase II: Evaluating Academic Return on Investment (A-ROI)

While the Initiatives Inventory provides a comprehensive overview, complex, high-cost, or politically sensitive programs demand a deeper look. This is where Academic Return on Investment (A-ROI) analyses become essential.

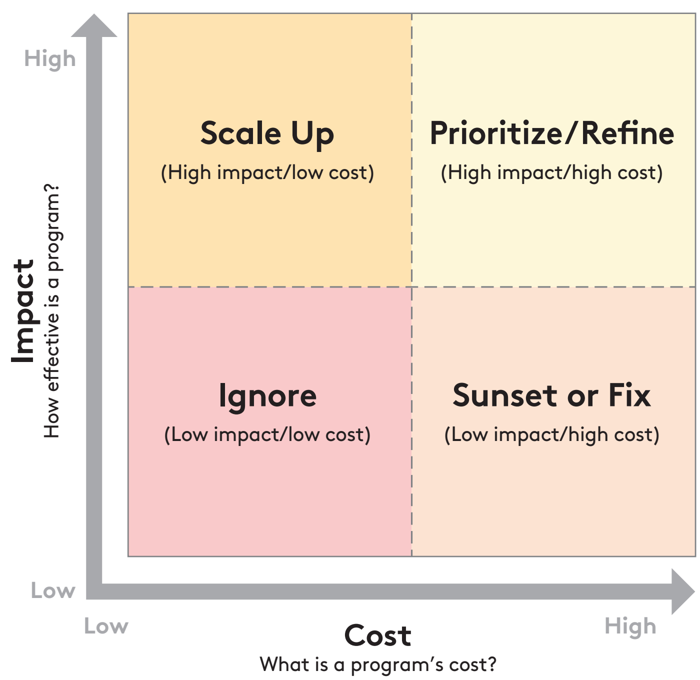
A-ROI measures the cost-effectiveness of specific educational programs and initiatives to help districts answer three critical questions (*Exhibit 4*):

1. Is the initiative improving student outcomes?
2. For which student segment?
3. At what cost?

DMG has developed a structured, methodical 10-step process to support school districts in conducting A-ROI analyses (*Exhibit 5*).[1] The rigorous methodology enables districts to understand the following:

Exhibit 2

District Management Group's Cost/Impact Matrix



Source: District Management Group

> *The Initiatives Inventory phase typically identifies millions of dollars that can be redirected to the most essential priorities of the district and can help address significant budget gaps.*

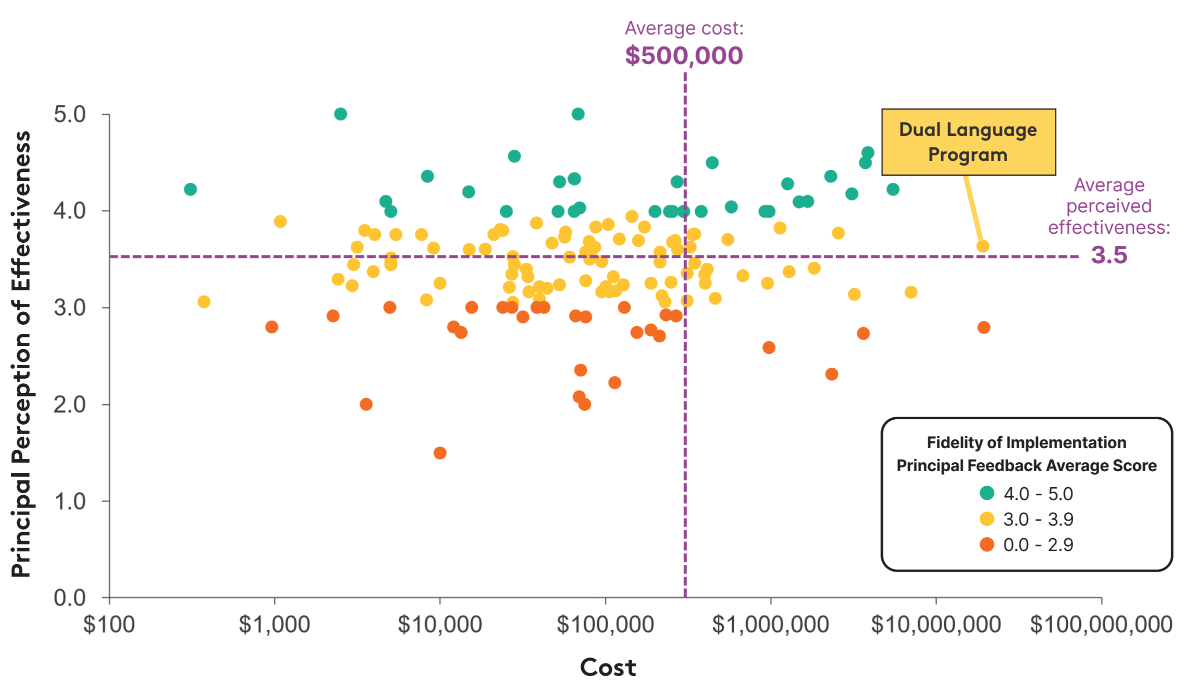
- **Detailed Outcomes by Student Segment**
  Detailed data on student outcomes segmented by key characteristics, such as grade level, socioeconomic status, or special education needs, enable districts to identify which student groups are benefiting the most or the least from a given program. For example, a literacy intervention might show strong results for early elementary students but limited impact for older students. Without this level of granularity, districts risk making decisions based on incomplete or misleading information.

- **Fully Loaded Program Cost**
  The fully loaded program cost includes direct expenses (licensing, materials) plus the cost of staff time at both the school and central office levels. A common mistake made in many districts is to capture only the direct costs, which fail to recognize the often very significant resources of staff time being invested to implement the program. Understanding the fully loaded cost of a program and viewing it against the outcomes allows for better decision making.

- **Benchmarking Program Outcomes**
  Student outcomes are compared to those of a carefully selected benchmark group to determine whether observed outcomes can be attributed to the program or if they might have occurred without the intervention. The effectiveness of the program must be confirmed in this manner to ensure effective resource allocation.

Exhibit 3

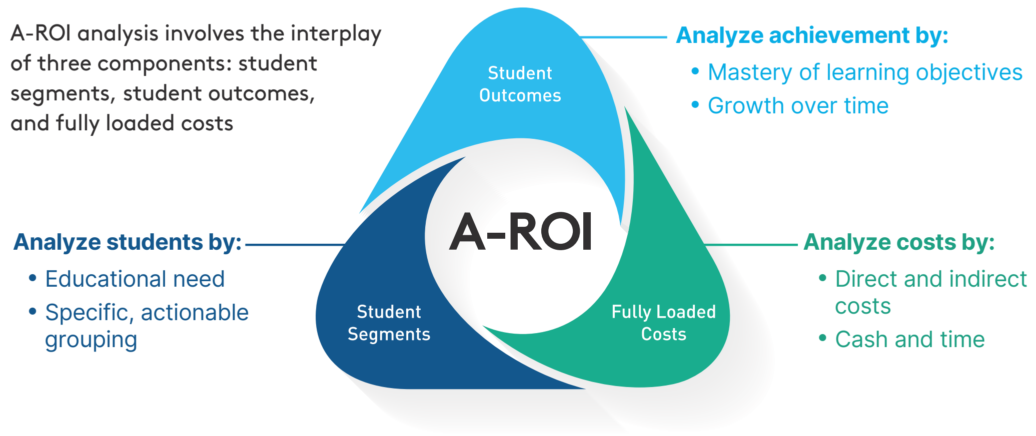
Anonymized District's Cost/Impact Matrix



Source: District Management Group

Exhibit 4

District Management Group's Academic Return on Investment (A-ROI) Framework



Source: District Management Group

- **Cost-Effectiveness Analysis**
  Determining the relationship between the resources invested in a program and the outcomes it delivers helps to deepen the understanding of which programs are working most effectively and efficiently, for whom, and at what cost.

Applying A-ROI enables district leaders to make the most effective use of resources by moving beyond the traditional "keep or eliminate" paradigm, and consider information that is even more detailed than that provided in the Cost/Impact Matrix. With more granular information, districts can explore more nuanced options that will yield stronger outcomes. Districts can **expand** high-impact, low-cost programs; **segment** a program to serve specific student demographics who benefit most; **fix** programs in need of structural adjustment or address implementation where design is sound but fidelity is weak; **replace** underperforming initiatives; or **eliminate** those that do not deliver (*Exhibit 6*). Ultimately, embedding A-ROI into decision-making processes fosters more equitable and efficient use of resources, ensuring that investments align with district priorities and deliver meaningful results for students.

Exhibit 5

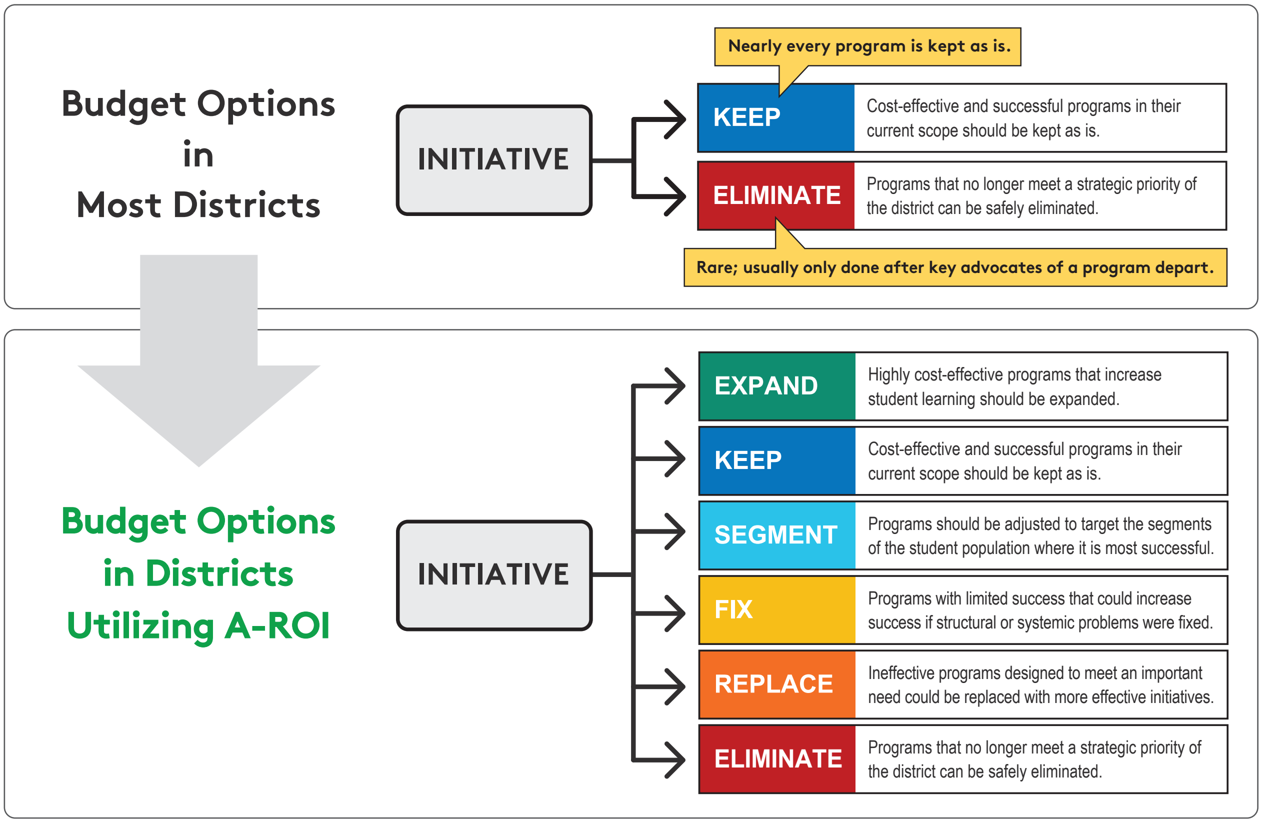
District Management Group's 10-Step Process for A-ROI Analysis

Plan	Design Analysis	Evaluate	Act
1 Select Target 2 Define Success 3 Identify Comparison Group	4 Collect Segment Data 5 Collect Outcomes Data 6 Map the Cost	7 Evaluate Program Effectiveness 8 Analyze Cost-Effectiveness 9 Draw Insight	10 Translate insights into actions and commit to program improvements

Source: District Management Group

Exhibit 6

Options for Action with A-ROI



Source: District Management Group

Phase III: Building Internal Capacity for Ongoing A-ROI

The long-term sustainability of the A-ROI strategic approach relies on district teams building their own capacity to continue this work. DMG offers the Academic-ROI Institute, which provides hands-on professional development to equip district teams with the tools and frameworks to permanently embed data and A-ROI analyses into their planning and budgeting cycles.

The Institute's "learn by doing" model ensures immediate utility. District teams conduct real A-ROI assessments on one of their own district initiatives under the guidance of experienced DMG coaches. They thereby have a shared learning experience while also producing actionable insights that immediately inform current district decisions. This team-based approach builds internal capacity for ongoing A-ROI application and can help foster a collaborative culture of data-based decision making in the district.

Phase IV: Benchmarking Staffing to Optimize People Resources

With approximately 80% of district spending allocated to staff salaries and benefits,[2] districts must review their approach to staffing in order to achieve financial sustainability. As the final phase of PRISM, DMG benchmarks school-based staffing both within the district and compared to peer districts to ensure these investments align with student needs, equity goals, and district strategy.

Every district has an implicit staffing approach shaped by history, temporary fixes, and unwritten rules. DMG's process cuts through this complexity, gathering quantitative data combined with qualitative insights from leaders. It begins by diving deep into the data—examining FTEs, schedules, and enrollment and class size data

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from the human resources and finance departments. Because numbers alone can't tell the full story, DMG gathers input from district and school leaders to help uncover the implicit rules and practices that shape staffing decisions. This combination of quantitative and qualitative analysis paints a comprehensive picture of the district's current staffing landscape.

DMG then helps the district compare staffing levels, class sizes, and workloads across its schools. This internal comparison highlights opportunities to better utilize staff time, optimize staff talents, and promote more equitable distribution of workload across schools.

External benchmarking against peer districts of similar size and demographics provides context and insight. This comparison invites reflection on whether differences in allocation are the result of intentional strategic priorities (e.g., smaller early-grade class sizes) or unintentional, outdated practices, allowing leaders to learn from high-performing peers.

Staffing decisions are never easy. They involve real people, real classrooms, and real students. But with the right data and insights, districts can make these decisions with confidence and intentionality. DMG's benchmarking process doesn't just highlight problems; it empowers districts to find solutions. By aligning staffing strategies with district priorities, addressing inequities, and making data-driven decisions, districts can ensure that their most valuable resource—their staff—is being used to its fullest potential.

In the end, benchmarking is not just about numbers on a spreadsheet; it's about creating a staffing strategy that supports every student, every teacher, and every school in achieving their best.

PRISM: A Framework Built for Today's Fiscal Reality

Districts face a tougher operating environment than at any time in recent memory. Traditional, incremental budgeting cannot meet this moment.

PRISM offers a practical way forward. Its structured, analytical approach helps districts make data-driven decisions to streamline programming to align with student needs and district priorities, increase accountability, and ensure resources are directed where they can deliver the greatest benefit—all while promoting long-term financial sustainability.

With the PRISM approach, districts replace across-the-board cuts and advocacy-driven decisions with clear priorities and data-based evidence to direct resources toward what works. Programs are fixed, replaced, or eliminated when they do not deliver; staffing aligns with need; and budgets become instruments of strategy—not just compliance. The result is stronger outcomes for students *and* greater financial resilience. In short, PRISM helps district leaders ensure that every dollar and every staff role advance the district's most important goals—the discipline that current fiscal pressures demand. ◆

NOTES

[1] John J-H Kim, Alex Newell, and Kathleen Choi, "Strategic Budgeting: DMG's Approach to Effective Resource Allocation," *District Management Journal* 32 (Winter 2023).

[2] National Center for Education Statistics, "Condition of Education: Public School Expenditures," U.S. Department of Education, Institute of Education Sciences, last updated May 2024, accessed December 2, 2025, https://nces.ed.gov/programs/coe/indicator/cmb/public-school-expenditure.