

# NC DPI organizational assessment

Appendix

April 27, 2018

# Limitations and restrictions

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# Supporting analysis for individual recommendations



# Supporting analysis recommendation #1

Better integrated, validated, and managed data could help NC DPI transform its use of data to provide better support to schools and districts

## Information Management Capabilities for a State Education Agency (SEA)

(based on leading practice, illustrative framework)

<b>Data governance capabilities</b>			Identification of critical data objects and controls, initial focus areas, and agency priorities
Organizational Model	Enablement	Standards and Policies	
<b>Data quality capabilities</b>			Addresses tactical and strategic initiatives for data identification, profiling, and remediation
Profiling/Analysis	Cleansing	Validation Controls	
<b>Data management capabilities</b>			Defining the desired approach by creating the key data sources, the integration strategy, and management processes
System of Record	Operational Data Stores (ODS)	Data Marts for Analytics	
Data Security	Data Movement (extract, transform, load, etc.)	Metadata Management	

**Key** (assessment based on EY interviews, analysis of NC DPI data)

Capability doesn't exist

Capability partially exists

### Supporting Analysis

- ▶ As more sources of data emerge, research indicates **it becomes more burdensome** to keep up with the current model of **sourcing and validating data independently**
- ▶ Without a consistent way of validating data across the agency, it is **challenging to establish a clear relationship** between the data teams pull from various systems (both internal and external to the department) and the data teams have internally
- ▶ Drivers for consolidation of data:
  - ▶ Functions that use data (analytics, reporting, etc.) require a **central source or data repository** that consolidates information from disparate systems
  - ▶ When siloed data is integrated and **shared cross-functionally**, it may lead to better analysis and insights
- ▶ In order to govern and manage data effectively, NC DPI could develop a formal data management framework that defines the key capability components for sourcing, validating, and sharing data

Source: EY's analysis of NC DPI documents; Interviews with NC DPI staff



# Supporting analysis recommendation #2

There are at least 4 needs- or self-assessments that NC DPI teams employ to gather LEA data; these could be streamlined as part of the effort to improve analytics

1	2	3	4	1
Comprehensive Needs Assessment	LEA Self-Assessment	District Capacity Assessment	Self-assessment of Multi-Tiered System of Support	Potential New Single Needs Assessment
<b>Business owner</b>				<b>Business owner</b>
<ul style="list-style-type: none"> <li>▶ Federal Programs Monitoring</li> <li>▶ Educator Support Services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Exceptional Children (EC)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Office of Early Learning</li> </ul>	<ul style="list-style-type: none"> <li>▶ Integrated Academic and Behavior Systems</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regional Support Team (<b>refer to recommendation 6</b>)</li> <li>▶ Supports data needs / data use of multiple teams at NC DPI</li> </ul>
<b>Audience and Purpose</b>				<b>Audience and Purpose</b>
<ul style="list-style-type: none"> <li>▶ School leadership</li> <li>▶ Analyze data trends</li> <li>▶ Identify areas for growth</li> </ul>	<ul style="list-style-type: none"> <li>▶ District leadership, EC administrators</li> <li>▶ Analyze data for selection of local leading practices</li> <li>▶ Align state support of EC infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>▶ District and regional implementation teams</li> <li>▶ Align resources and develop action plans to support instructional staff</li> </ul>	<ul style="list-style-type: none"> <li>▶ School leadership</li> <li>▶ Assess school Multi-Tiered System of Support (MTSS) structures</li> </ul>	<ul style="list-style-type: none"> <li>▶ Currently, a cross-functional NC DPI team is reviewing existing assessments to reduce redundancy, develop common scales and planning tools</li> <li>▶ In the future, the regional team would work with LEA leaders to complete a consolidated assessment, collecting data points for multiple program areas</li> </ul>
<b>Reporting</b>				<b>Reporting</b>
<ul style="list-style-type: none"> <li>▶ NC STAR</li> </ul>	<ul style="list-style-type: none"> <li>▶ Excel spreadsheet; State Systemic Improvement Plan (SSIP) used for discussion with LEA</li> </ul>	<ul style="list-style-type: none"> <li>▶ Excel spreadsheet used to facilitate discussion with the district</li> </ul>	<ul style="list-style-type: none"> <li>▶ MTSS application used to facilitate discussion with school leaders</li> </ul>	<ul style="list-style-type: none"> <li>▶ A new NC DPI group with strong analytical capabilities would provide Regional Support Teams, LEAs and schools with data to drive decision-making in the field (<b>refer to recommendation 6</b>)</li> </ul>

Consolidating district and school needs assessments into **one comprehensive needs assessment** can help reduce redundancy for LEAs and schools, enable more strategic data use in shaping district plans, and improve prioritization of programmatic supports to the field

Source: NC DPI internal documents, EY interviews

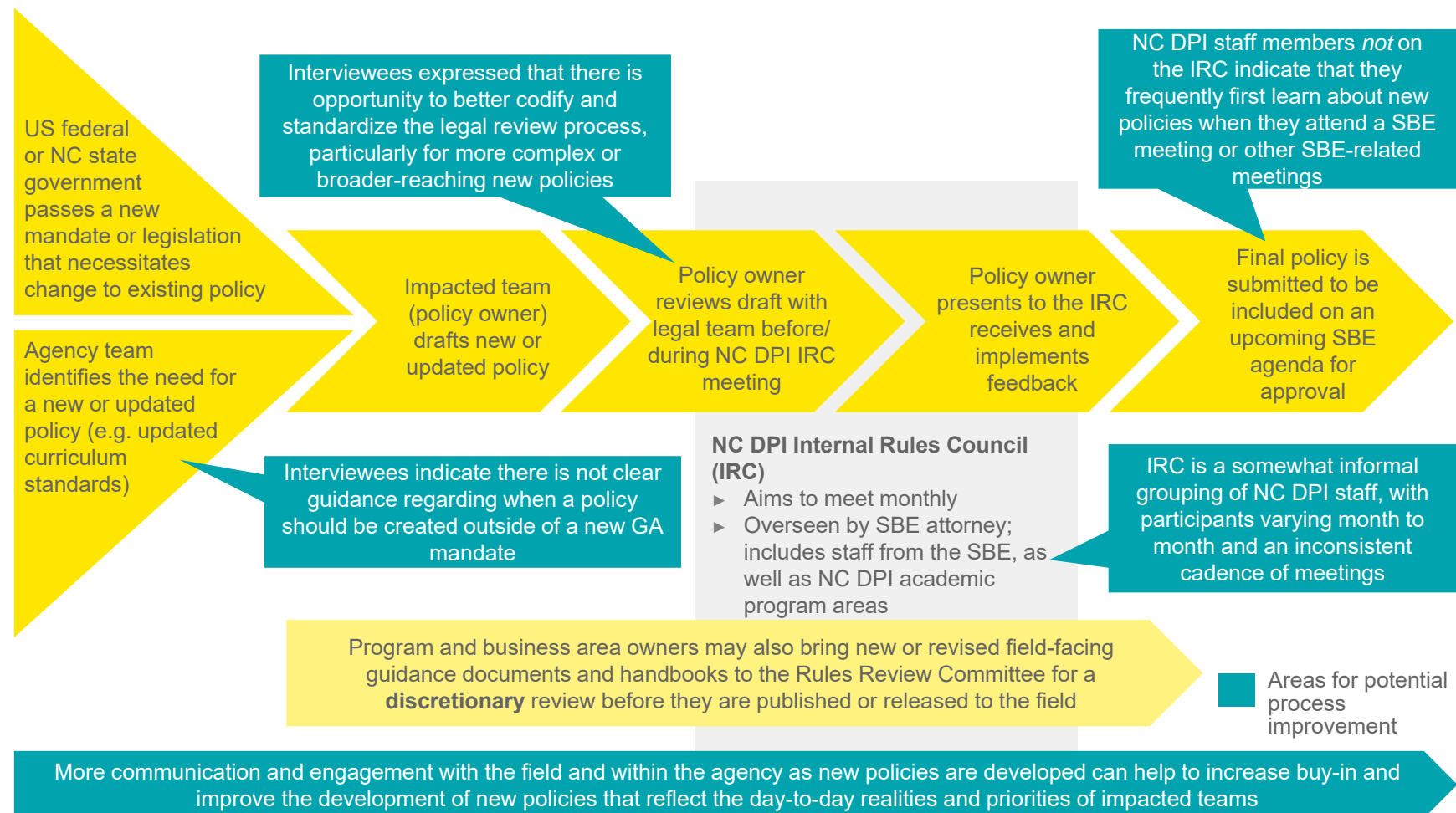


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# Supporting analysis recommendation #3

While there is a process for policy creation at NC DPI today, there are opportunities to clarify the process and increase transparency for the organization broadly

Illustration of Current NC DPI Policy Creation and Review Process



Source: NC DPI internal documents, EY interviews,



# Supporting analysis recommendation #4

NC DPI has an opportunity to build a strategic and collaborative budget process with an increased awareness amongst the Divisional Heads

	1	2	3	4	5
	Planning	Budget Development	Allocation	Execution	Reporting
Current process narrative (2018-2019 agency budget development)	<ul style="list-style-type: none"> <li>▶ Finance provides division heads with previous year budget</li> <li>▶ Division heads review proposed budget and provide feedback on areas of expansion to Deputy Superintendent and/or appropriate leadership team members</li> <li>▶ Finance collects budget expansion feedback from leadership</li> </ul>	<ul style="list-style-type: none"> <li>▶ Budget Section creates a full first draft of the budget for the upcoming fiscal year based on the previous year and select expansion items identified by leadership</li> <li>▶ Expansion items are submitted to the State Board of Education (SBE) for approval</li> <li>▶ SBE-approved expansion budget submitted for consideration by Governor and General Assembly in advance of legislative session</li> <li>▶ Federal planning process is separate process done in collaboration with EC, Career and Technical Education (CTE) and Federal Programs</li> </ul>	<ul style="list-style-type: none"> <li>▶ Budget Section works with NC Office of State Budget and Management (OSBM) to certify the budget (including approved legislative adjustments) in state accounting system</li> <li>▶ Once the budget is certified, Budget section allocates funds to each division according to the approved budget</li> <li>▶ As allocations are released, Division Heads to work with budget analysts to make minor adjustments within their state budget lines based on how needs of their organization have changed since the budget was initially drafted several months earlier</li> </ul>	<ul style="list-style-type: none"> <li>▶ Division Heads are expected to own their budget and monitor spending but it is done with varying level of consistency</li> <li>▶ Division Heads have the ability to request shifts in funding between line items as needed</li> <li>▶ Budget section monitors the budget to ensure funding is expended in a timely manner to avoid overspending and/or a loss of state funding</li> <li>▶ If questions arise, each budget analyst works with the Division Head(s) they support to reach a resolution</li> </ul>	<ul style="list-style-type: none"> <li>▶ Finance provides reports to OSBM and General Assembly, on an as requested basis</li> <li>▶ Budget Section is expected to provide monthly status reports to budget owners, but it is done with varying levels of consistency</li> <li>▶ Additional reporting requests are made ad hoc by program areas</li> <li>▶ Finance is responsible for annual creation of Consolidated Annual Financial Report</li> </ul>
Potential opportunities for improvement	<ul style="list-style-type: none"> <li>▶ NC DPI could develop strategic finance plan that incorporates return on investment (ROI) and cost savings to allow for more effective long-term planning</li> <li>▶ Leadership could develop annual priorities for Division Heads to review budget and identify expansion areas</li> </ul>	<ul style="list-style-type: none"> <li>▶ NC DPI could develop and communicate an annual budget planning process, including clear division of roles and responsibilities</li> <li>▶ The process could be designed to result in a budget aligned to DPI's high priority programs to focus investment in the evidence-based areas</li> <li>▶ NC DPI could create regular contact points between Finance and program areas to track spending against priorities and budget</li> </ul>	<ul style="list-style-type: none"> <li>▶ Perform training and webinars for each employee around budget development</li> <li>▶ Educate employees on the funding process to identify shortages or gaps in funding so they can elevate concerns during the budget process to reduce budget requests throughout the year</li> <li>▶ NC DPI could set clear deadlines beyond which major budget requests will not be considered</li> </ul>	<ul style="list-style-type: none"> <li>▶ NC DPI could engage with program areas to assist in the budget planning process in order to allow each stakeholder to monitor funding and spending during the budget cycle and make budget and business decisions as needed</li> <li>▶ NC DPI could set clearer processes around budget change requests from program areas to allow them to proactively plan spending</li> </ul>	<ul style="list-style-type: none"> <li>▶ NC DPI could assess spending on an annual basis to seek savings opportunities in areas that don't align with priorities or are not achieving outcomes. Doing so will allow funds to support high impact initiatives</li> <li>▶ Finance could provide bi-weekly or monthly updates on spending to program area budget owners</li> </ul>

Source: EY Interviews with Finance Business Services and Budget Section, EY analysis



# Supporting analysis recommendation #5

Interviews and analysis of NC DPI data highlight significant challenges, limitations and pain points in the contracting process

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Initiation	The RFP process is limited by long lead times (e.g., <b>2-4 weeks for DIT</b> counterpart to review the <b>intent</b> to contract documents). The process can be accelerated through standardized RFP formats which will limit back and forth between state level agencies
Proposal / Approval	All information in the approval processes is manually logged into separate spreadsheets. This introduces the chances of human error, delays, and challenges in tracking the progress. The <b>approval time varies between 6 months and sometimes even up to 1.5 years</b> , according to NC DPI interviews
Execution	Generally most contract information is entered into e-procurement only after signing. In other cases, such as <b>personnel contracts</b> with other government agencies (e.g. state universities), the information is <b>entered inconsistently into e-Procurement</b>
Contract Management	A comprehensive <b>list of contracts</b> and their <b>expiration dates does not exist</b> , which interviewees indicate severely constrains effective contract management
Payment	The current procurement process involves <b>multiple manual steps and controls</b> executed by Accounts Payable prior to release of payments to the vendors

Source: EY Interviews, internal documents, EY analysis

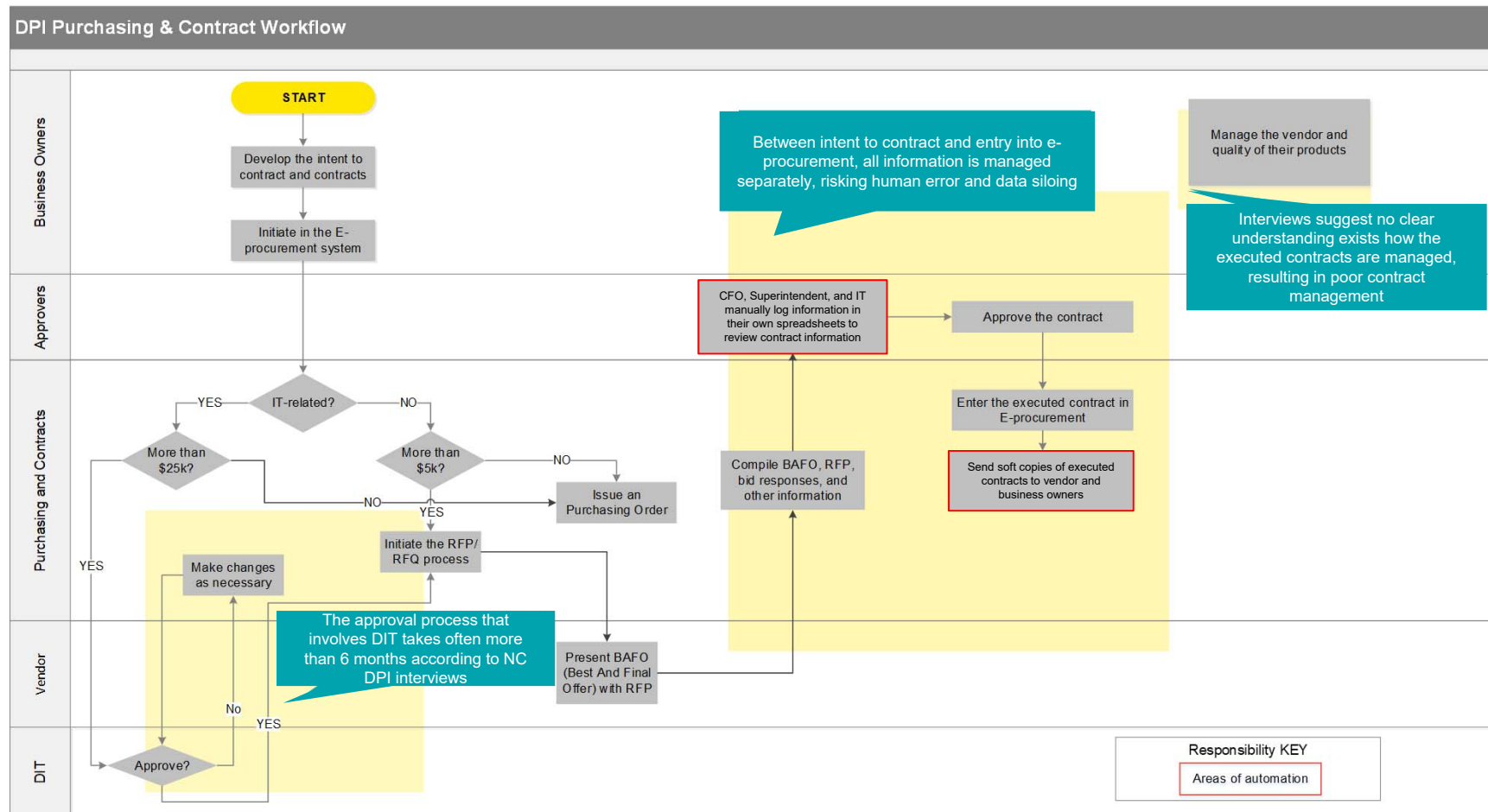


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# Supporting analysis recommendation #5

The current system for tracking contracts involves many approvals and takes a significant amount of time (according to NC DPI interviews)



Source: EY Interviews, internal documents, EY analysis



# Supporting analysis recommendation #6

A significant number of NC DPI FTEs and contractors are in the field directly supporting LEAs

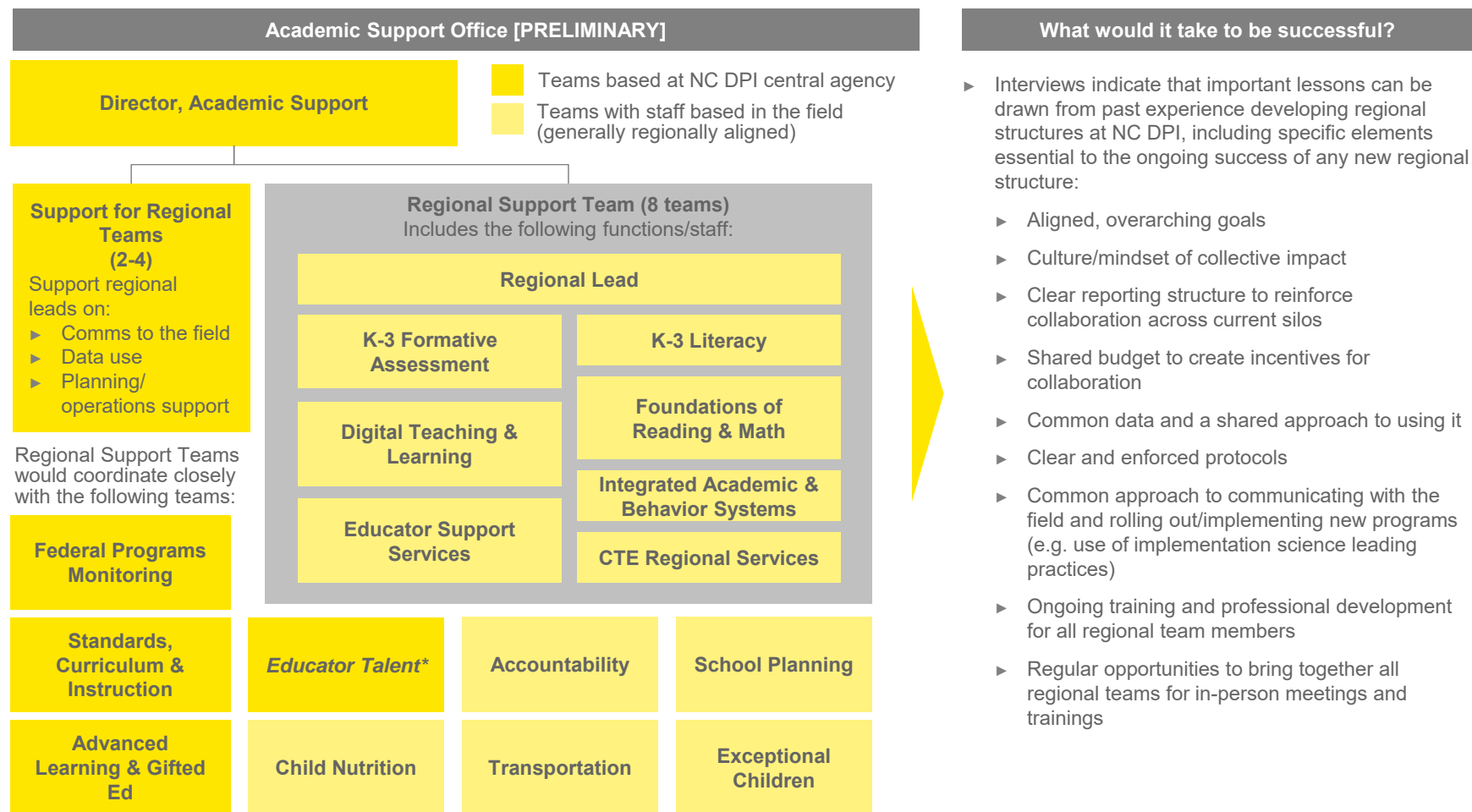
According to internal data and interviews, 88 staff and contractors in the field are associated with functions that could be embedded into a coordinated regional support structure				Internal Audit Contract Review				Beacon HR Data (excluding contractors)		
Type of Support	Division	Section	DPI Field Staff	Type of Support	Division	Section	DPI Field Staff			
Academic Field Support	Digital Teaching and Learning	Digital Learning Initiative Consultants	5	Operations Field Support	School Operations	Transportation Services	3			
		Statewide Educators on loan	2							
		DTL Area Consultants	4							
	Office of Early Learning	K-3 Literacy	9			School Nutrition Services	23			
		K-3 Formative Assessment Consultants	8							
	Educator Support Services	School Portfolio Support Teams	15				School Planning	7		
		Professional Development Coordinator	2							
		Service Support Teams	17							
		Exceptional Children	Regional Education Facilitators	8	Monitoring and Compliance	Exceptional Children	Policy, Monitoring and Audit	8		
	Regional Administrative Support		6	Accountability			Regional Offices	13		
	Program Improvement and Professional Development (Reading/Math Foundations)		8							
	Special Programs and Data		3							
	Behavior Support Section		2							
	Sensory Support and Assistive Tech		5							
	Supporting Teaching and Related Services		6							
	EC Delivery Team		4							
	Integrated Academic and Behavior Systems	Systems and Practices Sections (MTSS Consultants)	12	Total NC DPI staff in the field providing operational support and compliance monitoring						54
	Career and Technical Education	CTE Regional Services	6							
		Agricultural Regional Services	3							
Total NC DPI Staff in the field providing academic support			125							

Note: NC DPI Field Staff includes Internal Auditor's estimated LEA and IHE contractors; Data do not include Advanced Learning Volunteer Teachers or Early Learning Sensory Support Teachers  
Source: EY analysis of internal NC DPI Data; EY Interviews



# Supporting analysis recommendation #6

Recommended Regional Support Teams (RSTs) could include or directly support DPI's Academics functions; they would coordinate with other agency and field-based supports



Note: \*Educator Talent is a new office comprised of several existing educator support functions which currently reside in disparate offices across NC DPI  
Source: EY interviews, EY analysis

# Supporting analysis recommendation #6

Recommended Regional Support Teams could aim to improve the coordination of academic support to LEAs

All LEAs/Schools	Strategic data use	<ul style="list-style-type: none"> <li>▶ Annually, Regional Leaders could work with LEAs in their region to perform a single <b>streamlined needs assessment</b>, involving the review of school performance and progress data to support district and school planning, and to identify areas of need</li> <li>▶ Regional Leaders could improve <b>ongoing use of data</b> for strategic planning and decision making at the LEA and school level</li> </ul>
	Structured communication and coordination	<ul style="list-style-type: none"> <li>▶ Regional Support Teams <b>could coordinate all academics-related communication</b> to LEAs and schools in their region, and employ a consistent approach to sharing information and rolling out new mandates, policies and initiatives</li> <li>▶ Conversely, Regional Support Teams could serve as a <b>single point of contact</b> for LEAs and schools to streamline support and reduce confusion for the field</li> <li>▶ Regional team members could <b>coordinate closely with centrally-based program area leads</b>, and would support central agency staff awareness of field-based efforts</li> </ul>
Potential approach for specific LEAs/Schools	Statewide support LEAs and schools above bottom 5%	<ul style="list-style-type: none"> <li>▶ For LEAs and schools above the bottom 5%, Regional Support Teams could maintain a “menu” of support and professional development that would be provided based on needs identified in the region’s needs assessments</li> <li>▶ Supports and professional development provided by the state to these LEAs would align to programs and initiatives that are (a) evidence-based and (b) highest priority for NC DPI</li> <li>▶ Regional Leads could use each LEA’s needs assessment to help match LEA needs to appropriate NC DPI supports</li> <li>▶ LEAs would use local resources to meet needs identified outside of DPI’s highest priority area</li> </ul>
	Support for low-performing districts and schools Bottom 5% of LEAs and schools	<ul style="list-style-type: none"> <li>▶ Like their higher-performing peers, these LEAs and schools participate in the annual needs assessment process to identify high need areas and to reflect these needs in Regional Support Teams’ “menu” of support (reviewed and updated annually)</li> <li>▶ Where needs are aligned with the rest of the region and NC DPI priority areas, low-performing LEAs and schools receive support alongside others in their region to reduce duplication and support sharing of leading practices</li> <li>▶ Where additional needs are identified, Regional Support Teams can partner to support identification of appropriate supplemental supports, and/or the appropriate NC reform model to drive school improvement and student outcomes</li> </ul>

Source: EY Interviews and discussion with management



# Supporting analysis recommendation #6

Regional Support Teams' roles and responsibilities would need to strike a balance between providing direct support to LEAs and empowering LEAs to make locally-appropriate decisions

Regional Lead	Program Area Supports	Low-Performing School/District Supports
<ul style="list-style-type: none"> <li>▶ Regional Leads could be charged with:               <ul style="list-style-type: none"> <li>▶ Driving the use of data in LEAs and schools across their region</li> <li>▶ Overseeing the annual needs assessment including a review of data and identification of needs</li> <li>▶ Ensuring that available program area supports reflect regional needs</li> <li>▶ Ensuring that low-performing schools and districts are accessing high-quality, evidence-based external supports to address their identified needs</li> <li>▶ Ensuring that communication to the field is clear, regular and consistent, and that DPI's "brand promise" resonates and is seen as reliable by the field</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Recommended program areas include: Foundations of Reading and Math, K-3 Literacy, K-3 Formative Assessment, IA&amp;BS, and Digital Teaching &amp; Learning</li> <li>▶ RST program area staff could support schools and districts in the region by coordinating and delivering professional development based on the needs identified in that region; this professional development would be available to all schools and LEAs in a region</li> <li>▶ RST program area staff could also serve a liaison function, supporting communication and roll-out to the field, and providing central teams with field-level feedback</li> </ul>	<ul style="list-style-type: none"> <li>▶ Low-performing school/district supports are comprised of Educator Support Services (ESS) staff in these roles today</li> <li>▶ However, rather than providing direct support to low-performing (LP) schools or districts, within the RST structure, these support staff could serve as an <b>enabler</b> :               <ul style="list-style-type: none"> <li>▶ Regularly reviewing performance data</li> <li>▶ Driving awareness and use of supports already being provided by the RST program area staff in a region</li> <li>▶ [Where needed supports are <i>not</i> provided by the program area staff] Defining what high-quality support looks like, and supporting LP schools/districts to identify quality external supports</li> <li>▶ Providing guidance for continually low-performing schools on NC reform model selection and reviewing reform plans</li> </ul> </li> <li>▶ In this future structure, support staff could be assigned to regional teams as follows:               <ul style="list-style-type: none"> <li>▶ 1 per LP district</li> <li>▶ 1 per 5 LP schools</li> </ul> </li> <li>▶ LP support staff are not expected to work alone, but rather could create professional learning communities (PLCs) or groups based on need in each region</li> </ul>

Source: EY Interviews and discussion with management



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# Supporting analysis recommendation #6

Regional structures exist in other states and provide varying levels of direct support to districts



## Louisiana

*Light-touch execution support from a trusted advisor*



## Kentucky

*Cooperatives focus on developing regionally-beneficial partnerships*

### Structure

- ▶ Louisiana's "network" structure envisioned 5 regionally-based teams of ~10 members each whose primary focus was on building capacity at the school and district level
- ▶ Over time, the regional structure has been streamlined to 3 network teams of 7-8 members each
- ▶ Support for low performing schools sits within the Portfolio office

- ▶ In Kentucky, low performing schools receive direct support from the Department of Education while all other schools can opt into an educational cooperative in their region
- ▶ Across the 3 low performing schools regions:
  - ▶ Educational Recovery Directors support the creation of partnerships with universities, educational agencies, and external stakeholders in each region
  - ▶ Additionally, Educational Recovery Leaders and Specialists provide direct support to teachers in schools

### Support to districts

- ▶ Today, these teams continue to serve as trusted advisors in the field
- ▶ However, these teams operate with a narrower scope, focused on ensuring the districts have purchased a high quality curriculum and are identifying the right professional development supports
- ▶ Louisiana has identified a menu of approved curriculum and professional development, and networks work with their districts to procure high quality resources in lieu of providing them directly to districts

- ▶ Kentucky has 9 "educational cooperative" offices which offer opt-in services for schools in their region
- ▶ Educational Recovery staff in low performing schools focus on supporting literacy and math; they aim to align their support with the mission / vision of the school leader
- ▶ Meanwhile, cooperative offices are very involved in providing professional development, hosting regional meetings, and offering training sessions for member districts
- ▶ Cooperatives also work to enable districts to maximize their purchasing power through cooperative purchasing / bids

Note: States were selected in accordance with NC DPI criteria (e.g south-eastern location and focus on reform within the state education agency)

Source: States Department of Education websites, EY Interviews



# Supporting analysis recommendation #7

NC DPI offers a range of diagnostics and formative assessments today, but educators note that it is not clear which assessments are required, and how optional ones should be used

NC K12 Assessment Landscape

Grade span	Summative assessment	Diagnostic tools & formative assessment	Formative assessment owners/ involved offices
PK – Grade 3	<ul style="list-style-type: none"> <li>End of Grade Assessments (grade 3 only)</li> </ul> <p>With multiple formative assessments offered in grades K-3, educators note that there is a lack of clarity regarding those which are optional versus those which are required</p>	<ul style="list-style-type: none"> <li>Kindergarten Entry Assessment</li> <li>K-3 Formative Assessment</li> <li>mClass</li> <li>Beginning of Grade 3 Test</li> <li>End of Grade 3 Reading Retest</li> <li>Read to Achieve Test (alternative)</li> <li>NC Early Numeracy Skill Indicators</li> <li>MTSS Diagnostics (grade span TBD; in development)</li> <li>NC Check Ins (TBD)</li> </ul>	<ul style="list-style-type: none"> <li>Office of Early Learning</li> <li>Office of Early Learning</li> <li>K-3 Literacy</li> <li>K-3 Literacy</li> <li>K-3 Literacy</li> <li>K-3 Literacy</li> <li>Office of Early Learning</li> <li>Integrated Academic and Behavior Systems</li> <li>Accountability</li> </ul>
Grades 4–8	<ul style="list-style-type: none"> <li>End of Grade Assessments</li> <li>NC Final Exams (subject specific)</li> </ul>	<ul style="list-style-type: none"> <li>ELA/Reading NC Check Ins (grades 5-7 only)</li> <li>Math NC Check Ins (grades 4-6 only)</li> <li>MTSS Diagnostics (grade span TBD; in development)</li> </ul>	<ul style="list-style-type: none"> <li>Accountability</li> <li>Accountability</li> <li>Integrated Academic and Behavior Systems</li> </ul>
Grades 9–12	<ul style="list-style-type: none"> <li>End of Course Assessments</li> <li>NC Final Exams (subject specific)</li> <li>ACT OR College and Career Readiness Alternate Assessment (grade 11 only, alternative to ACT)</li> <li>CTE Assessments (CTE concentrators)</li> <li>ACT WorkKeys (CTE concentrators)</li> </ul>	<ul style="list-style-type: none"> <li>PreACT OR College and Career Readiness Alternate Assessment (grade 10 only, alternative to PreACT)</li> </ul>	<ul style="list-style-type: none"> <li>Accountability</li> </ul>

DPI's Office of Accountability is responsible for the development (in partnership with Institutes of Higher Education) and administration of all summative assessments in NC

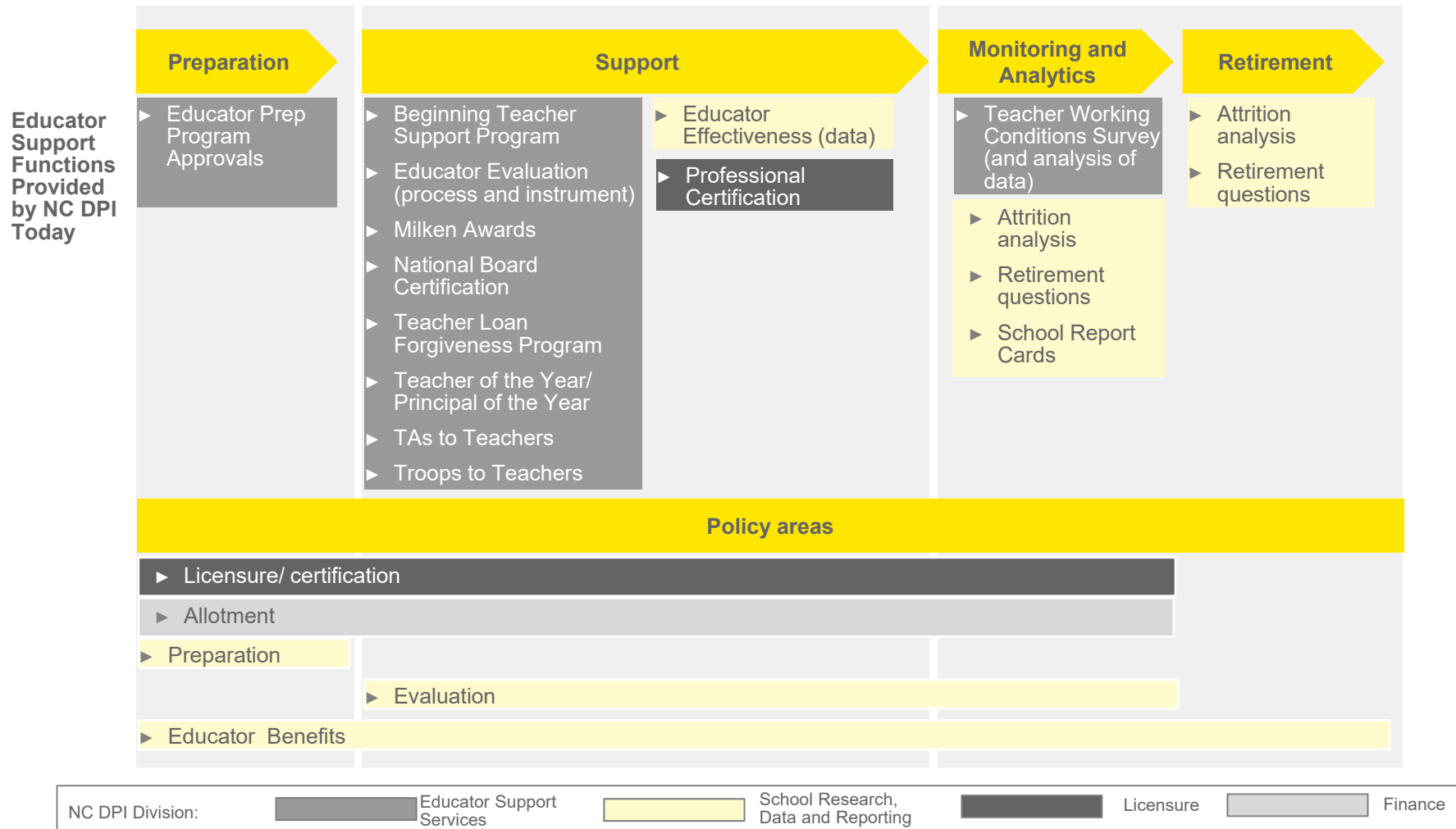
**Legend** (based on interviews and research)  
 Required assessments  
 Optional assessments  
 Assessments in development

Note: Excludes federally-mandated ELL assessments and screeners  
 Source: NC legislation, NC DPI website, EY interviews



# Supporting analysis recommendation #8

Currently, educator support functions exist in at least three offices, with additional offices (such as Finance) seen as holders of educator-related policy



Source: EY Interviews



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# Supporting analysis recommendation #8

Primary research with LEAs identifies several challenges to working with NC DPI, but also shows that LEAs appreciate pockets of strong educator support

Educators report several pockets within NC DPI provide strong support

- ▶ *"We are very satisfied with the level of support and quality of support that DPI provides to our teachers. They are supporting thousands of teachers across state effectively"* – Regional Teacher of the Year
- ▶ *"The beginner teacher professional development trainings and webinars are extremely valuable for our teachers. Our LEA depends on the DPI-trained Beginner Teacher leads to disseminate best practices and guide our new teachers. DPI does a great job with this program"* – Regional Teacher of the Year

However, educators also find that there are challenges to working with NC DPI

- ▶ *"DPI's organizational structure creates confusion; its silos are evident. We don't know who to call for help. We would love to have one go-to resource or representative to assist in navigating DPI's support structure"* – Current Superintendent
- ▶ *"We need more consistent communication to our teachers - in the format and timing. Right now, I don't know which team to at DPI to contact regarding educator support. I often worry about what am I missing"* – Chief Academic Officer
- ▶ *"Often times I find the answers we receive from DPI vary depending on the person you talk with. If I call in the morning, and then call back later that afternoon, I likely will receive different answers [depending on who I talk to]"* – Current Teacher
- ▶ *"One of the biggest challenges of working with DPI is the Licensure department. We need both more clarity into the Licensure approval process and more communication on who the 'go-to' folks are within the division that support our district schools"* – Current Superintendent
- ▶ *"Licensure is one of the few aspects of DPI that all districts must interact with. The process is entirely broken and we are losing teachers because of it"* – Former Superintendent

The recommendation to create an Educator Talent Division can help to address current pain points

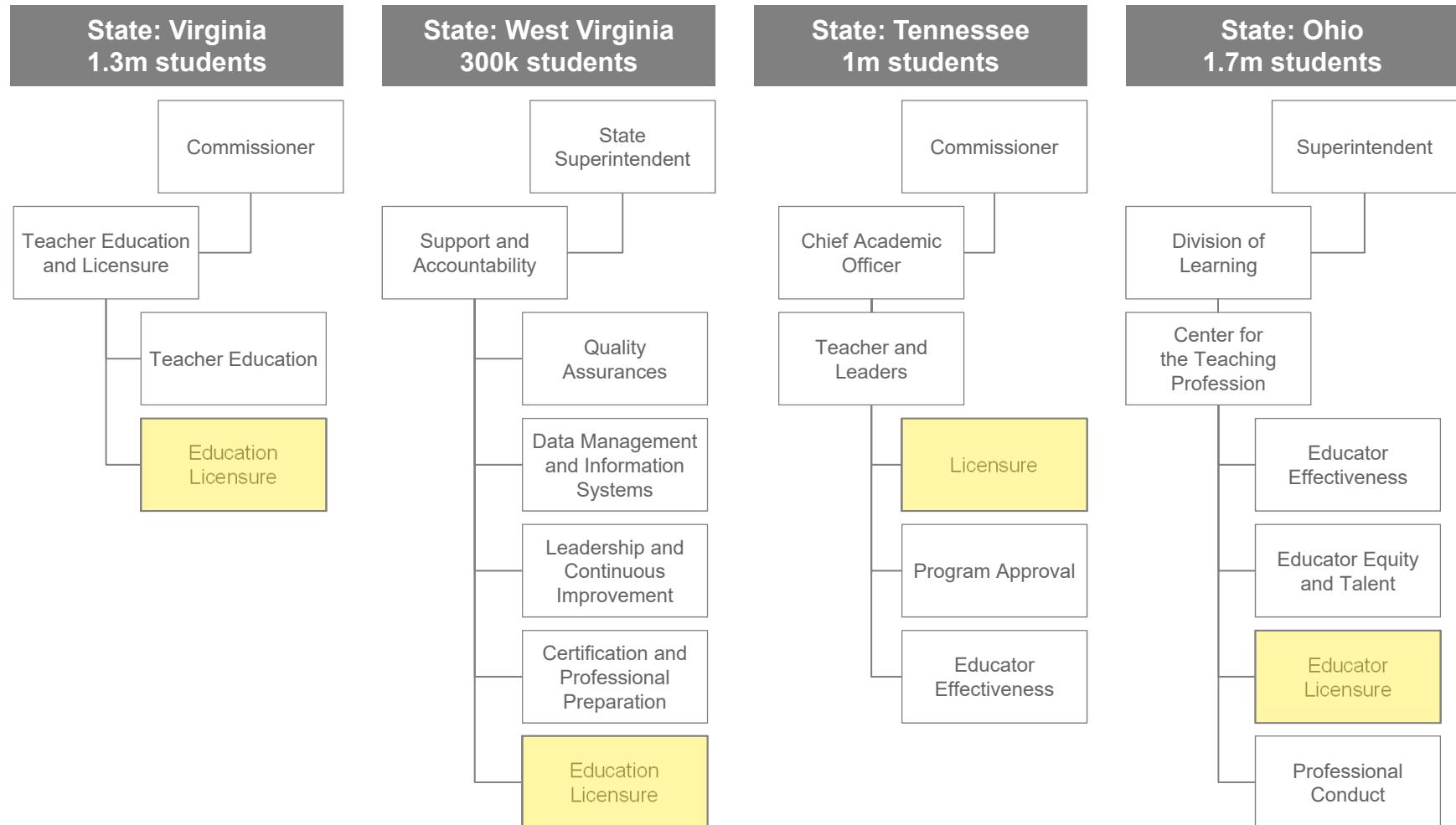
- ▶ An Educator Talent Division could support educators along the full teaching continuum by consolidating functions that currently exist in disparate offices or do not exist at all
- ▶ Combining all functions related to teacher and educator talent into a single office could support improved service delivery by creating a single point of contact at NC DPI for educators and administrators, and by supporting clear and consistent messaging to the field

Source: NC DPI field feedback survey (n=87); District CAO Focus Group (n=4); District Superintendent and RESA Director Focus Group (n=9); Regional Teachers of the Year Focus Group (n=9)



# Supporting analysis recommendation #8

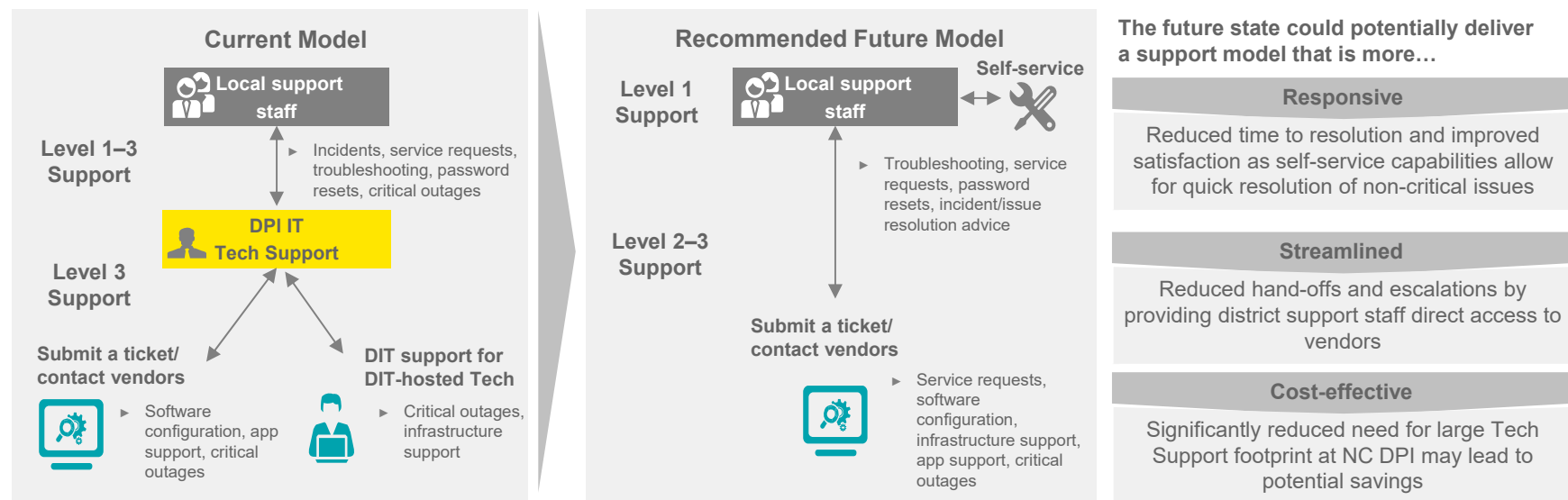
Virginia, West Virginia, Ohio and Tennessee have licensure in the same office with educator effectiveness and support



Note: States were selected in accordance with NC DPI criteria (e.g south-eastern location or leading practice in educator support)  
Source: NCES; EY Analysis, State websites

# Supporting analysis recommendation #9

There is an opportunity to improve the model for IT support to the field



## Supporting Analysis

- Interviews identified efforts by the NC DPI Tech Support Group to reduce resolution times to the field, but analysis of internal data suggests issue resolution time remains high:
  - Currently, ticket resolution time is **12 days on average** for any type of issue (from password resets to more critical issues)
  - Commercial organizations take an average of **7 days** to resolve the **highest priority incidents**
- Interviews indicate that long resolution times are primarily due to:
  - Bottlenecks created** by requiring support calls to go through NC DPI Technology Services
  - Multiple escalations and handoffs** to get to the appropriate point of contact for resolution
  - Limited bandwidth** and inadequate staffing at NC DPI Technology Services to effectively support volumes
- Interviews suggest that the current model of augmenting staff to support increasing requests is very difficult to scale as new and updated applications are added to NC DPI's portfolio

Note: Future state model based on recommendation to move support to vendors; reflect industry leading practices

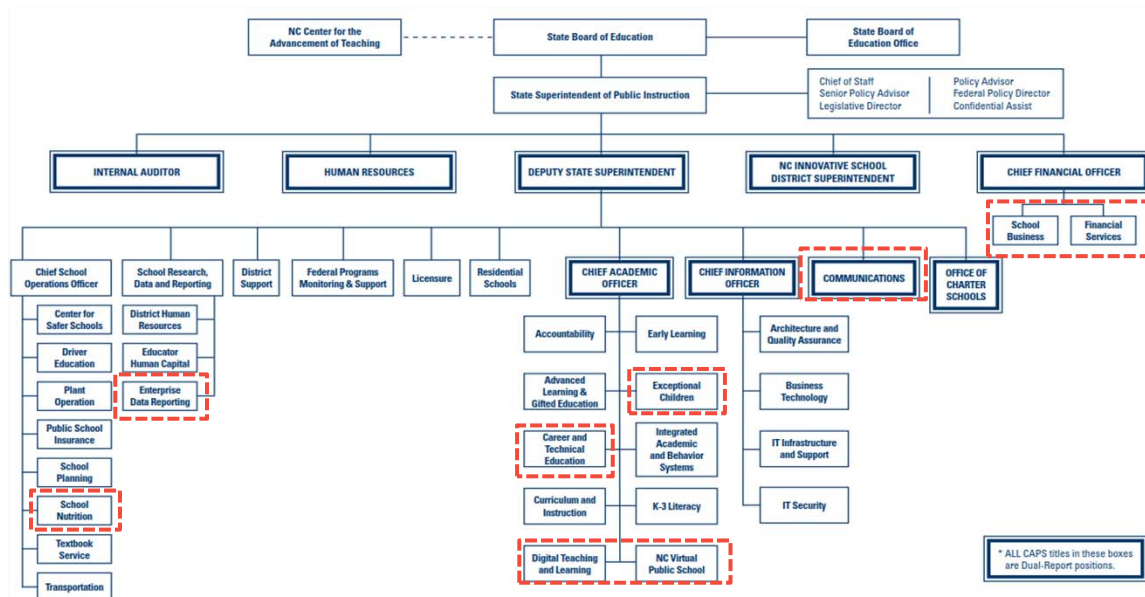
Source: EY analysis of internal documents; interviews with NC DPI staff



# Supporting analysis recommendation #10

There is an opportunity to rethink the IT model, structure and roles across NC DPI and consolidate IT-related functions

## Current NCDPI Organization Structure



  “Shadow IT” groups embedded in the business

- ▶ Potentially redundant shadow IT roles include:
  - ▶ Tech Support Analysts
  - ▶ Business Technology Analysts
  - ▶ Data Managers
  - ▶ Networking Analysts
  - ▶ Systems Specialists

Note: “Shadow IT” refers to resources performing IT related functions that reside in divisions outside of the IT organization  
Source: EY analysis of internal documents; interviews with NC DPI staff

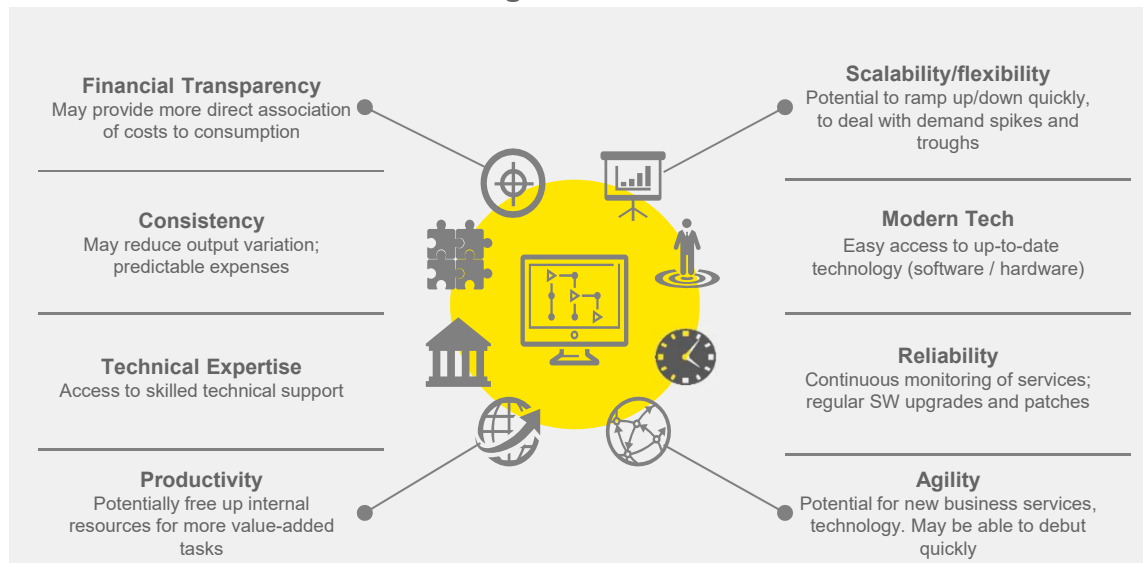
## Supporting Analysis

- ▶ Approximately **44 FTEs** are **dispersed** across the agency performing IT activities
- ▶ Analysis of internal data indicates these FTEs support specific business units, yet interviews suggest Technology Services still feels short staffed and unable to support the business
- ▶ Based on analysis of current personnel data, **over 57%** of the decentralized FTEs appear to be **redundant** roles
- ▶ Demand for additional technology support by program areas may make it **challenging to scale the current model**
- ▶ Centralizing shadow IT under a single point of leadership may lead to potential financial savings and an improved ability to **enforce technology standards** and **appropriately monitor** and support applications

# Supporting analysis recommendation #11

By outsourcing IT functions not related to its core educational mission, NC DPI could devote its resources to better support agency priorities

## Potential advantages to an outsourced model



## IT function staffing as a % of total IT personnel

IT Function	NC DPI Technology Services	Government Agencies Average
Database Administration	7%	3.8%
Tech Support/Help Desk	12%	7.2%
Quality Assurance/Testing	7%	2%
Project Management Office	7%	4%
Desktop Support	4.5%	4%

*\*\*Benchmark: Computer Economics, 2017*

## Supporting Analysis

- ▶ **IT is people-intensive:** NC DPI IT's allocation of staff to common IT support functions is analyzed as **well above the benchmarks**
- ▶ **More than 75%** of government agencies **are increasing their budgets for IT outsourcing** to reduce their reliance on personnel – *Computer Economics, 2017*
- ▶ Interviews suggest NC DPI Technology Services should do more to keep up and **evolve** with the industry, and aggressively push to **do more with less** through outsourcing
- ▶ The remaining IT functions at NC DPI can focus on:
  - ▶ **Accelerating IT's response** to the technology needs of the agency (Business Relationship Manager function)
  - ▶ Providing **valuable support** to the LEAs (Security services, Data, etc.)

Source: EY analysis of internal documents, interviews and secondary research; recommendation is based on discussion with management and acknowledgement of need to evolve



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# Supporting analysis recommendation #11

## Potential benefits of a Business Relationship Management (BRM) Function

To shift the way Technology Services serves NC DPI, Technology Services could establish a BRM who serves as a strategic partner to business owners, assists them with identifying solutions, and advocates for the business within Technology Services

### Potential Responsibilities

- ▶ Liaison between the NC DPI academic areas, administrative functions, and Technology Services to **create a shared understanding** of technology priorities and needs
- ▶ Understands business issues and **partners with the business** to ideate/innovate/problem solve
- ▶ Owns the technology intake function to shape, **capture, and prioritize demand** from/for the business
- ▶ Holds **IT vendors accountable** to agreed timelines, outputs and reliable service measures
- ▶ Follows up and **drives closure** on IT operational issues on behalf of the business
- ▶ Shares insights on IT solutions and emerging technologies that are relevant to business issues
- ▶ Assists the agency and functional teams in **exploiting existing data** and IT capabilities to drive business decisions

### Description of Potential Role

#### Business Relationship Manager- Role Description

Organization: Business Technology Division, IT



DPI is seeking a highly motivated professional to act as the primary liaison between DPI business units (Academic and Administrative functions), and IT. This is a senior level role responsible for understanding business needs and priorities, driving business / IT alignment, facilitating delivery of reliable IT services to the business and ensuring a continuous improvement focus on IT services on behalf of the business. As a leader of a small team of new and experienced business analysts, you will be expected to manage alignment, coverage and development of your team across the different business areas and functions

You will also work closely with external agencies such as DIT, and vendors to help facilitate the successful delivery of business technology for the agency

#### Primary responsibilities:

- Be proactive and work with the business partners in **defining the issue and shaping the demand** for technology products as well as annual plan (not an order taker)
- Leverage **knowledge of emerging technologies** and existing applications to bring new ideas / innovative solutions for DPI
- Advise the business on value and **strategic implications of technology decisions** in support of the agency's goals
- Analyze IT cost and performance measures to **identify optimization opportunities** for the business
- Facilitate risk escalation / issue mitigation between business and IT teams
- Act as the **primary point of contact** for all IT services and ensure reliable delivery in line with agreed performance measures (Own the IT experience to the business)
- Follow up / drive closures on IT operational issues on behalf of the business

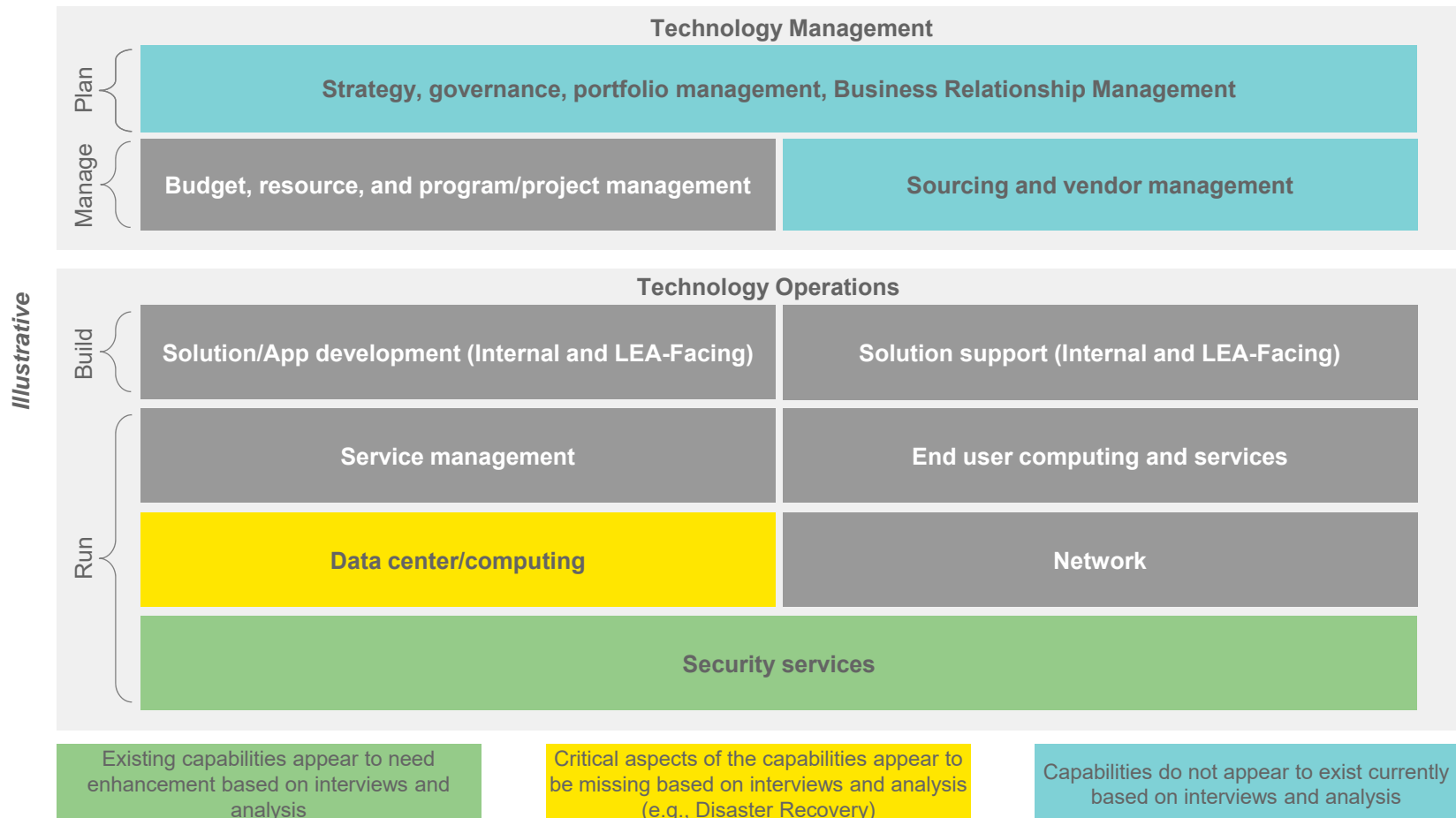
Source: EY client leading practices



# Supporting analysis recommendation #11

Our recommendations address areas of a capability model that appear to be lacking within NC DPI today

## IT capability model (level 1 view)

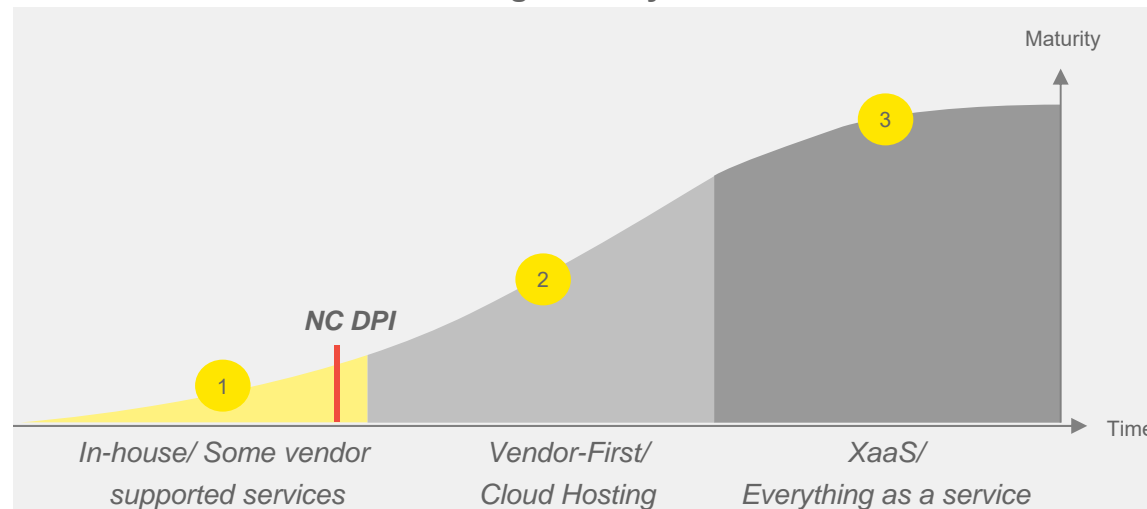


Source: EY analysis of internal documents, interviews with NC DPI staff and secondary research

# Supporting analysis recommendation #12

The combined need to improve support to NC DPI, innovate, and deliver reliable and secure technology could potentially drive IT further to a vendor-cloud model

Hosting maturity model



- 1 While many applications and infrastructure are developed, hosted and supported by Technology Services at NC DPI, the larger more costly applications are developed, deployed and supported by vendors and are highly customized for NC DPI. NC DPI has recognized the need for vendor and cloud services but has not formalized an approach
- 2 By hosting with vendors, NC DPI controls ownership and deep customization of applications, but avoids efforts to maintain, develop and backup hardware and software platforms, and upgrade applications
- 3 In this hosting model, NC DPI could look to consume leading applications directly with potentially minimal customization in order to reduce ownership and overhead, while benefitting from the latest emerging technologies the industry has to offer

Supporting Analysis

- ▶ Based on NC DPI interviews, **30-40%** of the total application landscape is **developed in-house** at NC DPI through APEX tools (many by non-IT resources)
- ▶ Analysis of internal budget data suggest current spending is allocated to **supporting aging infrastructure** (e.g., mainframes, Windows 2000 servers)
- ▶ **Basic but critical services**, such as Disaster Recovery, appear to be lacking
- ▶ External vendor development and hosting **covers many of the highly resource-intensive services** that otherwise NC DPI would have to support (e.g., application support, patching, upgrading, monitoring, backups, restoring during disasters)
- ▶ Through a vendor first/cloud next approach, NC DPI Technology Services resources could be freed up to fulfill the urgent needs of the agency:
  - ▶ **Advise on IT** procurement and RFPs
  - ▶ **Insights on IT** solutions and emerging technologies

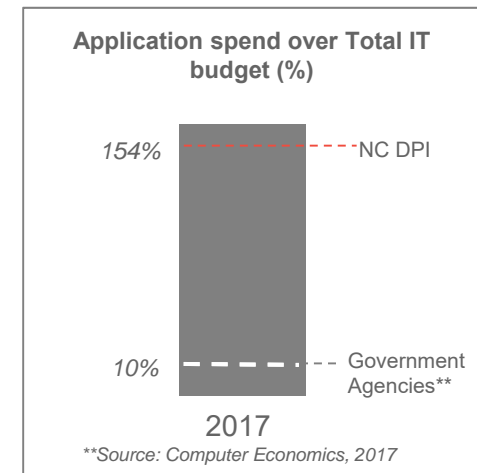
Source: Figures and analysis sourced from interviews with NC DPI staff and internal documents



# Supporting analysis recommendation #13

Rationalizing and modernizing NC DPI's application landscape could create more optimal investments in technology

## Rationalizing and modernizing the application portfolio



## Supporting Analysis

- ▶ Interviews suggest over 90 applications are dispersed across the agency, many of which:
  - ▶ Run on outdated platforms and are disparate
  - ▶ Provide redundant functionality
  - ▶ Require high costs to maintain
- ▶ NC DPI operates numerous siloed systems resulting in **higher application spend** than the industry benchmark (according analysis of internal data and market research)
- ▶ By rationalizing and modernizing the existing set of applications, and designing a future state application portfolio NC DPI could:
  - ▶ **Drastically reduce** the number of **applications** used to support NC DPI and the LEAs
  - ▶ **Replace aging disparate systems** with up-to-date end-to-end solutions
  - ▶ **Eliminate manual processes** through the use of modern technology (e.g., contract management)

Note: Application spend includes resources allocated to application development outside of IT  
Source: EY's analysis, internal documents, interviews with NC DPI staff, secondary research



# Supporting analysis recommendation #13

Potential portfolio assessment methodology based on leading practices

## Application assessment based on clustering

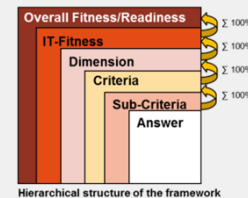


Analyze clusters of redundancies and overlaps



High level decision Tree

## Assess each application via dimensions and criteria



Execute and realize "quick wins"

- ▶ Application assessment using the defined evaluation dimensions and associated set of criteria
- ▶ Weight and score applications based on cluster importance
- ▶ Document results per cluster

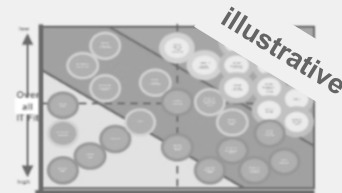
## Portfolio assessment



Portfolio Assessment

- ▶ What is the compliance of my application compared to my strategy?
- ▶ What is my architectural conformity?
- ▶ What are my costs/costs efficiency?

## Validate the strategic importance of each application



Strategic importance

- ▶ Requirements from IT-strategy
- ▶ Derive IT investment strategy from the overall fit of an application for strategic areas of action
- ▶ Combine with strategic importance of the business functions/ processes it supports

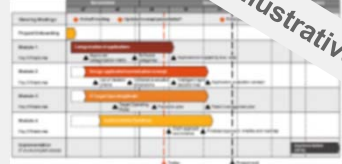
## Target state



Application target state mapping

- ▶ Target: Identification of applications which can be expanded strategically and group-wide, or used long-term locally
- ▶ Identify application to use with regard to agency requirements and local needs

## Application roadmap



Application roadmap

- ▶ Define the roadmap to
  - ▶ Keep
  - ▶ Tolerate
  - ▶ Freeze
  - ▶ Replace
  - ▶ Retire
- ▶ an application

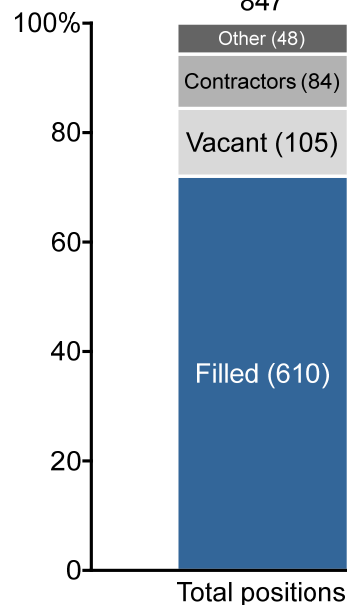
Source: EY's analysis, internal documents, interviews with NC DPI staff, secondary research

# Supporting analysis recommendation #14

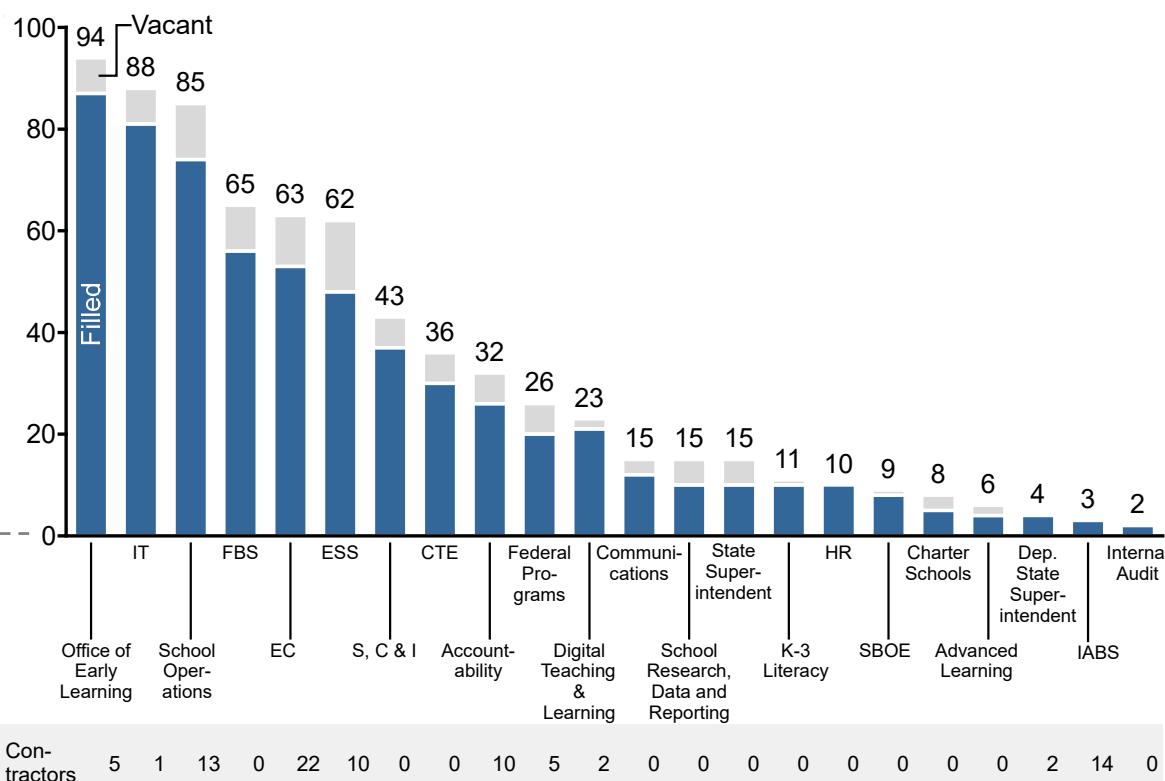
NC DPI internal data indicates that there are 113 vacancies within the organization and an additional 84 contractors, some of whom may be filling vacancies

Beacon HR Data  
(excluding contractors)

NC DPI Positions and Contractors,  
2017–2018  
847



NC DPI Positions by Division,  
2017–2018



DPI's Internal Auditor's estimated contractor headcount; not exhaustive and does not include Temp Solutions

Note: Excluded or out of scope includes Licensure, NCVPS, residential schools, State Board of Education, Office of the State Superintendent and NCCAT; Number of contractors is derived from Internal Auditor's estimated LEA and IHE contractor list; data reflects full-time contractors determined by EY Analysis, is not exhaustive and does not include Temp Solutions; School Operations vacancies may be understated due to availability for the function  
Source: Internal NC DPI Data; EY Analysis



# Supporting analysis recommendation #14

The inefficient hiring process to fill vacancies at NCDPI has impeded effective operations

	1	2	3	4	5
	Requisition	Recruiting/Pre-Screening	Screening/Interview	Post-Interview	On-boarding
Current Process Narrative	<ul style="list-style-type: none"> <li>▶ (HM) Identify the vacancy and initiate the requisition process</li> <li>▶ (HM) Complete Form 200, a request to post the vacancy</li> <li>▶ (HM) Receive signatures (e.g., Director) and send an electronic copy to Recruiter and a hard copy to HR division</li> </ul>	<ul style="list-style-type: none"> <li>▶ (RE) Recruiter posts the job in the NEOGOV system</li> <li>▶ (CA) Fill out the application in a standard form on NEOGOV</li> <li>▶ (RE) Screens not qualified candidates who don't meet minimum requirements on NEOGOV and refer all eligible candidates (EC) who meet the minimum requirements to HM via NEOGOV</li> <li>▶ (RE) Notifies not qualified candidates</li> </ul>	<ul style="list-style-type: none"> <li>▶ (HM) Review all referred applications and identify candidates to interview. HM is responsible for ensuring state-required priority consideration (e.g., Veteran's Preference)</li> <li>▶ (HM) Provide a reason for each non-select candidate in NEOGOV</li> <li>▶ (HM) Form an interview team and schedule an interview(s)</li> <li>▶ (HM) Develop interview questions, and if needed, a performance test</li> <li>▶ (HM) Conduct an interview(s) and record all relevant information (e.g., scores, interview questions, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▶ (HM) Check three references on top candidates using "Reference Check Form"</li> <li>▶ (HM) Submit 210 Selection Packet to HR with all relevant documents from interviews and signatures from Division Director, Associate Superintendent, and Funding Approver</li> <li>▶ (HR) Calculate the salary and send an offer letter to HM. HR Director and Superintendent approve the salary</li> <li>▶ (HM) Send an offer letter to the candidate</li> </ul>	<ul style="list-style-type: none"> <li>▶ (RE) Send the onboarding package to HR Technician</li> <li>▶ (HR) Conducts onboarding session with a new hire and collect I-9 form</li> <li>▶ (HR) Conduct background checks (only on teachers)</li> </ul>
Potential Opportunities for Improvement	<p>NC DPI interviews suggest:</p> <ul style="list-style-type: none"> <li>▶ Form 200 is not self-evident and allows HM to write job duties, skills, and preferences in an open-essay format</li> <li>▶ There are frequent, iterative communications between HM and HR in the process of completing Form 200, which often leads to much delay in job posting</li> <li>▶ Building automation around this process would help reduce the cycle time significantly</li> </ul>	<ul style="list-style-type: none"> <li>▶ Recruiter refers all minimally qualified candidates who meet minimum requirements (e.g., education, certificates, etc.) to HM, which may total over 20-30 candidates</li> <li>▶ With the optimization of the hiring process and leveraging more automations, RE could improve the screening process, lessening the burden on the HM</li> </ul>	<ul style="list-style-type: none"> <li>▶ HR could take responsibility for ensuring compliance with hiring processes and procedures</li> <li>▶ Clearly documenting the responsibilities of the HM and providing tools could help to ensure there is clarity around roles</li> <li>▶ Process optimization could help redesign the segregation of duties between the HR, RE and HM, potentially resulting in the HM being less involved in the hiring process</li> </ul>	<ul style="list-style-type: none"> <li>▶ Interviews indicate applications are not transparently tracked, creating a bottleneck in the hiring process and making it challenging to identify where the delays are; NC DPI could leverage technology to improve this process</li> <li>▶ HR could perform tasks such as issuing offer letters</li> </ul>	<ul style="list-style-type: none"> <li>▶ Onboarding process is compliance-focused and (interviews suggest) lacking enough focus on new hire experience, including assistance on organizational navigation</li> <li>▶ NC DPI could leverage technology to improve employee onboarding process</li> </ul>

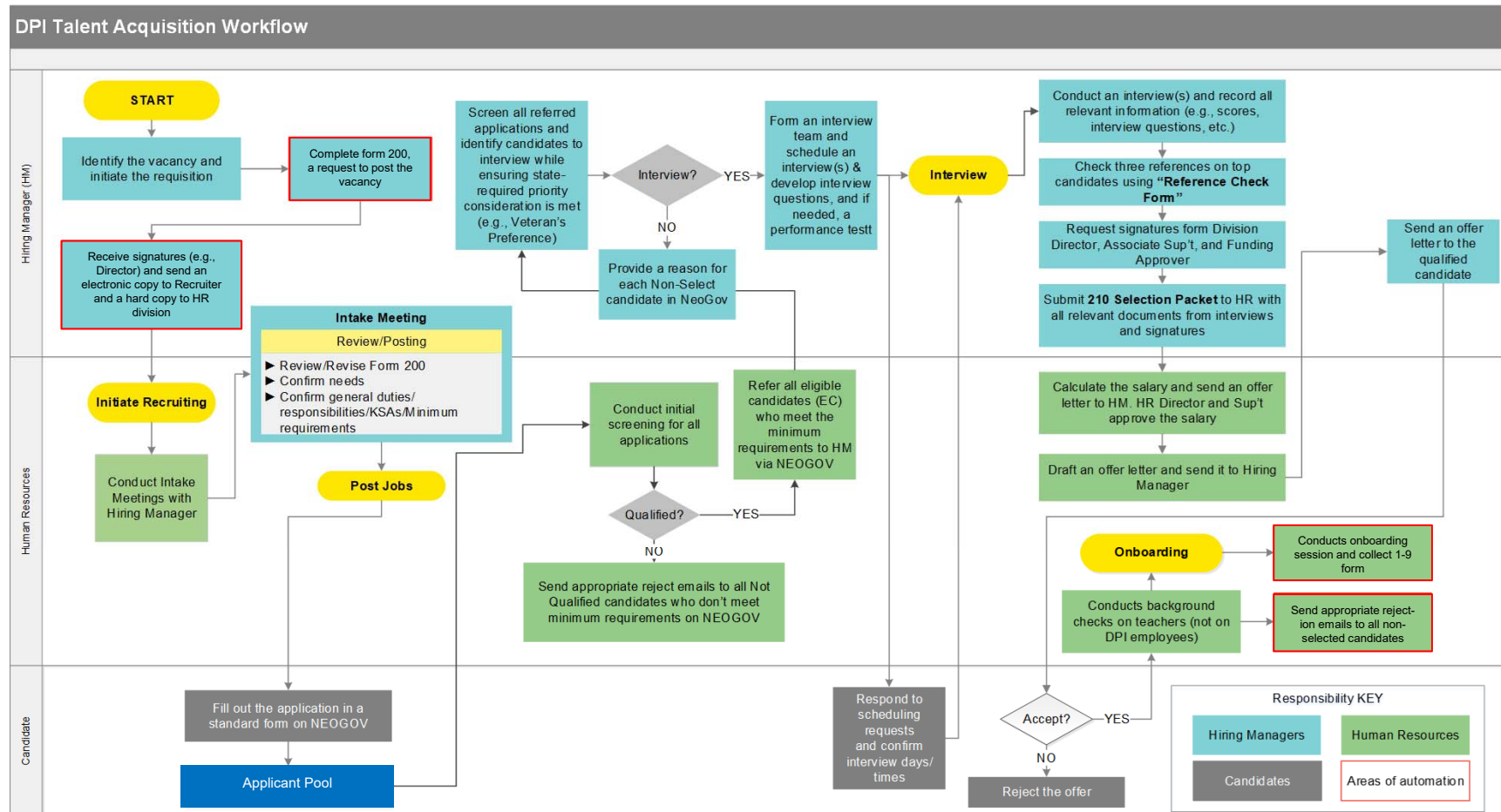
Key		
HM: Hiring Manager	HR: HR Employee	Automation/Modernization area
RE: Recruiter	CA: Candidate	

Source: EY Interviews, internal documents, EY analysis



# Supporting analysis recommendation #14

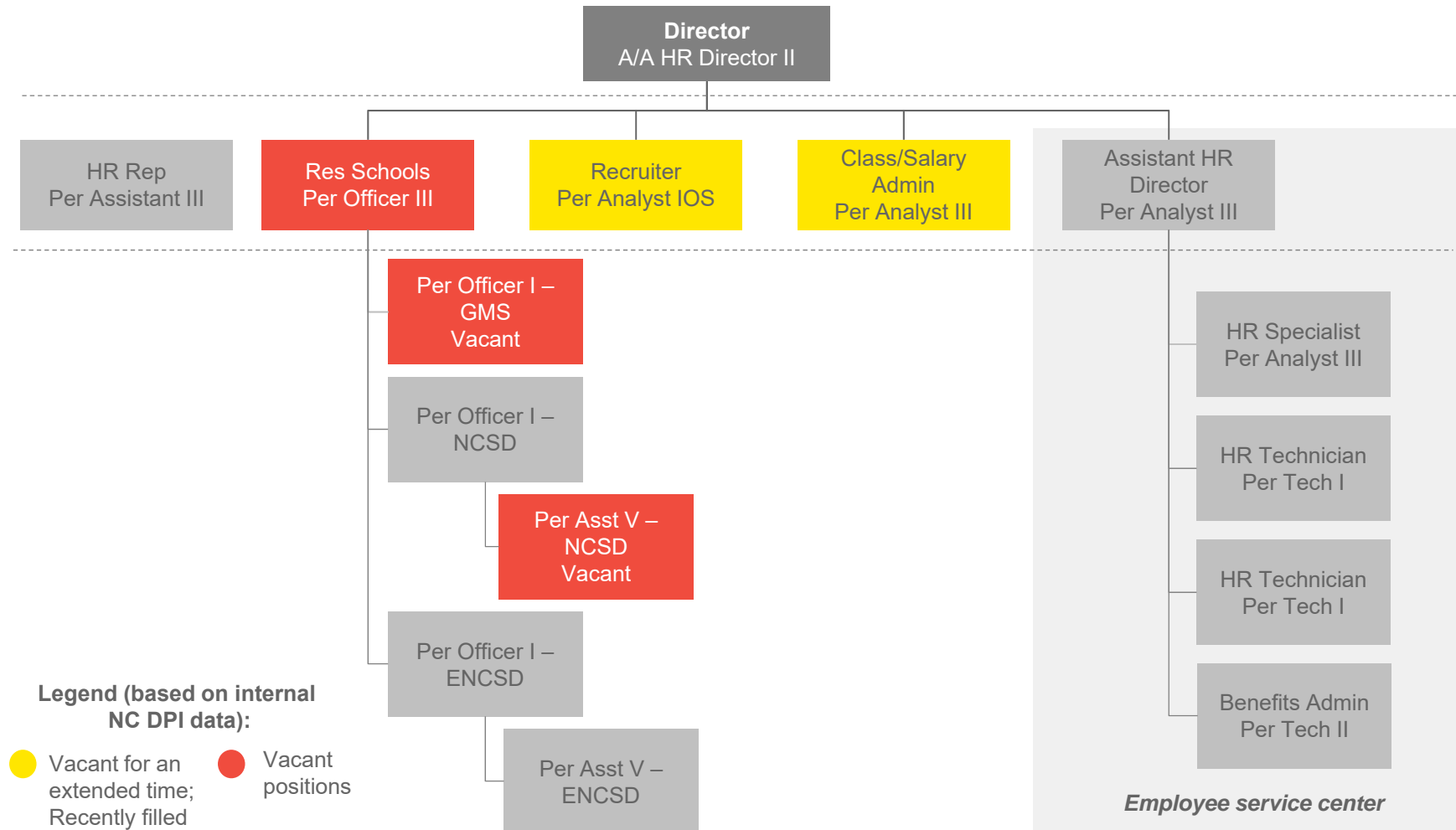
There is an opportunity to use existing technologies & leverage automation to expedite the Talent Acquisition process based on assessment of DPI's existing workflow



Source: EY interviews, internal documents, EY analysis

# Supporting analysis recommendation #15

NC DPI interviews highlight some key HR roles have been vacant for an extended period, aggravating challenges to complete HR transactions in a timely manner



Source: EY Interviews, internal documents, EY analysis



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# Supporting analysis recommendation #15

Interviews suggest that the HR office spends a significant amount of time backfilling roles at the residential schools and does not have sufficient capacity to focus on strategic functions

Functional areas	HR director	Assistant director	HR FTE 1	HR FTE 2	HR FTE 3	Benefits specialist	Recruiter
Onboarding/Off-boarding			x	x			
Residential School Support	x	x	x	x	x	x	
Recruiting	x	x	x	x	x		x
Salary/Classification	x						
Record Keeping (including time and attendance)				x	x		
Benefits/Leave						x	
Performance Management			x	x			
Data Management			x	x			
Equal Employment Opportunity/Employee Relations	x	x	x				
Succession Planning							
Learning & Development							

Source: EY Interviews, internal documents, EY analysis



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# Supporting analysis recommendation #15

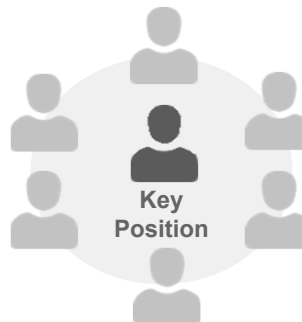
Leading practices indicate that succession planning can drive the smooth transfer of knowledge and responsibilities

## Costs of not planning (illustrative)

- ▶ Lack of clarity on talent gaps and needs
- ▶ Positions filled without a strategic vision: misplaced talent capabilities
- ▶ Potentially poor pipeline to support talent needs
- ▶ Uncertainty for employees
- ▶ Unprepared for significant organizational events
- ▶ High recruitment costs and extended lead times
- ▶ Prolonged and inefficient transfer of responsibilities and knowledge – lengthier time for new incumbents to achieve full capacity

**40%**

An executive talent search can range from 20-40% of annual compensation.<sup>1</sup>



## Potential benefits of planning

- ▶ Specifies the expertise needed to meet requirements for the future
- ▶ Identifies critical positions
- ▶ Generates pipeline of potential leaders
- ▶ Promotes and retains high performers
- ▶ Reduces uncertainty and strengthens employee confidence
- ▶ Enhances readiness for major events
- ▶ Reduces recruitment costs and shortens lead times
- ▶ Reduces time to achieve capacity in position: allows for smooth transfer of knowledge and responsibilities



**Robust team dynamics and inclusive culture**



**Critical capabilities defined**



**Pipeline of potential leaders identified**



**Targeted development to accelerate successor grooming**



**Top talent is retained**

Source: Corporate Leadership Council research: Succession Management Survey



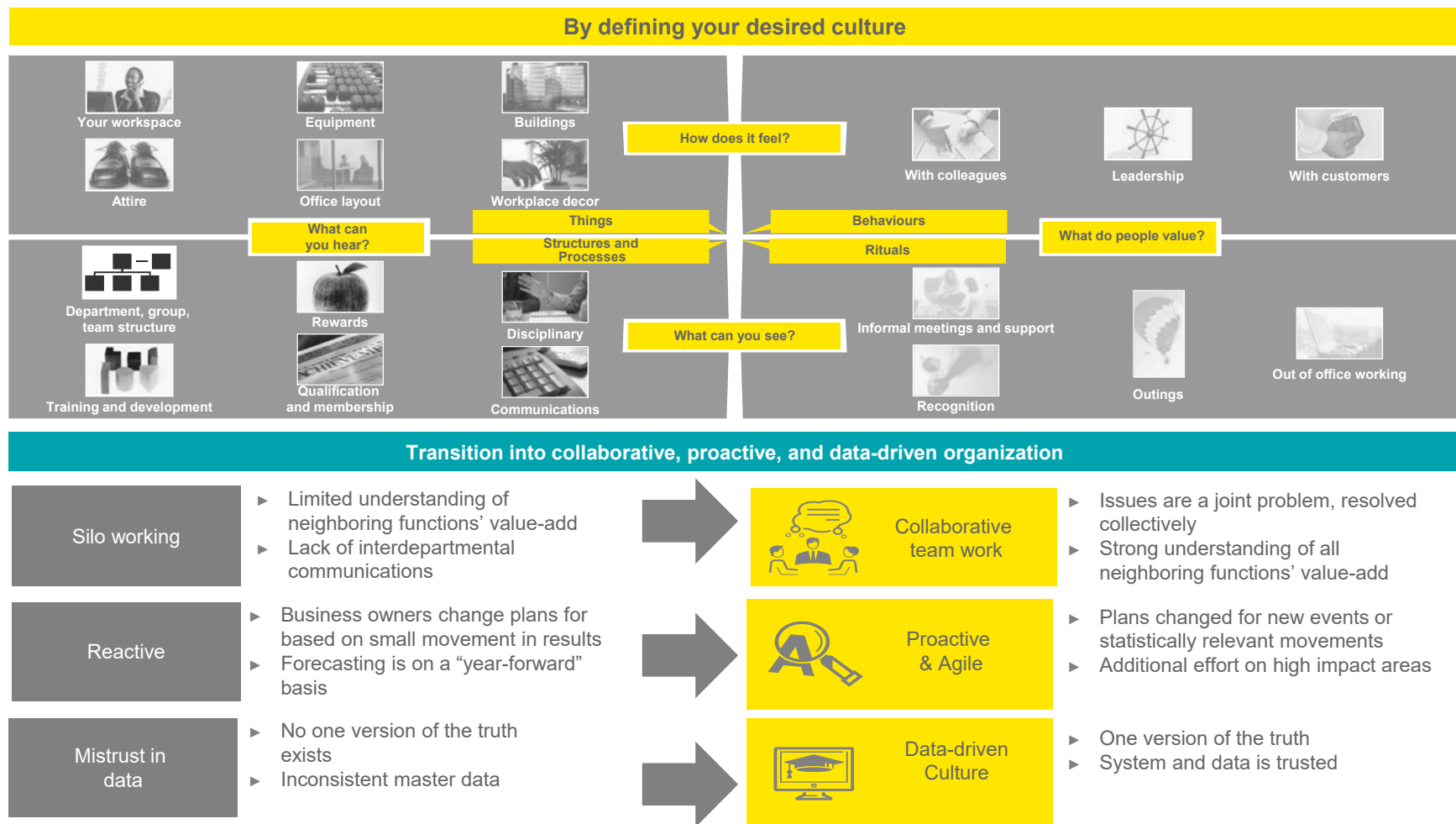
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# Supporting analysis recommendation #16

Leading practices demonstrate how aligning purpose and mission could transform an entity like NC DPI into a collaborative and innovation-driven organization

*Illustrative*



Source: Secondary research

# Supporting analysis recommendation #16

An employee survey could help identify needs, while improved communication tools and processes could contribute to reducing current silos

**Interviews indicate NC DPI staff feel as though there isn't consistent communication which can impact their ability to do their job effectively**

- ▶ “[We need more] collaboration and communication between Divisions and Sections, along with consistency of procedures across the board. A lot of times we feel so siloed even within the Sections of our Division and do not know what is going on with one another”  
– NC DPI Central Office Staff
- ▶ “DPI is organizationally structured based on legislative mandates/funding as opposed to being organized around specific outcomes. This has led to multiple areas working toward similar goals and impacting the same end users, but rolling out their services in silos. This then causes efforts to be duplicated, inconsistent and contradictory communications, and lack of accountability for results/performance.” – NC DPI Central Office Staff

**An employee engagement survey could help identify and track employee satisfaction and needs**

- ▶ Survey employees annual to understand level of satisfaction with job, understanding of agency priorities and assessment of employee needs
- ▶ Surveying employees annually can help to provide data around progress that is made to improve the communication and culture within the department
- ▶ When used effectively and shared back with employees, surveys can greatly increase organizational transparency and contribute to employees' sense of trust and morale

**Consistent internal communication can help to break down silos**

- ▶ A set of consistent communication structures can help to support broader awareness among employees of the work at NC DPI and foster more collaboration
- ▶ These could include structures such as:
  - ▶ Regular leadership team meetings
  - ▶ Monthly newsletters
  - ▶ Quarterly “all hands” or town hall-style meetings

Source: EY Interviews, internal documents, EY analysis



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# Supporting analysis recommendation #16

By making learning and development a priority, NC DPI can improve its ability to attract and retain the right talent



NC DPI could build a **roadmap designed to achieve change** through enhanced strategic governance, improved discipline, and a focus on developing the infrastructure for innovation in learning



- ▶ Grow learning and development (L&D) to be an enabling and strategic partner to business owners so that together NC DPI can meet transformation needs
- ▶ Elevate learning culture for everyone, in every part of the business – everybody leads, everyone can learn, transform the people to transform the organization
- ▶ Create an enriched learner experience which is personalized and meets the needs of the workforce

## Leading learning trends

**Centralized function:** Many leading learning organizations have a central learning team to consult with business units (BUs)<sup>4</sup> and **74.8%** of organizations make learning technology decisions centrally<sup>2</sup>



**Emerging Skills:** On average 8% of learning offerings are allocated to the latest professional or industry skills<sup>2</sup>

**Personalization:** 39% of organizations focus on developing learning pathways to address skill gaps in the next 12 months<sup>2</sup>



**Governance:** 81% of organizations focus on their learning organizational structure and governance in the next 12 months<sup>2</sup>

### Sources:

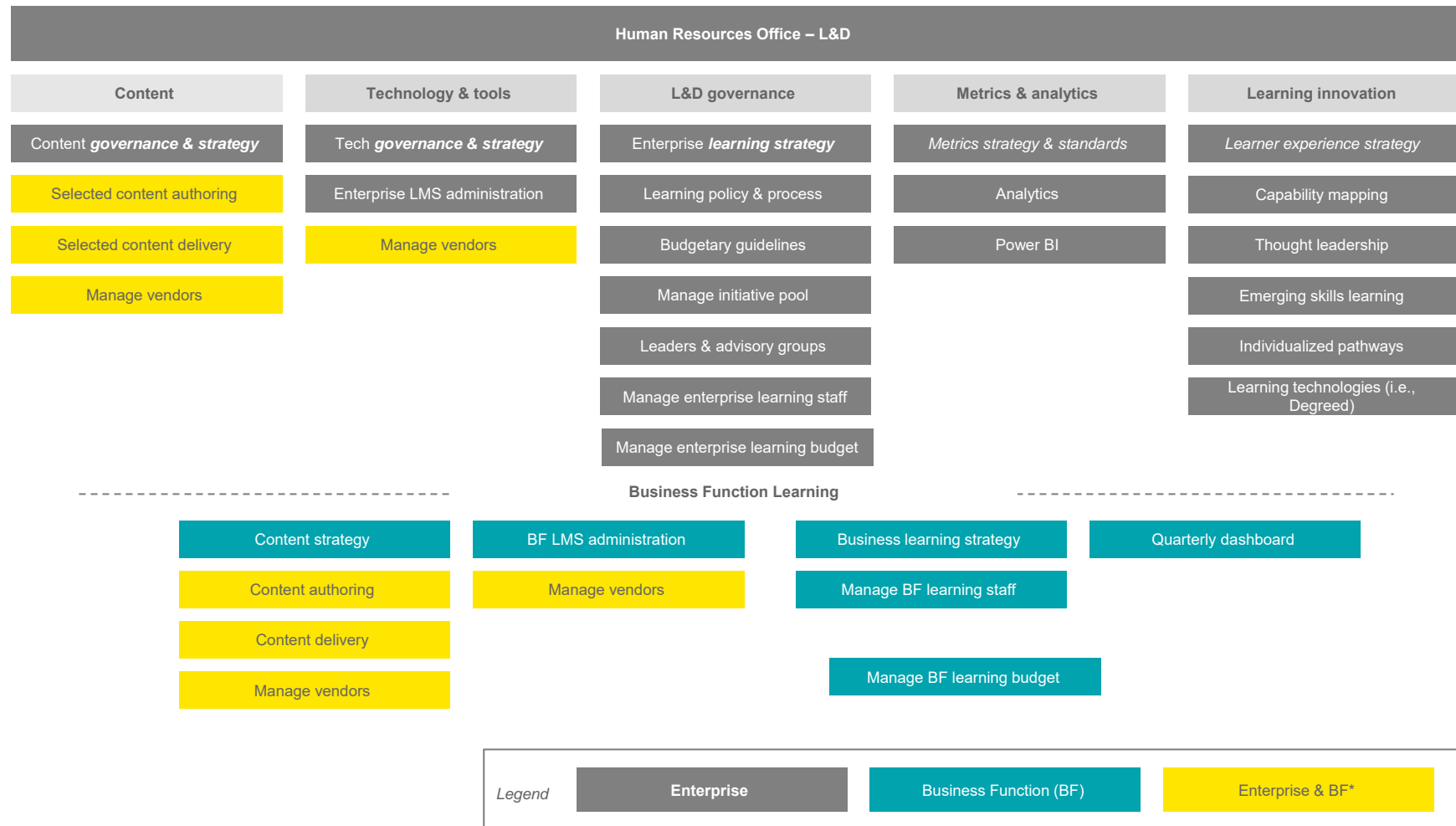
1. ATD: 2017 State of the Industry Report
2. Brandon Hall: 2017 Training Benchmarking Study
3. Training Magazine: 2017 Training Industry Report
4. Brandon Hall Excellence in Learning Case Studies

Source: Secondary research



# Supporting analysis recommendation #16

Example of operating model for Learning & Development function



Source: Secondary research

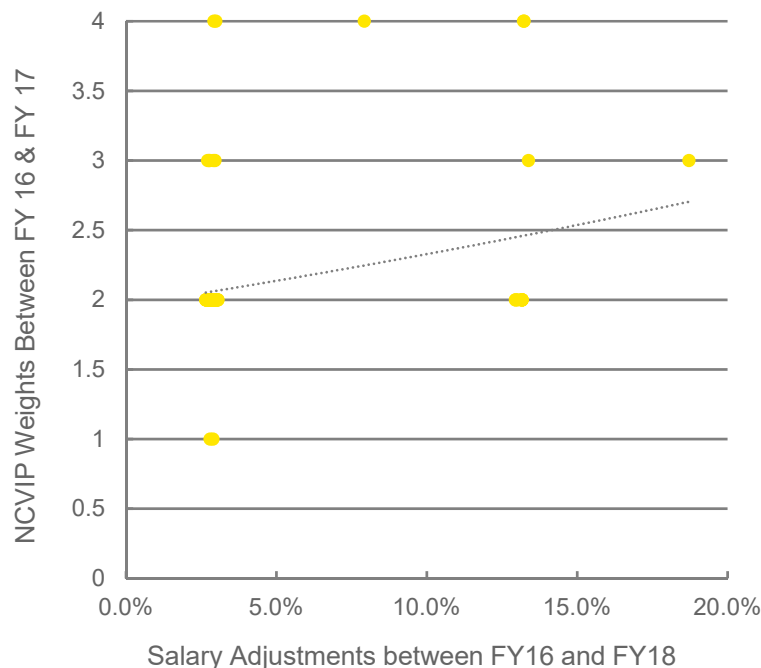


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# Supporting analysis recommendation #17

Analysis of NC DPI data suggests NCVIP-driven performance management results are not clearly correlated with compensation

Example 1: Education Consultant II (Total: 90 employees)



87%

Analysis of the data indicates **87%** of the employees classified as Education Consultant II received salary adjustments between **2.6% and 3.06%**, indicating that compensation based on performance is potentially **not differentiated** between low & high performers

16%

There is a **wide difference** noted in **this analysis**, as much as **16%**, among employees who perform at the same level

## Methodology

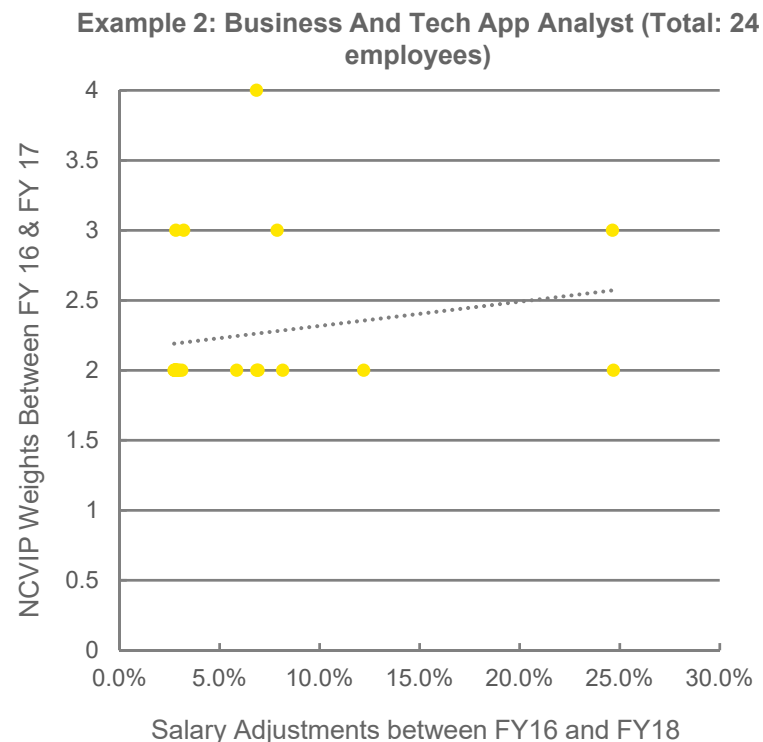
- ▶ Employees whose NCVIP performance management information is available for FY16 and FY17
- ▶ Employees whose compensation information is available for FY16 and FY18
- ▶ Job level to which over 20 people are assigned
- ▶ NCVIP Weightage = "Does Not Meet Expectation": 0; "Meets Expectation": 1; and Exceeds Expectation: 2 (e.g., FY16 "Meets Expectation" and FY 17 "Meets Expectation" Weight = 2)

Source: Beacon HR Data; methodology confirmed by NC DPI in advance of analysis



# Supporting analysis recommendation #17

There is significant variation observed in salary increases within a job level



**63%**

Analysis of the data indicates **63%** of the employees classified as Business and Technology Application Analyst received salary adjustments between **2.7% and 3.2%**, indicating that compensation based on performance is potentially **not differentiated** between low & high performers

**22%**

There is a **wide difference** noted in this analysis, as much as **22%**, among employees who perform at the same level

## Methodology

- ▶ Employees whose NCVIP performance management information is available for FY16 and FY17
- ▶ Employees whose compensation information is available for FY16 and FY18
- ▶ Job level to which over 20 people are assigned
- ▶ NCVIP Weightage = "Does Not Meet Expectation": 0; "Meets Expectation": 1; and Exceeds Expectation: 2 (e.g., FY16 "Meets Expectation" and FY 17 "Meets Expectation" Weight = 2)

Source: Beacon HR Data; methodology confirmed by NC DPI in advance of analysis



# Additional context



# Additional context

The state is also subject to specific federal requirements for LEAs and state agencies that require states to maintain support for specific federal programs

## NC DPI Maintenance of Effort Context

- ▶ NC DPI receives funds from various federal programs, but its largest federal funding streams include those consolidated under ESSA (Title programs), IDEA (special education), and Perkins (career and technical education, or CTE)
- ▶ While the majority of the funds NC DPI receives from the federal government are passed through to LEAs and schools, NC DPI does maintain some funds at the central agency level for state-wide programs and to cover grant and program administration costs; these funds are subject to maintenance of effort requirements

	ESSA (Title funding)	IDEA	Perkins
Federal program	▶ ESSA Title funds provide supplemental support for a range of student sub-populations (e.g. ELL, SPED)	▶ IDEA funds provides support for special education students and families	▶ Perkins program funding provides support for CTE programming statewide
SEA maintenance of effort requirements	▶ The state receives its full ESSA allotment for a given year provided: (1) the state's fiscal effort per student or in aggregate for the prior fiscal year is <b>at least 90%</b> of the fiscal effort of the second prior year, and (2) there is not an additional instance of noncompliance in the previous five fiscal years	▶ The state receives its full IDEA allocation provided the state has maintained its support for special education programs <b>at least 100%</b> of prior-year funding levels, relative to federal funding	▶ The state receives its full Perkins allocation provided the state has maintained its support per student or in aggregate for CTE programs <b>at least 100%</b> of prior-year funding levels
Other considerations	▶ <b>Consolidated reporting:</b> NC DPI is able to consolidate administrative cost reporting across ESSA programs because the department meets the requirements allowing for consolidation (state agencies must be <50% federally-funded to consolidate reporting)	▶ <b>Cross-agency collaboration:</b> DPI's Exceptional Children Division consolidates relevant state spending across agencies to complete IDEA's Maintenance of Fiscal Support (MFS) requirement for the state; agencies are: <ul style="list-style-type: none"> <li>▶ Dept. of Public Safety</li> <li>▶ Dept. of Health and Human Services <ul style="list-style-type: none"> <li>▶ Division of Public Health</li> <li>▶ Division of Vocational Rehabilitation</li> </ul> </li> </ul>	▶ <b>Cross-agency collaboration:</b> NC Dept. of Community Colleges is a sub-grantee of NC DPI for the Perkins grant; NC DPI FBS annually consolidates relevant expenditures to assess MOE <ul style="list-style-type: none"> <li>▶ <b>Expenditures excluded from MOE:</b> MOE calculations exclude spending on capital expenditures, special one-time projects and pilot programs in CTE</li> </ul>

Note: Under IDEA, state-level funding maintenance requirements are referred to as 'maintenance of fiscal support' (MFS) to distinguish from LEA-level 'maintenance of effort' (MOE) requirements  
Source: USED, NC DPI Financial and Business Services team, state education agency websites

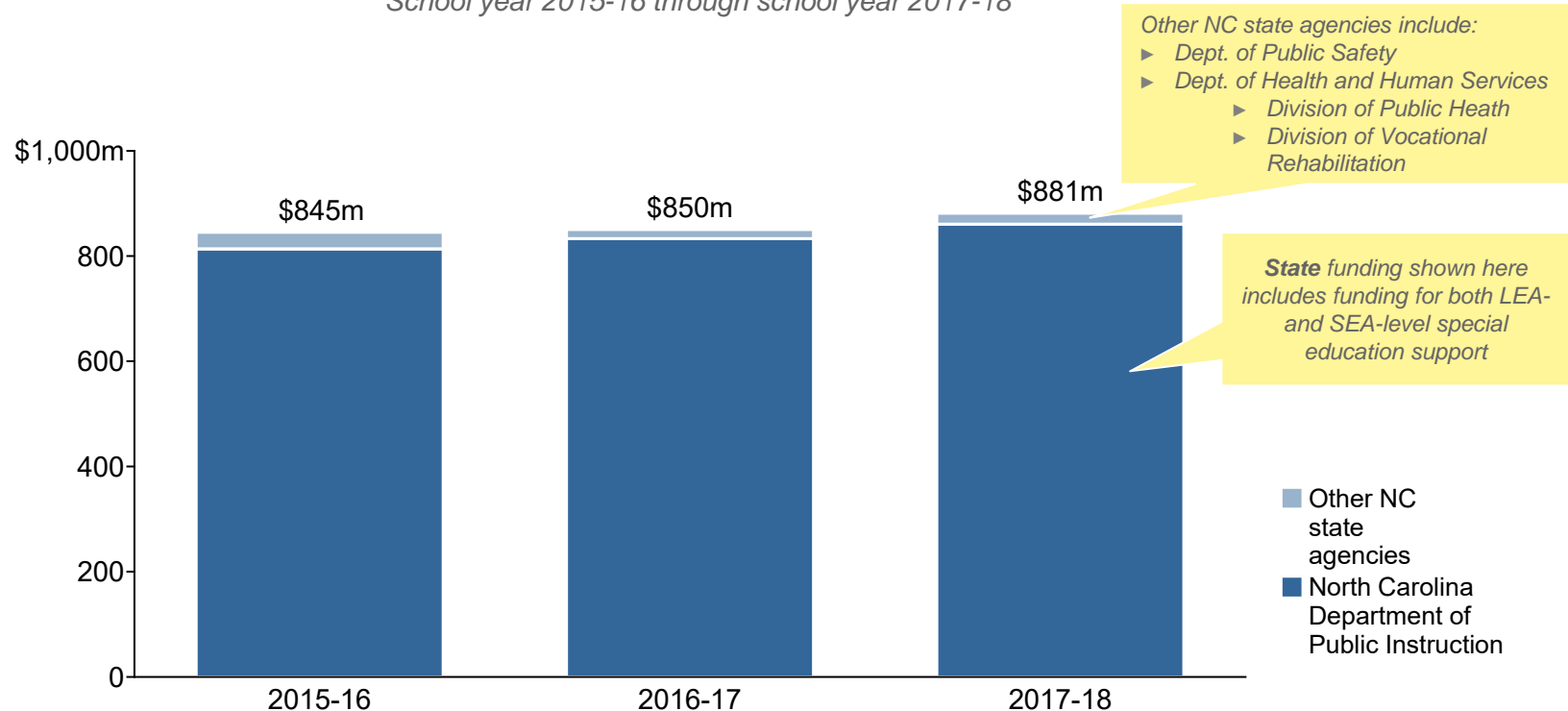




# Additional context

Maintenance of fiscal support (MFS) for IDEA is calculated statewide; federal and state funding for special education have both increased over the last three years

Multi-agency state and federal funding to support special education in North Carolina,  
School year 2015-16 through school year 2017-18



State funds available to DPI for SEA-level special education supports

\$27.7m

\$27.3m

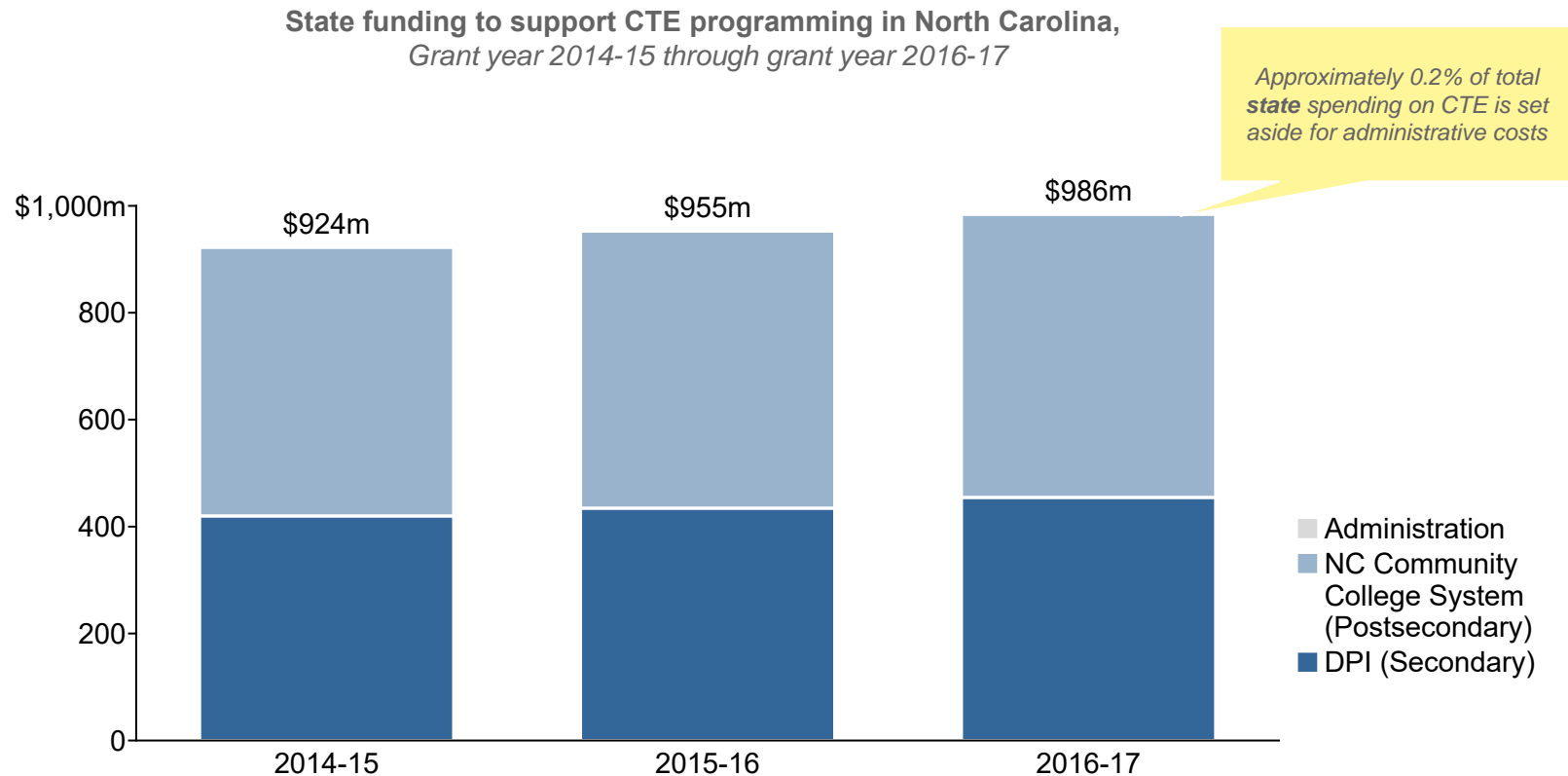
\$27.7m

Note: Maintenance of effort (MOE, used under ESSA and Perkins) is equivalent to maintenance of fiscal support (MFS, used under IDEA)  
Source: DPI Financial and Business Services team



# Additional context

Maintenance of effort calculations for Perkins-supported CTE programs include NC community college system funds; state funding has increased in recent years



Source: NC DPI Financial and Business Services team



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