

System Change Goes to School

A New Opportunity for CEO Leadership

A briefing paper for members

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Note: the situation analysis and point of view of this paper are solely that of the author.

Abstract: The future of cities depends on better schools. Emerging from this reality is a new movement now coming into clear view. The movement supports public education but rejects the incremental improvement strategy of the past thirty years as insufficient. Its leaders insist that our cities cannot get the schools we need for the 21st century by only concentrating on changing the ones we have. This movement makes an insistent case for civic leaders to push for an open sector, for new “organizational space,” so that new schools emerge to provide choices and an open door to innovation. Testimony from those in the vanguard suggests it’s possible to do more than create a few new exceptional schools; they say this is the opportunity to reshape the “industry” of schooling, to make teaching a true profession, to change the odds for kids not likely to succeed today.

THE CIVIC LEADERS of every city and region now urgently require an effective strategy for making the city a place where families that rely on public education will want to live. They know too that employers decide where to locate based on where they can find qualified workers.

The question, always, is: How to ensure that public education attracts those families and produces graduates qualified for work?

Meeting this challenge will require increased CEO-level attention – both to ensure adequate support for today’s system and to see that education, like other industries, has an “open sector,” where innovation is encouraged and supported. Where system change is possible.

Advocates of an open sector do not argue against the dominant system of schools. They do argue that cities should not bet the future of their kids on just one standard way.

That standard way has been to get good school district leadership, to provide adequate financing and to urge the educators to *do* improvement, to ‘fix’ the schools that we see as inadequate. We have assumed, too, that this would be and could be done *by* the school districts and *within* the traditional arrangement of public education organized in a regulated, public-utility model.

The nation has invested much time, much money and much effort on this strategy. The returns, while not nil, have been disappointing. Change has proved hard, and slow.

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We are now very conscious of how hard it is to improve existing schools by action of the districts that own and run

them. This should not be surprising: We are asking these organizations to do something that has never been done. Nowhere, ever, has public education educated all kids to high standards. As long as lower-skill factory jobs were an option, it didn’t seem to matter. Now it appears that only those young people who are educated to higher standards will get good jobs.

National Association of Educational Progress (NAEP) tests are the only way we have to compare how American students are doing. Those tests, from cities and suburbs combined, show today’s students at achievement levels somewhere between 24 and 31 percent of international standards. Students, on

average, actually slide downward on the achievement scale between the 4th and 10th grades. The naive assumption made in many suburban areas -- that beating the U.S. averages is success -- is a problem in itself. Even the best young minds may not be reaching the new standard.

It is easy to say that schools are not as good as they once were. Many educators claim that schools are actually better. Whatever the truth is, the world has changed. The challenge is different. The economy has transformed the definition of a qualified worker. And we are not keeping up.

Polarized politics over schools have not helped. We now seem paralyzed by calls on the left suggesting that the answer lies in more money, and on the right, by the claim that only full privatization can get better results. Meanwhile, elected leaders consistently call for change and hope it comes. Even though we know hoping for improvement is not a strategy.

Most people agree that adequate money does make a difference and good educators make a difference. But arrangements – the way the system is organized -- make a difference too. Arrangements saddled with bad incentives, however unintentional, often override the best efforts of good people with good financing. Organizations tend to behave the way they are structured and rewarded to behave; the people in them do what they have reasons to do and opportunities to do. If we want them to behave in some different way, it follows that changing the structure of

opportunity and reward, the incentive-structure of the system, may be necessary.

Most civic leadership efforts, though, have been limited to adding resources, doing improvements and trying to get strong leadership for the district.

In the discussion on October 24 we will hear first-hand about strategies that lie

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outside this traditional arrangement; outside the traditional 'given' that schools must be owned by the district and

administered by its superintendent, that all the teachers must be employees, and that there can be only a single organization offering public education in a community no matter how large.

DELEGATE

- 1. The first strategy breaks away from the notion that the board must *own* and its superintendent must *run* all the schools it has. It opens to the idea that the board can make contracts with other organizations to run some schools.**

This strategy gives schools on contract real autonomy to decide how the job of education is done and how the money is spent. It holds the schools accountable not for process but for performance.

A number of states have authorized district boards to go into what has sometimes been called 'school-based management'. For years the most important case was in **Edmonton**, Canada. Overseas, **Britain** enacted 'local management' in the mid-1980s. In the U.S., this strategy was most visible in the reform enacted in 1988 when Harold Washington was mayor of **Chicago**; parents were given a greater role in school management. The Chicago experience was immensely controversial from the start, and many today consider the 1988 reforms a failure.

What lesson emerges from this push for decentralization? The weight of national evidence suggests that, absent some change in the formal "arrangement," real school autonomy is always at odds, always trapped in tension, in a district where schools are controlled by a central administration.

As a result, some states now allow boards to convert existing schools to "chartered" status. The Education Commission of the States is working on the design of what it calls a "charter district", in which *all* schools are converted to this more autonomous but also more accountable relationship, with the board as a policy board then focusing on objectives, resources, assessment and consequences. **Seattle** high schools are today a kind of laboratory for this form of "chartering," within the district. The Seattle effort benefits from a close relationship to the business community and considerable additional resources from the Gates Foundation.

CREATE

2. A second strategy sees the school board and its leadership moving beyond existing schools -- getting better schools by creating *new* schools.

These boards make new schools a part of the local program of public education through both charter and contract.

Since about 1970, districts across the country have supported a surprisingly large number of so-called “alternative schools,” usually as a way to deal with kids who “did not work out” in regular classrooms. These schools are sometimes district owned and operated, but often run by nonprofits or even for-profits on contract to the local board.

We are also beginning now to see contracts, agreements, made with partnerships of teachers – to run either a school, a department of a school (science or math, for example) or a program district-wide. This practice opens the door to dealing with teachers as we deal with other professionals.

Forty states now have chartering laws. All but Massachusetts and New Jersey give local boards the opportunity to use these laws to create new schools.

Chicago is a prime example of a city using the state chartering law to create new schools, under the supervision of the district leadership but organized in a new sector of the district. By 1995 Mayor Richard Daley had this tool, and also full responsibility for the city schools. The mayor has recently persuaded the state to increase the

number of new schools Chicago may charter, though the total it can create is still limited by Illinois law. Under Daley’s leadership, Chicago stands out as a city in which a strong effort to improve existing schools goes hand-in-hand with a vigorous push for new schools. **New York City** is considering creating 200 new schools under that state’s chartering law. The Gates Foundation recently announced it will underwrite 67 new small schools there. So far, Gates resources are directed at helping districts create new, always-smaller schools, through intermediary organizations.

The **Los Angeles** school board and superintendent (a former Colorado governor) were a year ago in support of a group that would create many new schools, a sort of shadow district. Neighborhood surveys showed wide support for more choices. But schools board elections came, people dedicated to protecting the system as it stands won, and the initiative withered.

Another force for change is the emergence of other institutions, such as universities, who see the creation of better schools as part of their community mission. Consider the example of Clark University in **Worcester**, Massachusetts. Clark University, as a part of their strategy to restore vitality to the neighborhood around it, sponsored a new high school. Nearly every student is from a low-income family. Nearly every student is graduating and headed for college, with achievement scores ranking with the best of Massachusetts schools. Real estate values in the neighborhood are

headed up again, as families buy nearby homes in the hope of seeing their kids attend this school. University Park High, while it enjoys a special relationship with the university, remains a part of the Worcester school district.

Where new schools are created, teachers committed to changing the system are usually found. Some of them are asking why shouldn't teachers have the same opportunities for professional practice as doctors or lawyers? That's the proposition suggested by the small but potentially potent movement known now as "Teachers as Owners." Teachers, once fully in charge, say they're working harder than ever, but that morale is better and the results are worth it.

The latest variation on this theme is under way in **Milwaukee** where the district recognized teachers who wanted autonomy to run a school differently. In a city that, like **Cleveland**, makes education news more often for a voucher program, teachers organized themselves as a "cooperative" in an agreement that allows them to run the school while retaining their employment rights and benefits with the district. It's a variation on the Teachers as Owners idea that unions might welcome elsewhere.

INNOVATE

- 3. The third strategy introduces the idea that, to create the new schools, the state will make available some authorizing entity *other than the local school board.***

In many communities the local board – for whatever reason – will not act to create new schools. These boards often refuse even to grant a reasonable measure of autonomy to their existing schools. In these situations the civic leadership – the city, the mayor, the CEOs of the leadership institutions – may need to ask the state, as the architect of the system, to designate "somebody else who will."

In **Milwaukee**, the effort to change the regular public schools showed little promise until vouchers (one version of "somebody else") offered wider choices.

A number of states have acted to "get somebody else who will." The clearest case of this strategy is in **Washington, D.C.** There the civic leadership, enormously frustrated by an unresponsive school district and board, in 1995 went to 'the legislature' – in its case, the Congress – and secured the creation of a second and independent entity to offer public education in the city: the DC Public Charter Schools Board. That board has created new schools that today enroll about 15 percent of the students in the District of Columbia.

In one city, **Indianapolis**, the mayor has direct, independent chartering authority from the state to create new schools.

In **Buffalo**, the school district is caught in a spiral of decline – fewer students, diminished resources, and disappearing credibility. The district is tied to the city, which is itself in receivership. Here the State University of New York at Buffalo

is playing a key intervening role. The university president is supporting an effort to design a district in which all the schools are “chartered” schools – with more autonomy and strict accountability. The Buffalo school district, probably typical of many across the nation, is now asking for help. The school superintendent is saying that the time has come to try a substantially different approach to schools.

Here is a way of thinking about these strategies and stories of school change. They all rest on one simple, central idea: that in the effort to improve public education it may not be sufficient to leave all the chips bet on the local district being able to change existing schools, or change them enough, or quickly enough.

The advocates of this strategic shift have a core message: We cannot get the schools we need only by fixing the ones we have. As Paul Grogan in *Comeback*

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Cities says, “The key to running an effective public education

program is not changing the size or shape of the monopoly, but ending – or at least profoundly challenging – the monopoly.”

This approach may seem to defy common sense. “Be realistic,” some people quickly say. “All these experiments don’t amount to a hill of

beans. More than 90 percent of the kids are in the district schools,” they say. “We’re the ones who run the district schools. Work with us. This is where the job has got to be done. We believe we can do it. We just need more time, more resources, more support.”

But of course this is the ‘strategy’ the U.S. has pursued over the 20 years since the *Nation at Risk* report, America’s wake-up call on quality. And it is clear how difficult it is for the districts to change existing schools. The high schools especially seem almost intractable.

Advocates for a strategic shift in civic leadership on this question say that we have more than enough experience for practical people to see that if we continue to limit our effort to trying to change the schools we have, we would run a serious risk. They point out that this is not a prudent risk to take. It is not even a necessary risk to take – given that most states have in place mechanisms also to create schools new. Is it a risk leaders should continue taking – particularly with other people’s children?

Mayors increasingly ponder this question. Despite the political risks, mayors in **Washington, D.C.** and **Pittsburgh** are talking about dissolving school boards and taking charge.

Regardless of who’s running schools districts, though, the constituency seems to be growing now to hedge the bet; to add to the effort to ‘fix’ existing schools a new and parallel effort to *create different and better schools new*.

If this agenda is to move forward, civic leadership will be necessary. It will be uphill and against the wind. It will have to overcome the belief many educators seem to hold that it is the kids who are the problem. And while people always want things to be better, they're usually against change. One former teacher, union official, legislator, and state education official in Minnesota – puts it perfectly: “Almost everybody wants the schools to be better, but almost nobody wants them to be different”.

Why is this? Perhaps in part, it's because policy leaders themselves did well in school. So did their children. So schools must be OK. Let's just work harder.

But different times – and different kids – may require different kinds of schools. And building *new* is certainly the way we change and improve in most areas of life. We see this all the time, certainly in private and non-profit organizations. We do rebuild some old structures. But we also build new. Gradually over time new things replace old things.

If creating new schools is now the necessary condition for improving education, it is, happily, *possible*. Most states now have in place mechanisms to create different public schools new. In the states that do not, yet, the mechanisms can be created.

The need to consider new strategies has not been removed by the recent national legislation promising to “Leave no child behind”.

The law is essentially a command – to the districts and to the schools and to

the students – to ‘do better’. The command may not be sufficient. If any one of us suggested to a colleague, “You should swim across the English Channel this weekend,” what good would it do?

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It is not a good idea to order people to do what they are not able to do. As

presently arranged, public education seems unable to do what it is being ordered to do.

We have not “arranged” or structured public education the way we have structured other institutions from which we expect high performance, and excellence. The system is not designed and not run as a self-improving organization. It is not built to leave no child behind.

If this goal is as important as it seems, then it would seem equally important to design a system capable of fulfilling it.

Most people would agree, but it's still typical to hear, “OK, we should be helping the schools to improve. We should pitch in and help more.”

The question is whether “pitching in,” while noble sentiment, is counter-productive strategy. Whether it is the equivalent of doing your daughter's homework. Can public education succeed, as a system, if it is treated like a patient in intensive care, supported by pulleys and hooked up to tubes and wires flowing-in stimulus and

nourishment from the outside. The more compelling question is how our system of schools can become a *self-improving* institution.

The bottom line quandary: how is this done?

A CEO of what is now Target Corporation in the **Minneapolis-St. Paul** area used to ask, wisely, “Is improvement something you *do*, or something that happens if you get the fundamentals right?” All their experience in that corporation was that improvement -- productivity, change, innovation -- is something that seems to just happen, but only when executives get the fundamentals right.

Perhaps it is the same for schools. Maybe nothing is now more important for the improvement of public education than to “get the fundamentals right”, doing things that catalyze improvement rather than *doing* improvement.

The key may be to create new organizational space – a zone for innovation – both within and separate from today’s school districts.

No better time will come for CEOs – across all sectors – to take the lead in pushing for a system of education that supports the schools we have but withdraws the exclusive franchise and welcomes new schools.

As CEOs from city governments, universities, non-profits and the business community, please come to this meeting with your own stories and ideas. Think about what questions the organization should pursue, what next steps to take with this challenge. Neal Peirce and Curtis Johnson of the Citistates Group will prepare, in the weeks following our fall meeting, a report based on the October 24 discussion.