

EXECUTIVE SUMMARY

"The right structure does not guarantee results. But the wrong structure aborts results and smothers even the best-directed efforts." -- Peter Drucker, Managing for Results

Nearly two decades of intensive reform and innovation have dramatically altered the landscape of American public education. Standards are in place in most states and districts, providing the basis for new ways of measuring and attaching consequences to the performance of students, teachers and schools. A variety of promising new national and state initiatives focused on improving teacher quality are under way. Charter schools, classroom technology, comprehensive school reform models and other innovations have changed the look and feel of public education, providing parents and students with a greater range of options and opportunities.

The nation's aspirations for public education have changed, too. Added to the traditional goals of broader access to schools and increased attendance is the belief that all students can and should be expected to achieve at high levels. As the public education system attempts to fulfill this new aspiration, some schools and districts are performing closer to the mark than others. While there are numerous school districts in which many students are achieving at satisfactory levels, few people believe that schools are as good as they can and ought to be, particularly in urban districts.

With the move to a standards-based system, the focus of policymakers and the public has shifted from which children fail to which schools and districts are failing children, why they are failing and what should be done in response. At the same time, there is unprecedented interest in the lessons to be learned from the experiences and accomplishments of districts and schools that are doing a good job of preparing students for the world that awaits them.

Over the past two decades, research has yielded a strong and growing body of evidence on what makes a successful school. The key elements are:

- A clear focus on academic learning in a climate of high expectations
- A safe and orderly school environment
- High standards for teachers, coupled with ambitious and ongoing professional development activities
- Collegial decisionmaking and a supportive professional environment organized around a common mission
- A partnership with parents and others in the community in support of students' high achievement
- Accountability for student performance.

Governance Matters

Conditions vary among school districts, typically along social and economic lines, and seem to affect the degree to which the elements of successful schools are present within a district. Given the higher demands on public schools and the different conditions among districts, one way to increase the number of successful schools may be to alter public education governance – that is, change who makes what education decisions within states, districts and schools.

Governance arrangements establish the rules of the game. They determine, through statutes, collective bargaining and other legal agreements, regulations and court rulings, who is responsible and accountable

for what within a system. In the education system, the real work of learning happens in the classroom, in the interaction between teacher and student. But as the Committee for Economic Development noted in its 1994 report, *Putting Learning First: Governing and Managing the Schools for High Achievement*, "this interaction is affected by innumerable large and small decisions made by principals, school boards, superintendents, state legislatures, education department officials and the federal government. These decisions and their implementation can either aid or hinder quality education in the classroom. This is the heart of education governance." Without good governance, good schools are the exception, not the rule.

The Governing America's Schools Initiative

In January 1998, the Education Commission of the States (ECS) began work under a multi-year grant from the Joyce Foundation to examine K-12 public education governance. The major purposes of this project, called the Governing America's Schools initiative, are:

- To produce information about public education governance to help policymakers, educators and the general public make informed decisions about how to improve governance
- To promote a national dialogue among policymakers, educators and the general public about how states, districts and schools can improve governance.

As part of this initiative, ECS in February 1999 formed the National Commission on Governing America's Schools to develop options for improving K-12 public education governance. The National Commission's charge was to present ideas and strategies concerning modifications in K-12 public education governance that may lead to improvements for all students.

ECS invited a variety of individuals to serve on the National Commission. Members include current and former state and local school board members; current and former state and local superintendents; current and former teachers; for-profit education and charter school representatives; governors; business leaders; education, social services and public-sector reformers; a state legislator; and a teachers' union leader. Many National Commission members are parents as well.

The National Commission's Report

The National Commission considered several approaches to governance and chose to develop two for consideration by states and districts seeking improvement in their schools. These two approaches are based on available research about the relationship between governance systems and educational results; the experiences of states, districts and schools in changing their governance systems; and the various perspectives of National Commission members on this issue. The two approaches are:

- **A system of publicly authorized, publicly funded and publicly operated schools, based on some of the more promising trends within the prevailing system of public education governance**
- **A system of publicly authorized, publicly funded and independently operated schools, based on some of the more promising alternatives to the prevailing system of public education governance.**

These two approaches to public education governance are *evolutionary*, rather than revolutionary. Far from dismantling current structures and processes, they seek to preserve public education and build on the strengths of the prevailing system, and to infuse it with a greater capacity for adaptability, flexibility and accountability. In fact, many of the ideas and strategies embodied in these two approaches already are

being implemented in states, districts and schools across the country: school-based decisionmaking, performance-based accountability, school choice and new kinds of relationships between schools and districts, as in the case of charter schools.

But thus far, too few states and districts have been able to put all of these ideas and strategies together into a coherent whole and to grapple successfully with the two trends that have dominated education reform for the past 15 years: the push to establish high standards and use them to improve performance and strengthen accountability, and the push to decentralize decisionmaking, shifting greater authority, and the ultimate responsibility for results, to the school level.

The challenge of balancing these two trends and making them work together, rather than at odds, is crucial to realizing the full potential of reform. After all, how can people on the front lines be legitimately held accountable for results unless they have real control over managing, staffing, allocating resources and other day-to-day decisions? And how can state and district leaders do a good job of steering the boat when they are so bogged down in rowing?

Two Systems of K-12 Public Education Governance

The first approach developed by the National Commission accelerates the promising changes already under way, moving from the traditional one-size-fits-all *school system* to a more dynamic, diversified and high-performing *system of schools*. As in today's system, this approach calls for public authorities (primarily school districts) to fund, authorize, operate and oversee schools, although some schools are permitted to operate independently as charter schools.

Roles and responsibilities are redefined to focus states and districts on establishing clearly defined goals for schools, and providing them with the resources, tools and support they need to succeed. School staffs have greater autonomy and flexibility, but are held more strictly accountable for producing results. There are incentives for success and consequences for failure, and schools that do not meet established standards can be reconstituted. There is an emphasis on high standards, capacity building, collaboration, school choice, and diversification of educational opportunities and experiences.

The National Commission's second approach goes much further, significantly redefining the roles, responsibilities and interrelationship of states, districts, schools, communities, and public and private organizations. In this system, public authorities (primarily school districts) fund, authorize and oversee the performance of schools, *but do not directly operate them*. Instead, districts contract with independent entities – nonprofit and for-profit organizations, sole proprietorships, cooperatives – to run schools in much the same way they currently do charter schools.

In this system, teachers, principals, parents and others have considerable freedom to design, create and operate schools, limited only by state and federal laws and the terms of their contract with the district. Parents are allowed to enroll their child in any publicly funded school in the district (including private and parochial schools that come into the district).

This system has rewards for success and consequences for failure. It gives districts the authority to withdraw funding from schools that do not work and reward those that do. There is a strong emphasis on actively mobilizing all of the community's resources around the goal of educating children and on drawing on the energy and fresh ideas of public and private organizations.

The two governance models share significant common ground. Both call for the following:

- Strengthening, not discarding, the public system of education
- Allowing money to follow the child to the school he or she attends
- Granting individual schools control over their personnel and budget
- Giving parents more choice about where their children attend school
- Providing good information on student, teacher and school performance for parents and the community
- Redefining labor/management relations
- Focusing accountability systems on improved student achievement
- Strengthening local school boards.

Next Steps

Clearly, the time is right for a broader, more vigorous discussion of this important issue. Across the nation, states and districts already are taking dramatic steps to alter governance structures and change how schools are designed, funded, managed, overseen and held accountable. Consider, for example:

- In early 1999, Michigan lawmakers enacted legislation that removed Detroit's locally elected school board and gave the city's mayor the authority to appoint a new school board. The new board has hired an interim CEO, undertaken a massive effort to repair the district's school buildings and begun to explore strategies for improving academic achievement. As part of this effort, the board is wrestling with the question of how much decisionmaking authority to maintain at the district level and how much authority to move to the school level.
- In Florida, state leaders recently appointed a task force to take a comprehensive look at how the entire public education system -- from kindergarten through college -- is governed. The change was prompted by a constitutional amendment that alters K-12 governance structures at the state level.
- California policymakers are exploring the possibility of creating a master plan for K-12 education, including a redefinition of the roles, responsibilities and interrelationships of the state, school districts and schools. Legislative staff members have prepared a first draft for state leaders, who are debating whether to move to the next step of the master planning process.

In the final phase of the Governing America's Schools initiative, the National Commission and ECS staff will do the following:

- Engage a national audience in discussion and debate about K-12 public education governance, including writing editorials and articles, and convening state, regional and national meetings
- Work directly with state and school district leaders interested in rethinking and redesigning their governance systems.

Toward these ends, the National Commission and ECS call on states and districts to convene appropriate groups of state, district, school and community leaders to explore ideas offered by the National Commission, as well as others, and define specific steps toward improving K-12 public education governance.

A SYSTEM OF PUBLICLY AUTHORIZED, PUBLICLY FUNDED AND PUBLICLY OPERATED SCHOOLS

The State Creates a Context for Schools and Districts to Excel.

State leaders possess unique opportunities to express public expectations for schools and to establish a policy framework that supports these expectations. The state:

- *Promotes high expectations*
- *Establishes academic standards*
- *Provides adequate financial resources to districts*
- *Manages education information and reporting systems*
- *Develops the state's K-12 public education infrastructure*
- *Holds districts accountable for student performance*
- *Aligns education codes with the demands of performance-based accountability.*

The District Creates an Environment that Allows Schools To Focus on Teaching and Learning.

The school district directly operates public schools, but also allows the creation of some independently operated public schools, such as charters. The district hires the superintendent and principals, recruits teachers and other school staff, bargains with unions, provides services and holds schools accountable for results. School board policies provide guidance and direction to the district and create a framework within which the superintendent and other district employees work. The school district:

- *Creates a vision for the district*
- *Establishes districtwide standards and strategically aligns resources and policies to support them*
- *Monitors, analyzes and reports school performance*
- *Provides instructional leadership*
- *Creates incentives for progress and consequences for failure for all decisionmakers in the district, as well as for students*
- *Gives parents the right to choose any public school in the district*
- *Engages parents and the community, and partners with public and private organizations.*

The School Creates an Environment Focused on Teaching and Learning and Is Held Accountable for Results.

As schools increase their ability to achieve district standards, they gain increasing freedom to accomplish results. They assume more direct programmatic, professional and financial responsibility for management of the school's instructional program. The individual school:

- *Develops, implements and continuously fine-tunes plans for improving student learning*
- *Hires, evaluates and fires teachers and other school personnel*
- *Writes its own budget and receives funding on a weighted per-pupil basis*
- *Raises private revenue (up to a limit)*
- *Allocates resources as it sees fit*
- *Determines staffing patterns and class sizes*
- *Determines employees' salaries*
- *Purchases services from the district or from outside providers.*

A SYSTEM OF PUBLICLY AUTHORIZED, PUBLICLY FUNDED AND INDEPENDENTLY OPERATED SCHOOLS

The State Creates a Context for Schools and Districts to Excel.

In a system of independently operated schools, the state:

- *Promotes high expectations*
- *Establishes minimum content and performance standards in a limited number of areas*
- *Provides adequate financial resources to districts*
- *Holds districts accountable for student achievement.*

Because the roles and responsibilities of schools, districts, and public and private organizations are quite different within this system, changes in state statutes and education codes are necessary, such as:

- *Providing for the transformation of local school boards into chartering boards (CBs) empowered to authorize, fund, oversee and hold schools accountable for performance*
- *Reducing existing state restrictions on the use of both operating and capital funds*
- *Amending collective-bargaining laws so schools can hire and negotiate with principals and teachers*
- *Authorizing public school real-estate trusts and allowing schools to lease space from them*
- *Granting parents the right to choose any publicly funded school for their child.*

The District Creates an Environment that Allows Schools To Focus on Teaching and Learning.

Independent entities -- individual nonprofit or for-profit organizations, cooperatives, sole proprietorships and the like -- operate most public schools in a district, under contract to the school board, i.e., the chartering board. Only in special circumstances does the district operate schools. Specifically, the district:

- *Authorizes, distributes public funds to and oversees schools*
- *Educates, recruits and refers staff for schools*
- *Provides timely, accurate and reliable information about schools*
- *Rewards schools that fulfill their charter requirements and removes funding from those that do not*
- *Engages in active partnership with public and private organizations.*

The School Creates an Environment Focused on Teaching and Learning and Is Held Accountable for Results.

Each school is an independent legal entity, bound to a CB by its charter. Schools occupy their own buildings, share buildings with other schools or provide children access to learning opportunities throughout the community. Each school defines its mission, curriculum and instructional program. In this system, the school:

- *Sets standards, writes curriculum, designs instruction and controls use of time*
- *Writes its own budget and receives funding on a weighted per-pupil basis*
- *Borrows and spends money, purchases and leases space and equipment, buys insurance and purchases advice and assistance*
- *Raises private money (up to a limit)*
- *Hires and evaluates principals, teachers and other school staff; negotiates their pay, benefits and responsibilities*
- *Establishes standards and processes for student admission*
- *Is free to impose requirements related to student effort, attendance and conduct.*