BREAKING THE MONOPOLY: Public schools today, the author argues, are stifled by centralization. His solution: Turn every one of them into a charter school

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In every public school, there are one or two teachers who everyone knows should not be teaching. You remember them. If you have kids in public school today, you can probably name them.

Once they get tenure -- after just two or three years of teaching -- they are virtually impossible to fire. Most principals simply put up with them; aggressive principals transfer them elsewhere. In Milwaukee this annual exercise is known as the "dance of the lemons." In Houston it's called "passing the trash."

Why can't principals fire teachers who clearly aren't up to the job? Houston school board member Donald McAdams thinks he knows the answer. When he joined the board 10 years ago, any principal who tried to fire a teacher bought himself a long guerrilla war. The teacher often filed a grievance, tying up enormous amounts of the principal's time, and the union often set to work spreading rumors and making life difficult. If the principal persisted, the teacher still couldn't be fired unless the school board approved the termination. The teacher could then appeal to a committee of teachers and administrators -- and then appeal that decision back to the board. At that point, board members had to spend two to three days holding a formal hearing -- something they, as unpaid volunteers, found extremely difficult. "On more than one occasion," McAdams reports in a new book on education reform, the president of the Houston Federation of Teachers (HFT), the city's largest teachers union, "threatened openly that if the superintendent and board did not work with her on teacher termination issues, she would simply appeal every case to the board and tie it up in endless termination hearings."

Once the hearing was over, the teacher couldn't be fired unless five of the nine board members denied the appeal. "If the teacher accused the principal of racism, and this happened, holding the five votes for termination was very difficult," says McAdams. If five members did vote to terminate, the teacher could still appeal to the state commissioner of education. And if the teacher lost there, he could sue for wrongful termination.

The result: Very few teachers were ever fired. According to McAdams, the district spent up to $6 million a year "on employees who had been parked in nonjobs" in the early 1990s -- and untold millions more on those who had been transferred to jobs they could not perform effectively.

McAdams and his colleagues struggled to overcome this problem for years, coming up with plans to delegate the board's role in hearing appeals to professional hearing officers, to hold teachers more accountable for their performance, and to allow administrators to "reassign, retrain and even remove personnel based on job performance rather than seniority." Each time, the HFT opposed them, and the measures were defeated.

All along, the union repeatedly invoked its ultimate weapon. The school board was planning a bond issue to build new schools and renovate old ones. Teachers unions virtually always support bond elections, but the HFT balked. "Every time a major HFT issue was before the
board,” McAdams writes, the union’s president, Gayle Fallon, "threatened that if the board voted against the interests of teachers (read interests of the union), teachers would not support the bond election." In 1996, the HFT followed through on its threat, and the referendum failed.

This story is one of many in McAdams’s revealing and entertaining new book, Fighting to Save Our Urban Schools . . . and Winning! Lessons From Houston (Teachers College Press). McAdams’s book holds profound lessons for education reformers around the country -- particularly in the D.C. schools. The story is worth telling because it illustrates one of the core problems frustrating reform: the power of those who work in the system to block change. Too often, school boards can't do what's best for the children because the adults in the system object. "Because voter turnout is frequently low at board elections, and because employees and their families nearly always vote," McAdams explains, school board members "pay very close attention to the wishes of employee groups."

"But school people, I have discovered, are no different from the other special interests that have a stake in public education," he notes. "Ideologues of the left and right want the school district to advance their agenda. Ethnic leaders want to advance the interests of their ethnic group. Vendors want contracts. Homeowners want school attendance boundaries that will protect or enhance their property values. Some parents press personal agendas ahead of school agendas. Most taxpayers want low property taxes. And [school board members] want to get reelected."

"Of course, while pursuing their personal interests, everyone proclaims that they want what is best for children. They do. It is just that there is something else they want even more."

McAdams suggests several methods to break the interest groups' tight grip on the schools, including a shift to appointed boards or at-large rather than by-district board elections. But his most important proposal is simply to get the district out of the business of employing principals, teachers and other school staff. Instead, he says, school boards and their administrators should charter or contract with independent organizations to operate schools. In essence, they should turn every public school into a charter school.

Last year McAdams and I served together on the National Commission on Governing America’s Schools, a project of the Education Commission of the States. ECS, which is made up of governors, state legislators, state education commissioners and the like, is influential in state policy circles. Its 17-member national commission included a mix of current and former school board members, superintendents, principals, teachers, professors, governors, legislators, union leaders, business people and authors.

In a report called "Governing America’s Schools: Changing the Rules," the national commission argued that after more than 15 years of serious efforts at education reform, progress in the classroom was simply too slow. On the most recent National Assessment of Educational Progress (NAEP) exams, for example, fewer than half of fourth- and eighth-graders in every participating state performed at the "proficient" or "advanced" level in reading and math -- meaning that the majority had not fully mastered the knowledge and skills expected at their grade level. On the 1995 International Mathematics and Science Study exams, high school seniors performed below the international average in both math and science.
And our urban students do much worse, the report pointed out. In 74 of our largest urban districts, data suggest that fewer than half the students graduate on time. On the most recent NAEP exams, large majorities failed to reach even the "basic" level in math and science.

Commission members concluded that a fundamental change in the governance of public education was necessary. The bureaucratic model that had evolved in the 20th century, in which "schools became part of the machinery of industrial efficiency," could no longer do the job. Monopoly systems of nearly identical schools, with every child taught the same subjects in virtually the same way and both teachers and principals guaranteed tenure, simply could not educate enough of their students to the levels required by the information age. The paradigm had to change.

Some reformers advocate replacing the bureaucratic model with a private-market model: vouchers. The ECS's national commission disagreed. A full-blown voucher system would further stratify the education system by income, many members believed, because some parents would add their own money to the voucher and buy an expensive education, while others could not. Equal opportunity -- already crumbling as more parents choose private schools -- would collapse.

But the commission concluded that public school districts did need some of the good things markets offer: performance accountability, customer choice, competition and decentralization. Because its members felt that different districts would need different approaches, the commission proposed two basic models, both built upon successful reforms of the past decade.

The more incremental model calls for full public school choice, in which schools are funded according to how many children enroll and money follows the child; site-based management, in which principals decide how to allocate their budgets, whom to hire and fire, and how much to pay them; performance reports on each school, widely available to parents and the media; and district-imposed incentives for progress and consequences for failure.

The second alternative is the "every-school-a-charter" model, where school districts do not even operate the public schools.

Perhaps the best description of this second model is found in another new book, Charter Schools in Action: Renewing Public Education, by Chester E. Finn Jr., Bruno V. Manno and Gregg Vanourek (Princeton University Press). The best book yet on charter schools, it concludes with a chapter that sketches an "every-school-a-charter" system in the fictional state of New Pensylna, circa 2010. There, in the Metropolitan City region, 450 of 476 public schools are run by independent organizations, on performance contracts or charters. The other 26 are "critical condition schools" temporarily operated by the regional school district, which has had to step in because the schools were not performing as promised. The district operates schools only temporarily, to turn them around, reconstitute them or shut them down.

Some of the 450 charter schools are operated by private companies, such as the Edison Project, that run multiple schools. Others are single-school operations, often created by community groups, parents or teachers. Most have charters or contracts with the district, but a few contract with state universities, which can also issue charters.

All 476 are schools of choice, open to any student in the state. For every child they enroll, they get a set fee (although extra money accompanies students with special needs). Students living
more than half a mile from school also get a transit voucher, and low-income families are eligible for extra money (drawn from the federal Title I program) to buy after-school programs, tutoring, summer school and the like.

The district publishes "school report cards" that include annual school quality assessments, test scores and other student achievement data. Four times a year it holds a giant "school fair" to let families meet with representatives of all the schools. Once a year it conducts a lottery, in which families with new students or students who want to change schools list their top three choices.

When parents move a child from one school to another, the public dollars allocated for that child's education follow. Hence most principals and teachers do everything they can to meet students' needs.

The nine-member school board still sets policy and direction for the district, but its administrators spend much of their time negotiating and overseeing their performance contracts with school operators. They contract with a variety of schools, trying to meet all students' needs.

The contracts set performance goals, and when schools fail to deliver, the district can close them and charter a different operator. Every five years, the district does an in-depth evaluation of each charter school, then decides whether to renew the charter or look for a better operator. In a typical year, the district closes, reconstitutes or refuses to renew the charter of 15 or 16 schools. It then puts contracts to run schools in those buildings out for bid.

Principals and teachers work for schools, not the district -- applying for work where they find the best fit. Every school (or group of schools run by the same company) sets its own salaries, but all staff members can participate in the state's teacher retirement system. Tenure no longer exists, and unions can't organize at the district level; they have to do so at each school (or group of schools run by one operator). "Some . . . schools try to cut corners on salaries, but the marketplace is lively enough that excellent teachers -- and those in scarce specialties -- have considerable leverage to negotiate solid compensation packages," the authors predict. "Many schools in Met City pay competitive wages and also offer various incentives, bonuses and performance-linked supplements."

Such a reform would be extremely controversial. Teachers unions would fight it tooth and nail, and it would surely make some parents nervous. So why propose it?

For one simple reason: More than any other single reform, it would break the political stranglehold of the interest groups.

If school boards contracted with independent organizations, the adults operating the schools would still push for their own interests, but they would no longer act as a unified bloc. For every school that opposed a particular change, another school might support it. Every time a school was closed for poor performance, other operators would line up to take its place. Hence boards would be freer to do what was best for the children. And principals and teachers would have no choice but to break through the political barriers and do whatever was necessary to improve student learning. Otherwise, their school might be closed down. For the first time, virtually every employee's most urgent priority would be student achievement.

Because both parents and teachers could choose among many different kinds of schools, they would also be less likely to insist on the "one best way" -- whether phonics or whole language,
new math or old math. Boards could create a more diverse set of schools, to meet the needs of an increasingly diverse body of students. The regimentation of pedagogy, which is profoundly unfair to children who don't learn in the "one best way," would disappear.

Boards would also find it easier to create new schools when new needs emerged. Traditional districts have been slow to create schools that use information technology in a meaningful way, for example. In a chartering system, technology-intensive schools would spring up quickly, because students would flock to them. As Finn and his coauthors point out in Charter Schools in Action, a California study found that 78 percent of charters were experimenting with new practices, compared with 3 percent of public schools.

Equally important, a system of charter schools would give boards far more control over quality, because they could choose among competing operators, negotiate specific performance standards in their charters and shut down failing schools. Try that in a traditional school system!

School boards would also find it much harder to micromanage schools. Political interference in management decisions is endemic in public education. As McAdams explains, "Like elected officials at every level, [school board members] were subject to the pressures of special interests. All board members were tempted to intervene in student discipline decisions, suggest personnel moves, or tilt toward a particular vendor. Most board members yielded to temptation on occasion."

A system of charter schools would allow much less room for this kind of interference, because contracts would focus on performance, leaving management decisions to individual schools' governing boards and principals. Instead, district-wide school boards would have time to focus on important policy issues: What skills should schools impart in the information age? How can we minimize the number of dropouts? Should schools teach values?

Finally, charter schools typically invite more parental participation, which academic researchers have long correlated with higher student achievement. "In a recent survey of charter teachers conducted for the National Education Association," Finn and his colleagues note, "71 percent report that `parents are significantly involved in making educational decisions at their schools.'"

Is it utopian to think that all or most of public education could be converted to the charter model? Perhaps. But public institutions are not static; they change in fundamental ways as the society around them changes. Before 1850, public schools were no different from private schools; both were run by local boards of directors, both often received public funding, both numbered religious schools among their ranks, and both were often quite independent of voters' control. By the early 1900s, local ward committees controlled many urban schools. And before 1960, few teachers belonged to unions.

Today, the bureaucratic model is under tremendous pressure, and a fundamental shift is already underway. Many urban school districts contract with private (mostly nonprofit) organizations to operate schools for their toughest students -- those who have dropped out or been expelled, or are at risk of such fates. (In Minneapolis, for example, 30 percent of students graduating from public high school do so from alternative schools, many of which are run by nonprofits.) Some districts have also begun granting significant numbers of charters, and in some states universities and/or city governments can also grant charters. Milwaukee parents can now choose among charter schools, contract schools, traditional public schools and
vouchers for use in private schools. The Houston board now offers charters, contract schools, traditional schools and placement by contract in a private school.

The District of Columbia is also pushing the envelope, thanks to congressional legislation that created a separate Public School Charter Board. (Maryland, in contrast, has no statewide law governing charter schools, and Virginia has one of the nation's weakest, which has so far yielded no charter schools.) Within a few short years, D.C.'s charter board and Board of Education have granted charters to three dozen schools. This fall nearly one in seven public school students in the District -- some 11,000 in all -- will attend them.

Around the country, most of these experiments are working. Though charter schools get less taxpayer money per student than traditional public schools (the difference varies by state, but the Center for Education Reform estimates the average at 20 percent less) and serve the same proportion of poor students as other public schools and higher percentages of minority children, they appear to be doing a better job. Good data are not yet available, because no state with charter schools measures the progress students make from year to year -- which is the only way to know if charter students are learning more than those in nearby public schools. (If you simply compare their test scores, you have no idea whether one set scores higher because they were ahead to begin with or because they are learning more.) But as Finn, Manno and Vanourek report, studies of two samples of charter schools, one of 30 and another of five, show strong student achievement.

And parents are clearly voting with their children's feet. By autumn, nearly 2,000 charter schools will enroll more than half a million students in 34 states, according to the Center for Education Reform. Two-thirds of the schools have waiting lists. A nationwide survey found that 65 percent of parents rated their children's charter schools better than their former public schools, while fewer than 6 percent rated them worse.

Meanwhile, several studies show that where enough charter schools exist, the competition for students and funds they create has motivated school districts to improve their traditional schools. Where parents have real choices and public dollars follow the child to the school of choice, competition works.

Were every school a charter school, such competition would intensify. With one stroke, this reform would break the bureaucratic paradigm in public education. It would free school boards from the political captivity they so often experience. It would liberate school operators from micromanagement but hold them accountable for results. It would give parents not only choices among very different schools, but the power to take their (public) money elsewhere if they were not satisfied.

These changes would unleash a flood of innovation, while still preserving equal opportunity for all within a public system. They would not create a "free market" in education, as vouchers would, but a "social market" -- combining the accountability and creativity of market systems with the social goals of government.

How do we get from here to there? In the states, courageous governors and state legislatures would have to pass legislation allowing districts to convert to this model and waiving all laws that stood in the way. Then a few courageous school boards -- a Milwaukee here, a Houston there -- would have to convert.
But D.C. doesn't need legislation; it already has the necessary tools. A charter board already exists, with the power to charter up to 10 schools a year. If it continues to charter five to 10 schools each year, within seven years half of all public schools in D.C. could be charters. In addition, traditional public schools can convert to charter status if two-thirds of the parents and teachers agree. This spring the first school converted; more are sure to follow.

As the District loses students and closes schools, there is a process to put surplus buildings under the mayor’s control, with the approval of the financial control board. If Mayor Anthony Williams is willing to lease or sell them to charter schools, within 10 years the large majority of public schools in Washington could be charters. Without another piece of legislation, in other words, the revolution could begin right here.

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