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Making Schools Work

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The Los Angeles Unified School District is arguably the worst school district in America. The evidence? Fourth graders in California were second from last among the states on the 2000 National Assessment of Educational Progress mathematics test, while the state's 8th graders scored third from last. On the more recent 2002 naep reading test, the state's 4th graders were third from last nationally, while its 8th graders were dead last. And among California's 1,056 school districts, Los Angeles Unified is chronically close to or in last place on the state standardized tests.

Why is the nation's second-largest school district mired in such seemingly intractable problems?

According to a report this year by WestEd, fewer than 20 percent of the district's students in any grade score at or above the "proficient" level on the state test for English/language arts. In mathematics, only one in five is "proficient" or better on the state test. Although district Superintendent Roy Romer can point to real gains in literacy in the early grades, two out of three 3rd graders are still below national norms on the Stanford Achievement Test-9th Edition. Among high school students, only 23 percent meet or exceed the national norm on Stanford-9 reading, and 34 percent do so in mathematics. Twenty-seven percent of Los Angeles' teachers lack full credentials, and the system has a chronic shortage of qualified principals.

Why is the nation's second-largest school district mired in such seemingly intractable problems? It isn't the students, the teachers, or the budget. It's not the size of the district, either. The problem is that the Los Angeles district has a system that centralizes all of the important decisions at headquarters. That same problem afflicts most of our school districts, but the larger the district, the more harmful are the results of centralization.

Most every school district in America claims to have embraced decentralization of decisionmaking. It's common now to have site-based management, local school councils, and so on. Los Angeles has these, too. In almost every case, though, this so-called decentralization isn't the real thing, it's a phony. Phony decentralization encourages teachers, principals, and parents to spend hours and hours in planning and discussions but gives them no authority or money with which to implement their creative ideas. Real decentralization, which is exceedingly rare but gaining a foothold, gives each local school control over its own budget.

Every school has a unique collection of students, with different proportions of gifted, special education, arts-oriented, and at-risk students. As a result, each school should have the ability to custom-design a varied curriculum that will reach each and every student. In

order to implement this kind of program, the school needs the freedom to staff with a collection of full-time, part-time, and outsourced teaching resources. In order to fit all of these needs into an existing budget, the school also needs the freedom to arrange its schedule, which might be a two-day block schedule, a three-day, four-day, or even a five- or six-day schedule. No central-office planner can do this kind of detailed planning for every school, but each school acting on its own can easily accomplish the task.

The Los Angeles Unified School District isn't too big; it's just too centralized.

In the just-released book *Making Schools Work*, I describe a multiyear study of 223 schools in six public and three Catholic archdiocesan school districts. The analysis is unusual in that it focuses on the organization and management of the district, rather than focusing on the school. My research team, supported by the National Science Foundation and private foundations, was testing the hypothesis that true decentralization, by giving schools the autonomy to custom-design their programs, would outperform traditional, centralized, top-down districts in student achievement.

We studied the three largest districts in the country: New York City, Los Angeles, and Chicago. We compared these to the three radically decentralized districts of Edmonton (Canada), Seattle, and Houston. For good measure, we also studied the three largest archdiocesan systems, which are extremely decentralized: Chicago, New York, and Los Angeles. We found that true decentralization—the type that gives control over budget, staffing, and materials to each school—does produce dramatically better student results. I've organized these success factors in seven key elements, which I call "The 7 Keys to Success."

1. Every Principal Is an Entrepreneur. An entrepreneur is the opposite of a bureaucrat. Bureaucrats follow the rules that are handed down to them. Entrepreneurs focus on their main goal: student achievement, whatever the rules might be. Traditional, top-down districts punish entrepreneurs and reward bureaucratic behavior.

In order to encourage entrepreneurs, a district needs to reduce the numbers of central-office staffs and instead let schools have the money. For example, the Archdiocese of Los Angeles serves about 100,000 students and has a central-office staff of only 24, including secretaries. By comparison, the Los Angeles Unified School District has 733,000 students and a central-office staff of 11,896. In addition to having too many bureaucrats telling the schools what to do, this means that Los Angeles spends only 35.4 percent of its budget on teacher pay, while Houston spends 48.5 percent and Edmonton spends 55.8 percent on teachers.

2. Every School Controls Its Own Budget. Houston, Seattle, and Edmonton all use the same revolutionary approach to budgeting. It's called the Weighted Student Formula. Under this system, the state categorical funds are attached to each student, and every student has a choice of any public school, with neighborhood families having priority. Weighted Student Formula was invented by trial and error by Superintendent Mike Strembitsky in Edmonton, starting in 1973. In 1996, John Stanford, a retired general, implemented it in Seattle, and in 2001, Superintendent Rod Paige did the same in Houston. Mr. Paige had begun years earlier to implement true decentralization in Houston, and Weighted Student Formula allowed him to guarantee that it was there to stay.

The result? Our research showed that in New York City, principals control only 6.1 percent

of the money that is spent in their schools. In Los Angeles, it's 6.7 percent, and in Chicago, it's 19.3 percent. Now look at the three districts that use Weighted Student Formula: In Houston, principals control 58.6 percent of the money (and the figure is rising each year), in Seattle they control 79.3 percent, and in Edmonton, a whopping 91.7 percent.

3. Everyone Is Accountable for Student Performance and for Budgets. Actually, accountability is a three-legged stool in the successful districts. According to current Edmonton Superintendent Angus McBeath, who runs a district of 80,000 students, these are the three legs of accountability: (1) Every principal is held accountable for a specific gain in student achievement, with several subgoals. (2) Every principal is accountable for his or her school's budget. If a school runs a deficit in one year, it keeps that deficit until it is all repaid. If a school runs a surplus, it keeps that money to use on programs in the future. (3) Every employee, student, and parent completes a customer-satisfaction questionnaire each year and rates both the school and the principal. First graders answer simple questions, 12th graders more complex ones.

4. Everyone Delegates Authority to Those Below. Because the focus is on student-achievement results, it's pretty easy to delegate the authority to decide how any job is to be done. With the superintendent delegating to principals, and because most of management is really monkey see, monkey do, principals also delegate lots of authority to teachers—which is where it belongs. After all, the teachers are the ones who actually know what the students need. This approach works very well at Toyota, and it works in schools, too.

5. There Is a Burning Focus on Student Achievement. In our successful districts, the focus on student achievement is based on lots of good data about student progress. Every principal knows which students are making good progress and which ones are not. If the principals didn't know that, they wouldn't know which teachers need help or motivation. Compare Los Angeles with Houston. Both are large (Houston is the sixth-largest district), both are about 90 percent minority, and both are about 70 percent Title I students from low-income homes. Both use the same standardized test, the Stanford-9. Houston students consistently outscore those of Los Angeles, by nearly 10 points in both reading and math. Moreover, the "race gap" in Houston has declined every year since true decentralization took place there, while the race gap continues to widen slightly each year in Los Angeles.

6. Every School Is a Community of Learners. Every experienced teacher and administrator knows that the adults in a school must come together and agree on what the school is trying to achieve if the students are going to succeed. In our successful districts, the top management knows that, too, and they see to it that the principals get together frequently to study and to learn, not just to hear about the latest new rules.

7. Families Have Real Choices Among a Variety of Unique Schools. In a great school district, no two schools are alike, because no two neighborhoods or school missions are alike. Combine this variety with the principle of public school choice, and families have choices that mean something. If all schools have the same schedule, program, and staffing, what does choice mean?

The Los Angeles Unified School District isn't too big; it's just too centralized. Phony decentralization won't help Los Angeles, nor will it help any other school district.

Real decentralization, the sort that creates entrepreneurs, has real accountability, and gives families real choices, does work. Consider Edmonton, which started the revolution. Today, there are virtually no private schools left there: Edmonton Public is so popular with families that it's driven the private schools out of business. In fact, over the past few years, some of the few remaining private schools have voluntarily given up their private status and become public schools.

Don't settle for embroidering the edges of your school district. What's needed is deep, basic, revolutionary reform. It's succeeded in Edmonton, Seattle, and Houston, and it can succeed in your school district. Revolution!

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