Leaving No Child Behind

Lessons from the
Houston Independent School District

A Report on the “Making the Grade” Conference
October 2000
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James Harvey, Donald R. McAdams and Paul T. Hill
Houston’s children were the winners. The reforms empowered school communities. They decentralized the district. They put new mechanisms for accountability into place. They developed and deployed a new core curriculum emphasizing reading. They outsourced major business functions. And they improved achievement.

Donald R. McAdams
Executive Director, Center for Reform of School Systems
Member, Houston Independent School District Board
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It’s not often that a national school reform proposal can rest its case on the results of 10 years of implementing similar ideas in a major urban area. But that’s precisely what the Bush administration’s “Leave No Child Behind” legislative program is able to do.

President Bush’s proposals to reinvigorate federal programs serving low-income students are not based solely on his tenure as governor of Texas. They also rest on the experience of U.S. Secretary of Education Rod Paige, who, as superintendent of the Houston Independent School District (HISD), helped turn around one of the nation’s largest school districts. The lessons Paige learned in the battle to save Houston’s schools are reflected in “Leave No Child Behind,” the amendments to Title I of the Elementary and Secondary Education Act considered by Congress in 2001.

The Houston experience is important for another reason as well. Urban school districts need to learn from each other. One of the surprising things about school reform is how little big-city school systems share amongst themselves. Critics may scoff at the idea. I can hear them now: “It’s the blind leading the blind.” But Houston’s efforts blazed a trail of educational excellence, not simply for urban schools, but for suburban and rural ones as well. Everyone interested in education and America’s future needs to understand the Houston story.

That’s why when Rod Paige, while still serving as school superintendent, suggested exploring the Houston experience, I leaped at the opportunity to convene a two-day meeting in October 2000. As Paige pointed out, whether we liked what we heard or not, Houston’s children would wind up the beneficiaries. And, as a 10-year member of the HISD school board, I was convinced that what we had learned could help others. The “Making the Grade” conference pulled together academics and experts from all over the nation to examine the Houston turnaround. This little volume summarizes what we learned, warts and all.

Donald R. McAdams
Executive Director
Center for Reform of School Systems
CHAPTER ONE

Introduction

Between 1990 and 2000, an intrepid band of school reformers set out to turn around one of the nation’s largest school systems. Bucking timidity, hostility, long odds and skepticism, they found that with leadership and hard work (and a measure of luck) they could get the job done.

The reformers in the Houston Independent School District (HISD) faced the same unyielding bureaucracy found in schools everywhere. But in Houston, the reformers won. Student achievement is up. Dropout rates are down. Administrative costs have been reduced. Management has been improved. Responsibility has been decentralized.

All of these improvements rested on an understanding that school reform can’t be done in bits and pieces. Lasting reform requires a strategic focus and an emphasis on the organization as a whole. Urban school systems are large, complex, open and dynamic systems. Reforms capable of fixing them must be their match in scope, sophistication, and respect for the complexities and democratic processes embedded in the nation’s public schools. While “whole-school reform models” are important, they cannot flourish in dysfunctional districts. The focus of urban school reform must be the district, not the individual school.

Beliefs and Visions

Everything the Houston schools accomplished grew out of the Declaration of Beliefs and Visions prepared in 1990 by the HISD board of education following the election of five new trustees. That declaration expressed confidence in school personnel and in the community. It acknowledged the challenges facing urban educators. It committed the board to improved achievement, better school safety and reduced dropout rates.

But the heart of the statement incorporated four sentences that cut through the miasma of educational doublespeak to define precisely what’s important about schools and schooling. It declared:

- “HISD exists to support the relationship between the teacher and the student.” Everything HISD did must promote this relationship.
- “HISD must decentralize.” The traditional management pyramid would be turned upside down.
- “HISD must focus on performance, not compliance.” District-level policy would worry about educational outcomes, not the fine details of process.
- “HISD must require a common core of academic subjects for all students.” On graduation day, all students should be able to enter college or the workforce without need of remediation.

“Making the Grade” Conference

The reform initiatives that emerged over the years to implement Beliefs and Visions became the subject of the “Making the Grade” conference. Nine efforts, in particular, were selected for evaluation: accountability, business and civic
leadership, business operations, charter schools, district decentralization, human resource management, shared decisionmaking at the school site, teaching and learning, and weighted student funding.

Most of these efforts were introduced after Rod Paige was selected as superintendent in January 1994. They embody three underlying principles of reform. First, whole-system reform is essential. Reform cannot depend on prescriptions or jobs that only extraordinary people can perform. Enduring reform must create systems that permit typical people to perform at extraordinary levels.

Second, standards, accountability, empowerment and the building of capacity are essential to reform. Schools need more money, but lack of money isn’t why they’re failing. Urban schools are failing because they are embedded in incoherent systems, a situation that can be fixed only when policies and management systems are aligned with standards and accountability.

Third, “It Takes a City.” School trustees and superintendents govern and manage school districts. But the contributions of leaders from business and labor, from religious and nonprofit groups, and from neighborhood and parent coalitions are every bit as important. Civic leadership must be on the same page as the board of education and the superintendent — and at the same time.

Conference Papers

The nine research papers presented at the “Making the Grade” conference assessed the effectiveness of the major policy and management choices introduced in Houston in support of Beliefs and Visions.¹ In the summary that follows, the papers are grouped into three major categories: accountability, capacity and empowerment. These categories are admittedly arbitrary; virtually all of the papers touch on all three issues, and most of them could have been assigned to more than one category.

¹ The complete papers have been prepared as Making the Grade: Papers on the Reform of Houston Public Schools, edited by Donald R. McAdams, Paul T. Hill and James Harvey (forthcoming).
Under accountability, Marci Kanstoroom looks into the district’s role in improving teaching and learning. Two jointly authored papers, one by Jane Hannaway and Shannon McKay and the other by James Guthrie and Janet Hansen, take up other aspects of accountability. Hannaway and McKay look into school accountability and student achievement. Guthrie and Hansen examine important issues of employee accountability and building employee competence.

With regard to capacity, John Ayers examines business and civic leadership for change. A paper by Scott Huntsman and Jay Aiyer explores district operations and how to improve them. And Frederick M. Hess looks into the struggle to decentralize urban school systems.

Under empowerment, we also find three strong papers. Richard L. Hooker describes the district’s pioneering efforts to implement a new budget system that gives schools real control over resources and their personnel, David Leal assesses the effectiveness of school shared decisionmaking, and Bruno Manno looks into charter schools in the district.

What, in the end, have these reforms wrought? Quite a bit. None of it was easy, but Houston’s children were the winners. The reforms empowered school communities. They decentralized the district. They put new mechanisms for accountability into place. They developed and employed a new core curriculum, emphasizing reading. They outsourced major business functions. And they improved achievement.

They have passed the first test. Now that Paige has moved on to the president’s Cabinet, the citizens of Houston will find out whether these reforms can stand the test of time.

By the Numbers
Houston Independent School District: Then and Now

<table>
<thead>
<tr>
<th>Achievement gap in mathematics between white and Hispanic students</th>
<th>Number of operating charter schools</th>
<th>Percentage of school dollars controlled by school principal</th>
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<th>Houston’s ranking in overall reading and math performance among five largest urban districts in Texas</th>
<th>District administrative costs (as a percentage of total instructional costs)</th>
<th>Number of staff positions providing school-based instructional support to teachers</th>
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<th>Percentage of principals accepting performance contracts (trading administrative tenure for higher salaries)</th>
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<td>0 (1994) vs. 50%+ (2000)</td>
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ACCOUNTABILITY

What role is a state supposed to play in developing a statewide standards-based reform? What's the school district's job? How are schools supposed to react? And how are the adults within the system expected to be held accountable, particularly those with face-to-face contact with children at the building level?

These questions all lie at the root of three papers developed by Jane Hannaway and Shannon McKay, Marci Kanstoroom, and James Guthrie and Janet Hansen.

SCHOOL ACCOUNTABILITY AND STUDENT ACHIEVEMENT

The Houston reforms are embedded in larger ongoing, statewide efforts, as Hannaway and McKay make clear in their paper “School Accountability and Student Achievement.” The Texas educational accountability system has been in place since 1993. This statewide system uses as its lynchpin a specific test to determine student performance: the Texas Assessment of Academic Skills (TAAS). TAAS is administered to students in third through eighth grades and again in 10th grade. The test is criterion-referenced and measures performance in reading, writing and mathematics (in the eighth grade, it also includes science and social studies).

The bar for “Acceptable” passing rates on TAAS has moved steadily higher since its inception. In 2000, a 50 percent student-passing rate constituted an “Acceptable” rating for both schools and districts, up from 30 percent a few years earlier. It is expected that the passing bar will continue to rise by 5 percent per year until the passing standard reaches 70 percent.

Together with TAAS scores, the state analyzes data on school dropout and attendance rates to determine where schools and districts fit within four recognized performance categories: “Exemplary,” “Recognized,” “Academically Acceptable/Acceptable” and “Academically Unacceptable/Low Performing.”

Only the test scores of students who are registered in a school by October of that year are included in school performance measures for accountability purposes. This avoids problems associated with student mobility across schools in the district. Also, special education students who are receiving instruction at grade level (emphasis added) have been included within accountability measures since 1999.

Finally, Texas performance statistics are reported overall by school and broken down according to different student subgroups: African Americans, Hispanics, whites and economically disadvantaged students. These subgroup ratings weigh heavily in the overall performance rating for a school or district. The rating given by the state is based on the lowest performance of any single criterion for any subpopulation. “So,” say Hannaway and McKay, “even if a school or district were producing tremendous results for a majority of its students, if it were not successful with, for example, its economically disadvantaged students in mathematics, it would receive an ‘Unacceptable’ rating overall.”

Districts and schools that receive the lowest accountability ratings are visited by a peer review team and expected to develop a plan to improve their performance. If improved performance is not forthcoming in two or more years, the state can intervene in a more direct manner.
way, for example, by taking over the school. Texas state law also allows parents to transfer their children from a low-performing school to a higher-performing one.

**How Houston Diffsers**

In Houston, the district has taken a few additional steps. For instance, in the last two years, HISD has administered the Stanford 9 test in the district to benchmark the achievement of its students within national norms.

One important difference in school accountability measures is that Houston measures not only levels of performance, but also progress as rated against improvement expectations for the year. This is important in achieving accountability as well as in recognizing schools that make good progress in a particular area, even though they may not be able to move into another performance category.

Originally, Houston set a higher bar for performance than the Texas system. From the beginning, Houston designated a 45 percent passing rate as “Acceptable,” whereas the statewide requirement was 30 percent. Both hold at 50 percent currently; however, while Texas has raised the bar consistently every year, Houston held steady at 45 percent until 1999. The rationale behind this is that a steady goal would give schools and the public an easy way to measure progress.

Houston also set the bar higher in terms of who’s counted for purposes of accountability. In 1999, Houston declared that all special education students who were not classified as multiply impaired, mentally retarded, emotionally disturbed, autistic, auditorily impaired or suffering from a traumatic brain injury would take the TAAS test and would have their results included and reported to the state. In addition, Houston schools are less likely to exempt students with limited English skills. Also, in Houston, all children count, even if they enroll the day before TAAS is given. These three decisions have been lauded as part of a genuine commitment to the learning of all students.

Since 1994, both HISD and the state have raised substantially the proportion of students passing TAAS, with HISD gaining the most ground, although it clearly had more ground to make up.

Another significant difference is the way in which Houston examines data and rates its schools as a whole. Rather than examine performance of different student populations according to each performance measure, HISD “examines the performance of schools as a whole and combines performance measures for reading, mathematics and writing into one measure.” Houston also has five categories of performance along the “Acceptable/Unacceptable” axis, while the state has four.

**Comparative Student Performance Trends**

How well does Houston measure up in comparison to the state? And to what extent are both Texas and Houston closing the gap between minority and white students and the related gap regarding students identified as economically disadvantaged?

In examining the data from HISD and Texas, the authors note that by comparing Houston to the state at large, they are holding HISD to a high standard. Texas was one of the two top states recognized by the National Assessment
of Educational Progress (NAEP) as having the greatest leaps in student achievement from 1990 to 1997.

Since 1994, both HISD and the state have raised substantially the proportion of students passing TAAS, with HISD gaining the most ground, although it clearly had more ground to make up. Although now within striking distance of statewide TAAS passing averages, the district still lags.

According to the TAAS data, both HISD and the state have succeeded in narrowing the gap between white and minority students, and HISD has made greater progress, especially in mathematics. But the gap for the state as a whole still is somewhat smaller than it is for Houston. HISD reduced the white/Hispanic gap in mathematics by 22.2 percentage points in the 1994–2000 period, from 35.7 percent to 13.5 percent. The state as a whole went from a 26.2 percent difference to a 10.7 percent difference in the same gap during the same time period, a reduction of 15.5 percentage points. The story is similar when the TAAS data are examined through the lens of the economically disadvantaged.

Hannaway and McKay compare Houston’s performance data to national trends and to other urban districts within Texas. In all cases, they use TAAS passing rates as a dipstick to measure achievement, presumably because the difference in reporting styles between Houston and the state gives them little else to compare. In summary, they draw the conclusion that Houston is making somewhat greater progress than the state overall and that the analysis “suggests that HISD is doing something right. Its progress, for the most part, is outpacing most other urban districts.”

“For the most part” appears to be a matter of two or three percentage points, at least as far as TAAS testing goes. Given that Houston is working within the larger reforms at the state level, what does this tell us about the effectiveness of the district reforms, much less who can be held accountable?

Gains in Reading and Math Passing Rates: 1995–2000
Percentage increase in students meeting standards on state exam
All students, grades 3–8 & 10

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<tr>
<th></th>
<th>READING</th>
<th>MATH</th>
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<tr>
<td>All Students</td>
<td>15.2</td>
<td>31.3</td>
</tr>
<tr>
<td>African American</td>
<td>10.9</td>
<td>26.9</td>
</tr>
<tr>
<td>Hispanic</td>
<td>16.6</td>
<td>34.5</td>
</tr>
<tr>
<td>White</td>
<td>15.8</td>
<td>38.9</td>
</tr>
<tr>
<td>Economically Disadvantaged</td>
<td>6.3</td>
<td>36.1</td>
</tr>
<tr>
<td>HISD</td>
<td>18.6</td>
<td>35.8</td>
</tr>
<tr>
<td>State</td>
<td>16.9</td>
<td>35.6</td>
</tr>
</tbody>
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[Graph showing gains in reading and math passing rates for different groups, including all students, African American, Hispanic, White, and Economically Disadvantaged, with specific percentage increases noted for HISD and the state.]
The implications are unclear. Hannaway and McKay would be the first to say that bigger questions such as that may be beyond the scope of measurable outcomes. It is hard to draw conclusions about specific causes and effects when so many changes occur simultaneously. Yet that’s the nature of school reform. Because the reforms have to be complex enough to attack the root problems, they can’t be simple-minded experiments that modify one thing at a time while holding everything else constant.

**THE SCHOOL DISTRICT’S BALANCED APPROACH**

Marci Kanstoroom comes up against the same dilemma in her paper “Houston’s Balanced Approach to Improving Instruction.” As she makes clear, the accomplishments of Houston should be viewed “against the backdrop of a fully developed system of standards and accountability in the Lone Star State.” Texas began statewide assessments in 1980, developed a state curriculum in 1985 and created an accountability system in 1993. Texas Essential Knowledge and Skills (TEKS), the statewide curriculum, lays out the objectives plainly, stating what students should know and be able to do at each grade level. TEKS’ complementary assessment program, TAAS, is the testing system that assesses whether students in Texas have met the TEKS objectives.

**Curriculum Alignment**

HISD identified a need in the district for a clear and specific set of guidelines regarding the state’s expectations for instructional planning. In 1995, the district launched an audit to determine whether its written curriculum was aligned with the state’s guidelines and the state-tested curriculum — and whether what actually was taught in the district’s classrooms was aligned with any of these. The result, according to one administrator, was “an eye-opening experience.” Many textbooks were aligned poorly with the curriculum, and not surprisingly, when the district’s test scores were examined objective by objective, students were discovered to have performed well in areas where the textbooks were strong and poorly in other areas.

In response to the gap in relevance between the district’s curricula and state standards, the district established uniform standards for student learning across the district and clarified instruction objectives across grade levels and subject areas.

In response to the gap in relevance between the district’s curricula and state standards, the district created Project CLEAR (Clarifying Learning to Enhance Achievement Results). CLEAR was launched to establish uniform standards for student learning across the district and clarify instructional objectives across grade levels and subject areas. CLEAR produced a binder including detailed information about what content needed to be taught at each grade level to meet each specific objective. Also, it gave teachers a vertical overview of what level of knowledge had been developed in earlier grades, assessment ideas that could be used to determine whether the student had mastered objectives and ways to cross-link skills covered by one objective to other objectives.
As “top-down” initiatives go, the curriculum-alignment initiative is a fairly light-handed one. It supports HISD’s stated goal of becoming an “enabler, not an enforcer”; it facilitates the ability of individual schools to meet the standards imposed by the state; and it permits schools to see how their practice aligns vertically through grade levels. It does all of this without dictating too heavily what is to be taught.

The Reading Initiative
In 1995, a quarter of the fifth-grade students and a third of the sixth-grade students in Houston failed the TAAS reading test. The low scores embarrassed the school and business communities, and Paige convened a Peer Examination, Evaluation and Redesign (PEER) review committee to suggest improvements. (PEER committees littered the Houston landscape during the 1990s. These invaluable advisory groups brought together professionals from inside and outside education to give the district advice on how to solve knotty problems. At one point, 13 such groups were functioning at the same time.) The reading PEER committee comprised local professionals, district employees and community members. It was asked to develop a research-based approach to reading and to provide a plan for implementing the program in all schools.

The recommendations of the PEER committee, completed in May 1996, called for a shift in methodology away from “whole-language” teaching and toward an emphasis on phonics. This was in line with the state policy on early reading instruction and also with research into language learning. The report also identified critical components of the reading program at the elementary, middle and high school levels and recommended that all the teachers in the district receive ongoing training. Principals would be responsible for ensuring that the reading program was implemented fully in all schools.

With the road map in hand, an implementation plan was developed, and $3.2 million was set aside in the 1996–97 budget to launch the initiative. Ultimately:

- 12,000 teachers, every teacher in the district, received training.
- The 12 administrative area offices within HISD hired a reading teacher trainer to provide support for teachers on an ongoing basis.
- HISD established proactive routines to identify and correct potential reading problems — students were required to spend 90 minutes a day on reading instruction, and assessments were frequent and early.
- Results from the Stanford, Aprenda (a nationally normed test in Spanish) and TAAS reading tests were analyzed to determine which objectives were not being mastered by students.

The Mathematics Initiative
Mathematics learning in Houston could have been declared an official disaster area in the early 1990s, as it could have been in most urban areas. A mathematics initiative was launched in fall 1995. The previous spring, less than half of the HISD student population (49 percent) had passed the TAAS mathematics test. A review of the college transcripts of all middle school mathematics teachers in the district gave a good clue about why the students were not performing well: Many of the teachers lacked preparation. A full 40 percent of teachers had taken fewer than 12 credit hours of mathematics — which, distressingly, is about par with the national level.
HISD set about teaching mathematics to the mathematics teachers. The initiative began as a series of university courses and summits, generally full- or half-day meetings. Both teachers and principals participated in the summits, which included approximately 50 workshops on a variety of topics for teachers only, clustered by grade level. About 900–1,000 teachers attended the summits in their first year. Algebra teachers were given the option of a course at Rice University called “Topics in Contemporary Algebra for Teachers,” with tuition paid by HISD and graduate credit awarded. Roughly 30 algebra teachers took advantage of this opportunity.

In 1997, the district launched a second effort as an offshoot to the mathematics initiative, focusing specifically on algebra. This was in response to the first end-of-course exam results for algebra, released in 1996. The results of the 1996 exam were a rude awakening for HISD, mainly as a result of differences in teaching methodology. While the state exam was based on the assumption that algebra was taught as a functions-based course, that approach was not the focus of the textbook that the district had been using for the previous six years. HISD would need to revamp its teaching methods completely to meet the state requirements for the end-of-course exam. An even scarier prospect was the impending changes in testing that would raise the stakes for the district considerably. By 2003, the algebra end-of-course exam at the eighth-grade level would be eliminated in favor of an exit-level exam, meaning that all students in the district would need to master algebra to graduate.

HISD mobilized quickly to change the way algebra was taught. A districtwide syllabus was developed to clarify the state’s expectations in algebra for teachers and students. This was a major change in methodology for most teachers, who had been accustomed to basing their instruction on the textbook.

Comparing Apples to Oranges
Have these initiatives made any difference? Apparently so. While it’s hard to isolate the effects of specific reforms with so much going on in the state and the district, Houston seems to have moved further than the average district. Data examined by Kanstoroom indicate that between 1995 and 2000, the gains posted in HISD exceeded those posted in the state for most students. Equally encouraging, in both reading and mathematics, Houston moved from fourth place among five large urban areas in the state to second.

However, although new approaches have been extremely well received by reading teachers in the district, mathematics, particularly at the secondary level, has been a different story. Participation in voluntary mathematics improvement activities for teachers has been disappointing, and some administrators report considerable apathy among teachers. HISD is making a lot of support available to teachers, but it is not reaching many teachers who are disinclined to change what they do. Participation has been fairly high, but a significant minority of teachers has chosen not to participate.
Where is this apathy coming from? Ask the district, and you’ll see a lot of finger-pointing but few real answers. “Some [teachers] just won’t do it. Some feel it infringes on their academic freedom; some just won’t be bothered,” said one administrator.

It is easy to blame intransigent teachers for the problems in mathematics instruction, and perhaps that position has merit. However, another view might be that blaming teachers allows the district to absolve itself of responsibility for the failure of this initiative to penetrate the district as the reading effort did. It is instructive to note the differences between the conception and implementation of these two capacity-building initiatives.

- **Goal-Setting.** The reading initiative took as its explicit goal the improvement of instructional methods. It is notable that goal-setting was the responsibility of a PEER group comprising members of the community, not just the district administrators. In comparison, the goal-setting process in mathematics looked shaky. Once the problem was identified as underprepared teachers, the solution appeared in the form of remedial education for the teachers. Beyond that, goals appeared to be vague.

- **Implementation.** Ongoing training and development was an integral part of the reading initiative from the outset and required of all teachers. The “one-shot” workshops included in the mathematics initiative involved voluntary participation.

- **Accountability.** In the reading initiative, accountability is strict, and school reconstitution and termination are presented clearly at the outset as alternatives to continued failure. By comparison, the mathematics initiative has no teeth. Policy on noncompliance seems arbitrary and unclear.

Indeed, the overt comparison between the two initiatives reads like a case study between a functional initiative to improve instruction and a dysfunctional one. HISD’s approach in each of the two cases reveals much about the advantages and disadvantages of different approaches to building teacher capacity, improving instruction and laying the groundwork for greater accountability.

### EMPLOYEE CAPACITY AND ACCOUNTABILITY

The central question explored by James Guthrie and Janet Hansen in “Supporting High Performance: Human Resource Management in the Houston Independent School District” is how to encourage high performance in the district’s workforce and hold individuals accountable for their performance.

Public schools face a number of human resource challenges. They do not have a free hand in establishing their human resource or incentive systems. They become a playground for multiple special interests with different and sometimes conflicting agendas. They often are bureaucratic, overregulated, insensitive to market forces, capital impoverished, labor intensive and sometimes labor dominated. Sanction or termination of employees often is difficult. Teacher salaries are legendary throughout the private sector for being noncompetitive. And teacher remuneration seldom is linked to performance. What to do about all this?

### Salaries

One of the inducements that attracts the best talent obviously is salaries and fringe benefits. How does Houston rate on this scale? In a comparison with surrounding suburban districts and the national average, Houston appears to be
quite competitive at the front end. Entry-level salaries for teachers in HISD are $33,750, comfortably above the national average ($28,000), higher than surrounding suburbs ($32,419), and higher than urban competitors such as San Antonio (about $32,000) and Dallas (about $33,000). What is remarkable is that the standard school labor-management procedure favors experienced teachers. HISD has overcome this condition somehow and allocated high salaries disproportionately to entrants.

However, experienced HISD teachers are not particularly well paid relative to the competition. After 25 years of employment, Houston teachers can expect to earn about $6,000 less than their counterparts in surrounding suburbs, a 12 percent difference. In addition, HISD requires a longer teacher workday than almost any other big-city school district.

Performance Incentives and Contracts

HISD is en route to constructing performance contracts for all employees except teachers. Unfortunately, the authors don’t explore why teachers are ignored in this important work. Whole-school performance incentives appear to be a productive strategy, in that they foster teamwork among teachers and professional cooperation rather than competition for individual rewards. However, for performance incentives to be fair, measurement must be accurate and reliable, the reward must be large enough to motivate participants, and the incentives system itself must be perceived to be fair.

Presently, HISD has performance incentives in place based upon school achievement on statewide examinations. The system appears problematic across the board. The metric for determining eligibility has no value-added proposition beyond absolute standards of exam performance. It is not viewed as “fair.” And the amount of funding available to reward improved school performance is too small to motivate change.

Recruitment and Training of New Talent

Annually, HISD finds itself faced with the challenge of recruiting approximately 1,100 new teachers, almost one-tenth of its teacher workforce. Enrollment growth and teacher turnover are imposing a large burden on the district. For example, the district reports recruitment and induction costs for a new teacher range from $3,000 to $6,000 per hire, depending upon the pool from which a candidate is selected. The district’s annual costs for this activity range from $3.5 to $5 million.

The district annually undertakes a massive new teacher recruitment effort nationwide, with teams of recruiters attending job fairs, visiting schools of education and making multiple road trips annually. The district also uses an Internet advertising and recruitment strategy. These efforts have resulted in annual teacher hires of 600 to 700. The shortfall is met through several unusual routes. For example, foreign nationals, particularly those from Spain and the Philippines, are hired in significant numbers (54 in 1999–2000) using H-1B immigrant worker visas.

Alternative Certification

Perhaps the most creative replenishment of human capital comes from the district’s “Alternative Certification Program” (ACP). This effort appears to have recovered from irregularities experienced earlier in the licensing of bilingual teachers. Now more than 500 individuals annually apply for teaching positions through this alternative route. After appropriate screening, approximately 60 percent are accepted for training under HISD auspices. The end result is
that more than 300 new teachers a year are assigned to HISD classrooms through ACP.

Supporting ACP is Teach for America (TFA). TFA is a highly publicized national effort to attract unusually able college graduates for teaching in America’s big cities and rural areas. Houston is one of the national headquarters for TFA. A “cohort” of 75 TFA recruits enters the Houston system annually, on average.

ACP also is pioneering new teacher training strategies involving contracting with local higher education institutions, relying upon the Internet for delivery of training, and providing other training through HISD-arranged procedures that enable teachers to teach and gain state certification simultaneously.

Alternative certification has been a matter of controversy among educators for some years. Since it bypasses traditional credentialling methods, critics contend that the absence of full certification and more intense pedagogical preparation shortchanges students. Proponents of alternative certification, on the other hand, argue that much of modern teacher training is little more than fluff. Hiring teachers certified by other means is more likely to expand the pool of bright and able candidates available to schools.

In the end, alternative certification simply is practical. Demands for new teachers presently outstrip conventional supply. Every state now has approved procedures for recruiting alternatively certified candidates; Texas obtains 16 percent of its teachers through ACP procedures, and Houston obtains twice that percentage.

Persistence of Alternatively Certified Teachers

How well do alternatively certified teachers perform? Do they stay in the system as long as conventionally qualified recruits? Do they gain recognition for outstanding performance? How do their students perform in comparison to their peers? Here is what is known now about such matters in Houston.

One would expect that alternatively certified teachers, particularly TFA candidates who do not necessarily see an extended teaching career as a goal, would turn over much faster and leave the system sooner than their conventionally prepared peers. The results as they appear in Houston, however, do not bear out that expectation.

• Ninety-seven percent of the TFA candidates who began teaching in HISD in 1996–97 stayed the course that year, the same proportion as entering teachers from conventional backgrounds.
• Ninety-two percent of TFA candidates engaged by HISD in 1995–96 were still teaching in Houston two years later. Only 85 percent of their conventionally prepared counterparts were still in the classroom.
• Alternatively certified teachers hold their own in the area of recognition as well. In the last two years, nine out of 26 finalists for “Teacher of the Year” award have been graduates of the ACP.

Perhaps the most creative replenishment of human capital comes from the district’s “Alternative Certification Program.” Now more than 500 individuals annually apply for teaching positions through this alternative route.
HISD students instructed by alternatively certified teachers (including TFA recruits) perform at least as well, and in selected places better than, those instructed by conventionally prepared teachers.

On most dimensions, TFA recruits display higher passing rates for their students on statewide achievement tests.

Student assigned to classrooms with alternatively certified teachers tend to pass statewide tests at a slightly lower percentage than students of conventionally certified teachers; however, differences are minimal.

“If there is something remarkably powerful regarding conventional teacher training,” note Guthrie and Hansen tartly, “it is not reflected in HISD student test score passage rates.”

Creating a Culture of Performance at the School Site

Houston’s school reforms have made noteworthy steps toward creating a culture of performance through decentralized decisionmaking, clear accountability and tracking of data, and greater fiscal empowerment at the school level. HISD has 13 “area superintendents,” distinct from the district superintendent, upon whom it depends for selection and oversight of school principals. Similarly, HISD accords considerable personnel discretion to principals.

- In contrast to practice almost everywhere else, no teacher can be assigned to a school without affirmative approval by the school’s principal.
- Principals have discretion to recruit teachers when they have a faculty opening.
- Aggressive, performance-oriented principals openly vie with each other for teacher talent.
- Principals can trade teachers for librarians or specialists; however, they do not have salary discretion for teachers.

The district is training business managers for high schools. It also has established a leadership academy to prepare principals as CEOs, not as compliance monitors (which often is their role in most school districts).

HISD has moved to offer principals performance contracts. The majority of current principals have chosen such an option, forfeiting their previously unchallenged right to an administrative position.

Student test results are available classroom by classroom through the “Profiler” information system. Although still in the development stage, it provides teachers and principals with longitudinal and comparative data regarding performance, student by student and teacher by teacher.

Professional Development, Remedial Measures and Termination

Houston’s public schools have a wide array of professional development opportunities for teachers. Some of these are district orchestrated. Others are made available through resources controlled by area superintendents and school principals. The most unique component of Houston’s professional development program is that it is linked increasingly to appraisals of
teachers’ performance in a classroom. Most professional development in the United States is left to the discretion of an individual teacher and seldom is linked to measures of classroom performance. Houston is altering this scenario.

Still, the overwhelming amount of HISD money spent for remediation or development is beyond the control of the district. HISD continues to reward teachers on their salary schedules for courses and degrees taken in college beyond the bachelor’s degree.

A teacher who is judged to have a persistent performance deficiency can be placed on a formalized growth plan at the request of the principal. If improvement is not eventually forthcoming, the teacher can be brought forward for dismissal. The dismissal process, even if now streamlined, is by no means easy. Even though few teachers have continuing contracts, dismissals are few and far between.

WHERE HISD STANDS

HISD’s record with respect to strengthening accountability is by no means perfect, but it has had significant positive results. Although it is difficult to disentangle the effects of statewide reforms from those launched at HISD, it seems clear that HISD:

- has made substantial progress in raising the passing rates on TAAS;
- is narrowing the gap between minority and white students at a faster rate than the state;
- has found a formula for improving reading, the foundation of all learning;
- is performing significantly better than other districts in the state on many important TAAS variables — and has improved its standing considerably relative to other large urban districts in Texas;
- has increased substantially principals’ discretion in recruiting and hiring teachers; and
- has improved greatly management of its human resources.

At a minimum and in the short run, HISD should be commended for “bucking the system” and raising the bar. But the district has accomplished much more. For the long haul, the district’s leaders have put in place real initiatives to improve achievement, advance accountability and create a culture of performance in the city’s schools.
In the early 1990s, HISD was beset by concerns about organizational inefficiency. Business leaders were openly critical of the system's performance, not simply in terms of educational results but as a management enterprise. They argued that the system was too centralized and bloated with bureaucracy to function effectively. In a particularly effective argument, corporate managers sidestepped criticism of individual managers to make the case that not even the most effective manager in the world could do much with HISD given the way it was structured.

For their part, district leaders worried about the amount of money being spent on non-instructional activities. In 1993, after months of study, the newly formed Houston Business Advisory Council (HBAC) issued a report confirming business leaders’ criticisms. It concluded that HISD’s budgetary and administrative problems were symptoms of an overly centralized system administration. The report called for shifting authority to the schools and focusing the central administration on supporting, monitoring and evaluating school operations.

The notion of improving capacity within and across the district was about to come to HISD with a vengeance.

The Shift from Centralized Control

As Frederick M. Hess documents in “Setting the Caged Bird Free,” three major waves of reform have marked HISD’s effort to shift from the centralized governance model that HBAC critiqued in 1993. First, there was a concerted effort to downsize the central administration and to move personnel into the schools or more autonomous district offices. Second, the system has moved to reorganize central service systems, such as human resources and maintenance, to foster a leaner and more service-oriented central administration. Third, in 1999–2000, the system moved to an aggressive model of weighted per-pupil funding, giving school personnel much more freedom to control budgeting and resource allocation.

Downsizing Central. The downsizing effort began in 1995. As an extension of earlier system efforts to reduce the central administrative staff, Superintendent Paige moved to eliminate a significant number of central office personnel or push them out to the district offices. Between 1996 and fall 1998, HISD eliminated 218 business-service support positions — a reduction of 8 percent from August 1996 staffing levels. Meanwhile, HISD increased the number of nonschool-based instructional positions by 196 — an increase of 24 percent from August 1996 levels. Much of this shift in personnel was due to the creation of 117 new instructional positions in the expanded subdistrict offices. These personnel cuts allowed the district to make steady progress in trimming administrative costs, from 7.1 percent of instructional costs in 1995 to 5.7 percent by 1999.

School-Based Budgeting. The second phase, which began in earnest in 2000, shifted substantial budgetary authority to the schools as HISD stopped using traditional centralized budgeting and began funding all schools on a weighted per-pupil basis. (This phase is discussed in greater detail in Chapter 4.)

Subdistrict Decentralization. The most significant decentralization between 1995 and 2000 was the effort to increase the authority and accountability of the area superintendents. While HISD always had area superintendents for administrative purposes, the restructuring effort granted them an enhanced role in principal and
school supervision, control of significant discretionary funding, and increased managerial autonomy.

Focus on Instruction or Budgeting?
Decentralization grants school personnel much more control over personnel, resources and instruction at the site, allowing them to shape programs and teaching as they deem appropriate, given their students and situation. However, it also imposes new demands that may distract school personnel from the instructional program, while school administrators may feel ill equipped to manage their new responsibilities. On balance, does this trade-off appear to be positive or negative? Thus far, the evidence suggests that the decentralization effort is not placing too much of a burden on school principals. In an August 2000 survey, 30 percent of principals reported that school-based budgeting interfered with their focus on the instructional program. On the other hand, 84 percent said that it gave them more control over their instructional program.

These positive results came despite concerns about the training provided by HISD. Just 16 percent of principals strongly agreed that they had been trained adequately in how to create a budget, while 36 percent reported feeling inadequately prepared. Those principals who felt insufficiently trained were especially likely to feel that school-based budgeting interfered with their attention to the instructional program, with 48 percent of them reporting such interference.

Training, Keeping and Finding Principals
Critical to the ongoing success of decentralization will be HISD’s ability to attract, prepare and retain skilled principals who are comfortable with their new responsibilities. The difficulty in finding good principals is illustrated by area superintendent responses from the August 2000 survey. Half of area superintendents reported that it is “very difficult” to find good principals, and the rest reported that it is “moderately difficult.”

HISD is seeking new ways to locate and train principals. In 1998, in partnership with the University of Houston, HISD launched the Principals Leadership Program (PLP). In the two-year program, HISD offers tuition assistance, mentoring opportunities and a year-long salaried internship to a cohort of teachers judged to be potentially promising principals. The district also is starting programs to aid current principals and is developing a PLP-like program for assistant principals.

Implications for Human Resources
Like Guthrie and Hansen, Hess is intrigued with the connection of decentralization to management of human resources. Decentralization offers tremendous opportunities for schools to enhance their efficiency and effectiveness. However, flexibility in roles and hiring is essential. Not only are many principals inexperienced at working with new roles, but also the human resources department traditionally has been seen more as an obstruction than a resource. Narrow job descriptions, bureaucratic hiring...
procedures, detailed salary schedules, and chaotic management of applications and requests made for an infuriating process, for both principals and potential employees. Seeking to address these needs, HISD has downsized human resources radically, moved to simplify hiring procedures, tried to broaden and preclear job descriptions, and started to offer signs of assisting some schools in nontraditional staffing procedures.

**IMPROVING BUSINESS OPERATIONS**

School reform literature rarely documents how business operations need to adapt to support a culture of change. But in a reform that is as sophisticated and detailed as the system it sets out to modify, business operations cannot be overlooked. It has been said, and truly so, that the school calendar and day are based as much on bus schedules as they are on principles of learning.

Scott Huntsman and Jay Aiyer provide a useful sketch of the history of HISD’s efforts to streamline and improve business operations by outsourcing such functions as facilities maintenance and food service in “Improving Business Operations.”

**Peer Evaluations**

When Superintendent Paige launched the PEER process in November 1994, he set out to internalize the reform process by creating a partnership between HISD management and the private sector. It also would create a community-based performance review involving private-sector volunteers spending thousands of hours reviewing district challenges and issues.

However, the creation of the PEER program was met with widespread skepticism about its effectiveness. Many critics charged that PEER would be treated like a “standard blue ribbon commission” and provide little more than political cover for the district. Employee groups feared that it would be used to justify unpopular decisions.

**Implementation Process**

To combat the skeptics, HISD created a complex implementation plan for the PEER reports. Following the publication of each report, a series of working groups were formed to direct the implementation of the recommendations. These internal working groups were charged with translating recommendations into tangible changes within individual departmental structures. They would work closely with employees and management to minimize disruption during the implementation process.

Originally perceived as a continuous management improvement tool, the results of PEER are mixed at best. As of June 1997, PEER task forces had made a total of 394 recommendations. After more than three years, only 48 percent of those recommendations have been implemented.

It is perhaps to be expected that many of the adopted recommendations are the easiest to accept and implement. Most of the more controversial and larger-scale implementations, such as labor force reductions and instructional changes, have not been implemented. Despite that, PEER has brought community involvement successfully into the reform process. By allowing direct citizen involvement, the district has reconnected with business leaders and laid the foundation for operational reform within the district.

**Outsourcing**

The PEER process has led to significant changes in a number of areas. In Chapter 2, this report
documented changes in HISD’s reading program prompted by PEER procedures. In Chapter 4, the report will return to the PEER issue when examining school site budgeting. Here, the focus is on selected (and expensive) business operations such as food services and maintenance.

Decisions to outsource food services, maintenance and IT in the district find their roots in the recommendations of PEER committees. In contracting out for these privatized services, HISD’s board made sure that clear, strong performance guarantees were in place. While the cost of privatization is not discussed by Huntsman and Aiyer (and presumably is not measurably different in the case of food services and maintenance), the new focus on accountability should improve quality of performance and customer satisfaction, which are both sadly in need of improvement in HISD and most large urban districts.

**Food Services.** Of the 10 food services recommendations made by the PEER committee, it is significant that all but one have been implemented or are in implementation. The lone exception is the issue of privatization of the food services process. Here, HISD rejected the committee’s recommendation of continuing business as usual and surprised the public by endorsing outsourcing.

The statewide Texas School Performance Review (TSPR), conducted by the comptroller, had recommended that HISD consider privatization or outsourcing to manage the food services process in HISD. The PEER committee strongly disagreed. It argued for reorganization rather than privatization. Many people believed outsourcing was just too controversial.

HISD surprised the skeptics. It concluded that there were severe problems in food services. Superintendent Paige came down on the side of outsourcing because he believed that HISD needed to concentrate on its core business: educating children.

The significance of the decision cannot be understated. HISD’s positive reaction to TSPR and its aggressive adoption of many of the recommendations reinforced its commitment to reform in the minds of many in the business community and in the public. Scandals and public relations disasters were being replaced slowly in the public mind with widespread confidence in the district’s direction.

Two years after the release of TSPR, HISD was able to pass a $678 million bond issue, the largest in HISD’s history, along with the first property tax increase since 1992. The response was impressive and the lesson unmistakable: The public was impressed.

**BUILDING COMMUNITY SUPPORT**

While HISD was busy demonstrating its commitment to the community, business leaders also were starting to rally around the schools. Building capacity takes many forms, but few are more essential than the capacity that comes from outside support.

As John Ayers notes in an engaging paper (entitled “Business and Civic Leadership for Change”) that tracks the commitment of three corporate leaders in Houston to HISD, the business community in Houston helped coalesce public opinion in support of the school system’s leadership and its direction.

**Houston: A Mind for Business**

Houston has a mind for business, and business thinking is pervasive in all its institutions. Its school system is undeniably on the rebound, and this, in part, is due to the sustained
involvement of a set of savvy corporate players. Houston boasts the most important system reform under way in the nation, and business leadership has been at the table from the beginning of the 10-year effort. Over that period, the corporate leaders have gone back and forth, serving as both critics and partners. Somehow, perhaps because of the predominance of business opinion in the policy debates of this ultra-corporate city, the dual roles have not alienated educators or partisans; business seems genuinely welcome, even trusted, throughout the district.

Houston’s school system is undeniably on the rebound, and this, in part, is due to the sustained involvement of a set of savvy corporate players. Houston boasts the most important system reform under way in the nation, and business leadership has been at the table from the beginning of the 10-year effort.

Unlike business partnerships in other cities that emphasize school adoptions, small donations or short-term commitments, in Houston, business ideas have been brought to bear on problems at the strategic center of school change. And the commitment by corporate leaders has been long term.

Project GRAD
James Ketelson, former CEO of Tenneco, is a man on a mission. His goal is the reform of urban schools. The nonprofit he has built from scratch, Project GRAD, preaches the message that “Graduation Really Achieves Dreams.” Starting with a commitment to provide scholarship assistance to the inner-city graduates of Jefferson Davis High School, Ketelson became convinced that starting at ninth grade was too late; to succeed, he needed to work with the entire feeder system of schools that send students to Davis.

Working in six elementary schools with the Success for All reading and writing program, which was created at Johns Hopkins University for elementary school students, and with MOVE-IT Math, a K–6 program developed at the University of Houston, Project GRAD immediately began offering extensive training for every teacher in the feeder schools.

Then Ketelson added to the curricular innovations three new elements that he hoped would build a culture of success in the schools. First, he supported Consistency Management and Cooperative Discipline, an approach created at the University of Houston to develop student self-discipline in the classroom. Next, he imported Communities in Schools, a national dropout prevention program that coordinates social service delivery at the school. Finally, he created Walk for Success, where teachers and volunteers visit parents at home to explain what college scholarships await their children once they graduate and to offer ideas about how to reinforce at home what teachers are trying to accomplish in the classroom.

The results are impressive. When Ketelson started, fewer than 40 percent of Davis students graduated; today, 68 percent do. Nationally, only 33 percent of African-American graduates and 37 percent of Hispanic graduates go to college, but that number is as high as 50 percent at Davis.

However, in response to an HISD request to duplicate this success at Yates High School (and its feeders), Ketelson is finding the going
tougher. Still, the number of students entering college from Yates more than doubled in just one year, from 40 in 1998 to 97 in 1999. Best of all, the system itself is embracing the model. In 1999, HISD began a third high school feeder grouping, which sends students to Wheatley High School.

From a modest little beginning, Ketelson’s ambitious vision now incorporates 41 schools enrolling 26,000 students.

**Model-Netics**

Who would better understand how to reshape a large organization than a business leader? This is not because a business leader would be the better leader of a school organization but because he or she would better comprehend a large school system as an organization.

In 1993, Harold S. Hook, the respected chairman and CEO of insurance giant American General, stood before the HISD board of trustees and said, “No one, not even the most effective manager in the world, could effectively manage HISD the way it is currently structured . . . . Your number one problem is not obvious waste in the system. It’s ineffective management because the system is so highly centralized. You pledged yourself to decentralization. Business can help you do it.”

Convinced that HISD school administration was essentially a closed system to which the drawbridges had been raised, Hook helped HISD launch a decentralization task force and brought other key business leaders into the discussion. Superintendent Paige, himself an avid student of management theory and techniques, was impressed with Hook’s trademark Model-Netics program and had it taught widely in the system. Hook was more than a business leader or a CEO; he was a management theorist and philosopher.

Hook’s Model-Netics program provides 151 “guides to thought and action” for managers. Most of the models are represented by little diagrams or drawings that help remind the manager of the point. “Think of a small town where people can’t run from their behavior,” says Hook. “We try to end the finger-pointing behavior” through solid communications channels and the expectation that people will act to solve problems.

Unlike business partnerships in other cities that emphasize school adoptions, small donations or short-term commitments, in Houston, business ideas have been brought to bear on problems at the strategic center of school change. And the commitment by corporate leaders has been long term.

**Building Consensus**

Rob Mosbacher, CEO of an independent oil company and one of the state’s most prominent Republicans, helped transform business opinion of the Houston schools. As a leader in the Greater Houston Partnership, a CEO-led economic development group, and as a skilled political strategist, he is credited with helping revamp the school system’s communications office and winning GOP electoral support in the crucial 1998 school bond referendum. In that year, the board won a remarkable 73 percent “yes” vote, the first public endorsement of the course Superintendent Paige and the reform school board had set out.
When Paige confronted Mosbacher about the lack of business support for a failed 1996 bond referendum, Mosbacher fired back, saying that word of all the reforms Paige touted in his two years of leadership had not reached the man and woman on the streets and that most people felt Paige was a safe, insider’s choice for superintendent, not a change agent. The schools had no political strategy, no press person and no clear statement of goals about changing the system (at least no clear statement that had been put effectively before the public), Mosbacher told Paige. The businessman promised to work with the superintendent and the board to turn the situation around.

The board began to realize its early victories were not enough. Paige began to push a more aggressive reform agenda. Mosbacher and the business community helped think about how to outsource several difficult business functions, including facilities maintenance and food services. Educationally, Paige eliminated most exemptions to TAAS testing, convincing the public that he was serious about reform. Next, at Mosbacher’s suggestion, Paige hired a high-powered press secretary and relied on Mosbacher to smooth the uproar about the new employee’s salary. All agree, it was a key hire for the district as it prepared for the next referendum.

Finally, as the politically charged TSPR arrived in Houston, Mosbacher advised Paige not to argue with the results or fight over the findings. Mosbacher recommended praising the comptroller’s intent and, when possible, embracing the findings. That’s precisely what Paige did.

REPOSITIONING THE SCHOOLS

As it is with accountability, HISD is far from solving all the problems involved with decentralization. Still, it has come a long way, arguably much further than most other school districts, large or small. It has:

- downsized its central office, buttressed the authority and accountability of area offices, and provided funds directly to schools for their own use;
- focused on finding and training good principals and improving their performance;
- improved dramatically business operations in visible areas such as maintenance and food services; and
- built much greater community support, particularly with the help of the business community.

In many ways, the HISD reform is the deepest continuous effort in the country to reposition a large urban school system for the 21st century. Strengthening accountability is a major part of the effort. Building capacity is another significant element, one that depends on simultaneously decentralizing educational and business operations. In the decentralization effort, not only have businesses acted as cheerleaders, but they also have paved the way actively and pointed in the right direction.
Despite its progress in terms of accountability and decentralization, the work of HISD in pursuing Beliefs and Visions was a long way from being completed. Recall that the irreducible heart of that statement was made up of four sentences.

- “HISD exists to support the relationship between the teacher and the student.” Everything HISD did must promote this relationship.
- “HISD must decentralize.” The traditional management pyramid would be turned upside down.
- “HISD must focus on performance, not compliance.” District-level policy would worry about educational outcomes, not the fine details of process.
- “HISD must require a common core of academic subjects for all students.” On graduation day, all students should be able to enter college or the workforce without need of remediation.

The board and superintendent simply could have insisted on performance along those four dimensions. They simply could have held the feet of HISD administrators and teachers to the fire. But that would have been unfair. If the district’s leaders wanted to arrive at that four-part vision of the future, they would do so only in partnership with people at the front lines. If that’s where the district wanted to wind up, it had to empower its people to get it there. That’s what the board and superintendent set out to do. They committed themselves to funding students, not schools; to creating local decision-making councils; and to blazing the trail for charter schools in Texas.

FUNDING STUDENTS, NOT SCHOOLS

Decentralization of finance is the direction of the future in organizational budgeting, according to Richard L. Hooker in “Funding Students, Not Schools: The Effort to Decentralize.” But despite a large international movement in support of the concept, there is almost no support for the movement in school finance literature in the United States.

Examples of decentralized school budgets can be found, of course, but most are elsewhere. In Edmonton (Canada), Victoria (Australia), Great Britain and New Zealand, educators in districts enrolling upwards of half a million students have managed to direct 85 percent or more of school funding directly to the school site. Usually, these efforts involve formulas that assign different weights to each pupil (depending on students’ educational needs) to drive funds directly to individual campuses. In Edmonton, for example, the formula assigns nine different weights to students, depending on factors such as level of school and special needs for remediation or medical services.

In the United States, the public schools of Seattle, with an enrollment of some 48,000 students, have managed to allocate about 54 percent of the annual budget to schools. Interestingly, while the Edmonton schools allocate more funds per student to middle and senior high schools than to elementary schools, in Seattle the reverse is true.
The Houston Independent School Challenge

HISD launched a serious effort to decentralize school finance in 1998. The typical district in Texas distributes money among campuses in a top-down management style. Superintendents in small districts (and administrative cabinets in larger ones) determine a formula for the allocation of “personnel units” to campuses (i.e., teachers and staff). They also add a formula for allotting supplies, materials and minor capital outlays.

The principal’s role in the budget development process normally is to help project student enrollments, but in the final analysis, the principal’s role is minimal. In fact, the typical principal in Texas, and elsewhere, controls about 5 percent of the money that is spent on the campus — supplies, materials and minor capital outlay.

The challenge in decentralization is to wring the amount of money required by the central office and any area offices down to a minimum and allocate as much of the savings as possible directly to schools. The whole point is to maximize real campus budgets, which should be placed under the control of principals and site-based committees representing all employee groups, parents and community leaders. Apart from core central functions, central or area offices that continue to exist should be offices through which principals purchase services or products. Principals also should be able to purchase services and products from sources outside the district.

The task is daunting, both technically and bureaucratically. Superintendents typically are reluctant to delegate authority commensurate with responsibility. Central and area office personnel rarely volunteer to trade bureaucratic control for a role as service units to campuses that have a choice among vendors. The petty bureaucrat is the same everywhere, whether stamping visas in Paris, tax forms in Guatemala or attendance slips in Houston. It’s only human nature. How many of us care to give up authority once we’ve amassed some?

PEER Committee Formed

In September 1998, Superintendent Paige appointed a PEER committee on district decentralization to examine the district’s school funding and management system.

Very quickly, the committee embraced the following guiding principles:

- academic success is paramount;
- all resources should be at schools unless managerial issues such as efficiency dictate otherwise;
- the district will pursue a goal of equity in funding;
- accountability and resource allocation decisions must be matched/linked; and
- common sense will guide implementation.

Pressing Issues

As the committee moved forward, it found itself dealing with some of the most politically potent issues in school administration. Power was a prime problem. Educators who have advanced through the ranks to exercise some responsibility at the district level are not inclined to give up their authority easily. Equally problematic were issues of whether to locate control of specific functions on campus or in the central office, whether to use actual or average salaries in computing campus “budgets,” how to align Houston’s sense of appropriate student weighting with the state’s well-understood system, and whether to include special education in campus-based allocations. Strong cases were made on both sides of all these questions and others.
When the PEER committee made its recommendations, it advocated phasing in budget decentralization over three years and strengthening decisionmaking authority for school principals. The goal was to drive 80 percent or more of district funds to the site level. The general idea was that individual schools should be able to make their own decisions as if they were semiautonomous entities. The committee recommended developing school and area office budgets based on weighted per-pupil allocations, and it further called for staffing schools within the context of the funds provided by the weighted per-pupil allocation. Finally, to emphasize that schools controlled their own funds, the committee recommended that schools be permitted to carry over surpluses from year to year.

**Implementation**

The HISD board approved the recommendations in August 1999, and Paige appointed a committee to implement its recommendations. Following the first year’s implementation, it is apparent that:

- central office staff believe the process has not been implemented fully, although they are quite proud of “quick wins” that amounted to transferring $25 million to campuses;
- in practice, few funds previously allocated to centralized functions found their way to the school site in the first year;
- almost all school principals reported some level of frustration with the new system; and
- most principals complained quite a bit about the lack of training in school budget matters and their sense that they were ill equipped to manage finances.

**SHARED DECISIONMAKING COUNCILS IN HOUSTON**

In 1991–92, HISD began establishing shared decisionmaking councils (SDMCs) at each school. David Leal evaluates the effectiveness of these councils in “Shared Decision Making Councils in Houston Public Schools.”

School reformers have long held high hopes for school-based management and shared decisionmaking. The goal of SDMCs is to give stakeholders at the individual schools (teachers, staff, parents and members of the community) more say in school management. Many reformers believe that school-based management cannot be implemented effectively without local buy-in and that local councils are the best way to accomplish that.

Unlike Chicago’s school site councils of the 1980s, Houston’s councils are dominated by teachers, not parents. The Chicago predecessors turned out to be ineffective. While the Houston councils are a major improvement, the value of their impact on school operations still remains to be seen. The Houston SDMCs don’t have the
authority to hire and fire principals, and they are not needed to approve school budgets. Their main task is to help the principal develop the yearly school improvement plan, a comprehensive document laying out the school’s plans for the near term. SDMC members are elected from nominations put forth by teachers and professional staff. There is no set number of members, but there must be twice as many teachers as other staff. Typically, members serve for two-year staggered terms. The principal serves as chair; meetings, open to all, typically take place once or twice a month.

In examining SDMCs, Leal reaches several conclusions.

- Though principals appear to find the councils useful for certain purposes — if only because they save time — they can refuse to convene meetings, reject recommendations and otherwise ignore SDMCs.
- Teachers generally support the councils, apparently viewing them as improvements in the dignity and professionalism of the job.
- Community members usually do not play a significant role in the councils. Active participation of local business leaders is small.
- Initially there was a great deal of confusion about the authority of SDMCs. As soon as it was clarified that the principal had the ultimate authority in the school, jockeying for seats on the councils declined.
- A lot of training was provided early in the life of the councils, on the theory that parents, community members and business leaders had little knowledge of the schools. Over the years, training has diminished.
- While individual schools can point to improvements driven by SDMCs, for the most part, the high hopes held for these committees have not been realized.

A Useful but Limited Role

Overall, SDMCs appear to serve a useful, albeit limited, role. The potential for making more substantial contributions to school governance exists, but this depends on member enthusiasm, which is not ensured. In addition, there is a contradiction between further empowering SDMCs and holding principals accountable that will be difficult to resolve.

While individual schools can point to improvements driven by shared decisionmaking councils, for the most part, the high hopes held for these committees have not been realized.

When a school underperforms on TAAS, this might be seen as a good opportunity for the SDMC to devise a local response. Yet, instead of valuing their input, HISD generally sees these councils as irrelevant to the solution and, perhaps, part of the problem. This is somewhat ironic in light of the shared decisionmaking theory that reforms implemented without buy-in from teachers, parents and other stakeholders are less likely to succeed. It also is true that increasing the power of SDMCs would conflict with another important aspect of HISD reform, specifically principal accountability. A necessary correlate of responsibility is authority, for without the latter, the former is meaningless. To give the councils real power over finances, personnel or other areas would diminish the principal’s responsibility for student outcomes.

Also, if SDMCs are made more powerful, one result might be increased politicalization.
Empowered SDMCs might act like little school boards, each with its own personality and mandate. Politics, as Harold Laswell famously defined it, is about “who gets what, when and how.” While such questions can never be divorced fully from schools, it would be unfortunate if SDMCs became the crucible in which these questions were raised and debated.

**CHARTER SCHOOLS IN HOUSTON**

As Hooker repeatedly points out in his paper, Superintendent Paige and school board members often expressed the hope that all of the schools in HISD would begin to operate like charter schools — essentially independent institutions operating under the benevolent and responsible eye of the board and the central office.

As Bruno Manno makes clear in “Charter and Charter-like Schools in HISD,” Houston’s effort to respond to this encouragement and to create charter schools has been exemplary in several ways.

First, the superintendent and school board began to create charter schools before Texas had a charter school law. They blazed a path where no Texas school district had gone before. In January 1995, Paige proposed Houston’s first group of charter schools following discussions with northwest Houston community residents and leaders — the Acres Home Coalition — who wanted more authority over their schools. This was several months before the Texas Legislature passed a charter law. Paige had been following the national charter effort and was intrigued by the idea of creating district charter schools. Because the state’s education code allowed districts to contract with public or private entities for education services, he believed that the Houston school board could create charter schools without a specific law authorizing it. In June 1995, the school board granted a charter to the Coalition for School Improvement for a cluster of four district schools: M.C. Williams Middle School and three feeder elementary schools — Highland Heights, Osborne and Wesley. The coalition schools opened that fall.

Remarkably, over the span of the first five months of 1995, the superintendent proposed and the school board approved seven charter schools. Even more astounding is the fact that they all opened that fall with the start of the new school year. Houston can proudly boast forever that it did this without waiting for the Texas Legislature to act.

Second, after the Texas Legislature acted, the superintendent and school board continued to be proactive and use the Texas charter law to create a supply of new and different Houston public schools. This commitment manifested itself in a board-approved policy that created four types of charter schools. District policy provided program, campus, contract and cooperative program charters with the same services received by other district schools. Conversations with teachers and administrators at several schools confirmed that these services were being delivered (though they were not always well matched to the specific needs of schools). Even those at contract charters spoke of district invitations to participate in districtwide activities like staff development programs and generally spoke in warm terms of their relationship with the district. This cooperative district attitude toward charter schools is rare in the charter world and deserves commendation.

Typically, school districts react to charters in one of four ways.
• Stop them cold: Prevent any charter from opening.
• Keep them few and weak: Burden them with so many limits and regulations that their numbers remain small and those that start have scant autonomy.
• Out-do them: Compete with them to minimize the number of children leaving district schools for charter schools.
• Accept them: Put the charter idea to work for the system's own purposes, as research and development sites or a framework for innovations that are hard to effect under the usual federal, state and district rules.

Houston chose the path of acceptance. The district leadership sees charters as assets that allow families to choose among schools that propose to do things differently.

Third, the district has approached the creation of charters in a conscientious and responsible fashion. It has a regular and manageable request for proposals (RFP) process, including a standard contract for charters that is clear in its accountability requirements. It also has definite lines of authority that delineate review and oversight responsibilities. Finally, it has a designated person who functions — albeit in a less-than-full-time capacity — as the district’s charter coordinator and liaison with individual applicants. That person is accessible to applicants and provides them with the information they need to negotiate the RFP process, debriefing them after that process.

Fourth, conversations with nearly all of the area superintendents reveal that they favor using the charter mechanism to create different types of schools in the district. Moreover, they are knowledgeable about the schools under their supervision and are advocates of their work. Support for charters, therefore, seems to exist not only at the superintendent and board levels but also at the district senior administrative and management levels.

Fifth, the teachers’ union — at least at the leadership level — generally has supported the district’s charter effort. Gayle Fallon, head of the Houston affiliate of the American Federation of Teachers (AFT), sits on the board of the Tejano Center, which runs Raul Yzaguirre Charter School. AFT national staff members helped prepare that charter application. Fallon’s two main conditions for supporting charters are a strong accountability plan and a good educational plan — on the face of it, hardly unreasonable terms.

Sixth, within the context of the school district, many of the charter schools that have been created are genuine innovations in Houston’s school landscape. The Briarmeadow Program Charter (kindergarten–grade 5), Centripet III (“at-risk” students in grades 5–8), Energize for Excellence Academy (prekindergarten–grade 5), Kaleidoscope Program Charter (grades 6–8), YMCA Charter (prekindergarten–grade 2) and Young Scholars Academy for Excellence (preschool and kindergarten) all are schools that improve the quality of life for hundreds of families in Houston. They offer back-to-basics programs, “wraparound” care and health screening facilities, and developmentally appropriate instruction tailored to parents’ needs. If charter schools were not providing these services, HISD would have to invent them.

Finally, the charter effort seems to be having an impact on the way some community members and school district officials think about Houston’s schools. Conversations with school district teachers and administrative officials, families of students, and community members showed that the charter effort, in the words of one individual, “has helped bolster community
confidence and support for schools. It does seem like the district is trying to meet the needs of the families in this community.” Moreover, the charter movement “has helped us think differently about some issues like facilities use,” according to one district senior staff member.

The district leadership sees charter schools as assets that allow families to choose among schools that propose to do things differently.

The Future of Charters
Charter schools already have come a long way in Houston, according to Manno. Funding for the 1999–2000 school year had a base amount of $2,432 per student for campus and program charters in a district facility, plus a weighted per-pupil amount for “special need” students. These charters receive the same district support services as Houston’s noncharter public schools. Contract charters in a nondistrict facility receive $4,125 per student as well as the same district services as noncharter schools. The base amount includes funds that come from state average daily attendance allocations, plus a district contribution.

They have come a long way nationally, as well. Charter pioneers once supposed that charters would operate on the margins of the traditional system as release valves for disgruntled families, refuges for kids with problems, or boutique schools for various parent or community groups. But in some parts of urban America, charters are looking like a possible alternative to the system itself, foreshadowing a far different public education system than we now know.

Nearly 15 percent of the District of Columbia’s public school children attend 30 charter schools operating at 35 campuses. Three years ago, Washington, DC, had no charter schools at all. Less than two years after passage of Missouri’s charter law, almost 18 percent of Kansas City’s children are studying in these new schools. In Arizona, the statewide rate nears 5 percent. Philadelphia has seen 30 charters spring up in two years, now accounting for more than 10 percent of that city’s public schools.

More than half of today’s charter schools are located in or near large cities. The families lined up at their doors — 70 percent of all charters have waiting lists — are overwhelmingly parents and children fleeing education disasters, people desperate enough to take a chance with a new school that has no track record and may operate in decrepit facilities. Not surprisingly, most such families are poor. For them, private schools were never a viable option, and charter schools offer hope and even a haven.

It may be time to take seriously the suggestions made by Superintendent Paige and board members. It is conceivable that the district’s general authority to contract for educational services and the specific charter authority granted by the state could be employed to make every school in HISD a charter school. Such a development could, in effect, create a diverse portfolio of schools that are financed publicly but operated independently by a variety of different organizations.

A Lot Has Been Learned
Despite remaining challenges, a lot has been learned from Houston’s experiments in empowering the school site. The district has every right to feel positive about its accomplishments. It has been one of the few urban pioneers in school-site budgeting. It has developed an alternative to the Chicago model of school decisionmaking.
councils, one that appears stronger and more useful than its predecessor. It was for charters before charters became popular.

It’s clear that bold, united commitment to empowering schools is needed and that Houston’s school leadership provided that commitment. Next, empowerment requires a strategic approach and solid planning, and Paige handled that well. School principals are obviously the key to the whole effort. They require training, along with consistent messages from the central office. HISD needs to make progress there. Finally, it is equally clear that central office staff will not relinquish hard-won authority easily. In the face of that reality, district leaders must stay the course.
Where does Houston — and urban education in the United States — go from here? In many ways, that’s hard to say, but what is clear already is that Houston’s education reform is rare in several ways.

First, it is based on a definable set of assumptions about cause and effect. Houston began by clearly defining the problem to be solved, identified a logical approach to solving it, and created definite expectations about who would take what actions and to what effect. It is clear to any attentive observer what Houston is trying to accomplish and how it is trying to improve schools.

Second, it is consistent. Houston and the board have stuck with the same reform initiative for more than 10 years.

Third, it is open to evidence. The Houston school board, superintendent and civic leadership consistently have shown that they want to know whether particular initiatives are working as expected and are willing to adjust tactics in light of the results. (This openness is illustrated by the fact that HISD sponsored the conference at which these nine papers were presented and joined enthusiastically in its discussions.)

These observations should not set Houston apart. Unfortunately, they do. As has been demonstrated many times, most large urban districts try many initiatives (some mutually contradictory) all at once. Many districts simply do not say what their theories of reform are — in some cases, because superintendents and school board members cannot agree about what should be done and, in other cases, because officials do not want to make specific promises about actions and results. Finally, as the University of Chicago’s Anthony Bryk and others have observed, few big cities have the capacity either to track whether policies are being implemented as intended or whether initiatives ultimately are affecting student learning.

Chicago probably is the only other city that has an explicit theory of action, has pursued it consistently over a long time and has paid attention to results. Like those of Houston, Chicago’s efforts are still far from successful. But a combination of consistent purpose and openness to evidence has allowed Chicago and Houston to make steady progress rather than spin their wheels with efforts that already have failed. In Houston, as in Chicago, the glass is definitely not full, but it is also far from empty.

**What Houston Has Accomplished to Date**

Perhaps Houston’s greatest accomplishment has been creating a widely understood strategy for improving school performance.

Houston’s strategy starts with an acknowledgment that many children are not being prepared adequately to participate fully in the community’s economic and political life and that some schools are not capable of preparing children to meet this standard. The goal is to strengthen schools so that all children learn.

The strategy seeks to strengthen schools in three ways. First, by increasing principals’ and teachers’ freedom of action, so that they can use their time and talents effectively on behalf of the individual students they serve. Second, by refocusing the central office away from compliance and toward providing high-quality materials and assistance to schools. And third, by focusing the efforts of the board and superintendent on the accountability function: supporting schools that perform well, directing...
assistance toward schools earnestly struggling to improve, and creating alternatives to failed schools and ineffective central office initiatives.

Houston’s superintendent and school board seek to promote initiatives taken at the school site, but they do not defer to school-level staff on all matters. Thus, district leadership acts aggressively when it believes schools lack adequate resources (e.g., as Kanstoroom’s paper shows, instructional methods and teacher in-service training, and as Guthrie and Hansen’s paper shows, numbers of qualified teachers). Decentralization in Houston is like decentralization in business. Leaders at the top of the system take responsibility for maintaining capacity and ensuring that all units have the resources they need to operate effectively. Corporate leaders are responsible for whatever their organizations do, but as long as people on the front lines use their time and expertise effectively, top leaders do not try to control everything that happens.

Houston also has been unusually clear about its strategy for school improvement. Leaders cannot blow an uncertain trumpet. The board has renewed its commitment to the Declaration of Beliefs and Visions constantly and publicly, and Superintendent Paige aggressively publicized the strategy for change and tied his own reputation to its success. Though individuals like Paige have become extremely well known, both in Houston and throughout the country, they have emphasized the strength of the strategy rather than the magic of their personalities. This is in sharp contrast to the practice of hero superintendents, who inspire hope and loyalty but are never clear about what they plan and how it would work.

Clarity about strategy has led to continuity. The school board has renewed its commitment to Beliefs and Visions deliberately through frequent retreats. These retreats have been used to socialize newly elected members. Long tenures for school board members also have helped to ensure continuity. Paige’s background as an education school dean and a board member who helped author Beliefs and Visions, as well as his personal relationships with business and community leaders, also contributed to the strategy’s staying power.

Houston’s experience shows that adaptability and honesty beget continuity. The fact that the board and superintendent were able to admit that some initiatives were done poorly has preserved the basic strategy. Instead of becoming defensive, they amended or replaced them. Faced with the scandalous failure of a first effort to enhance the teacher supply via alternative certification, the district revamped the program and saved it. Faced with evidence that the first plans for budgetary decentralization led to inequitable results or that some efforts to outsource noneducational functions were done poorly, the district strengthened these initiatives.

Clearly, Houston has been able to sustain its basic strategy even in the face of poor performance on the part of some initiatives. This has been possible for three reasons: The strategy was broader than any one initiative, evidence of performance was sought and made public, and district leaders abandoned or amended deficient initiatives. Thus, in the face of flawed initiatives or unsatisfactory performance, the basic strategy — and the leaders who supported it — could survive and continue to make progress.

Overall, the leaders of Houston school reform have demonstrated the responsible use of power. Superintendent Paige personifies this: He is comfortable with authority but disciplined enough to use it only in support of a defined strategy. Many school district leaders fall at one extreme or other, either hiding behind process while avoiding strong actions or taking strong
actions but failing to explain how these stem from a broader strategy.

The results of the Houston approach, as the Hannaway and McKay and Kanstoroom papers show, are positive for students, but incomplete. Houston has succeeded in taking what Bryk calls the first step in school reform. It has moved from little or no teaching to some teaching. However, it is now struggling to take the second step: good teaching everywhere.

Progress Limited by Half Measures
As several of the papers indicate, the effectiveness of the overall strategy is limited by the weak design or implementation of some of the components. Hooker demonstrates that the effort to increase schools’ control of funds still has a way to go. The district remains unclear about how much real spending discretion will lodge at the school level. Also, the practice of charging schools for average, not real, teacher salaries has led to budgetary inequities, which are a disadvantage to schools serving the neediest children.

Manno’s paper hints that the district could do more in using charters to create new options for children in low-performing schools. Leal shows that the school shared decisionmaking initiative suffers from unclear goals and inconsistent interpretation. Shared decisionmaking might, in fact, prove inconsistent with the overall strategy, since it decentralizes district-level political issues to the school level without making a significant grant of new authority. Finally, as district leaders freely admit, the outsourcing initiative (as analyzed by Huntsman and Aiyer) still suffers from unclear goals and inconsistent implementation. As the conference discussion made clear, the district has to consider this a capacity to be built, not something that can be done by retread teachers or principals.

The good news, however, is that system leaders readily admit these shortcomings and are working to transform the weakest initiatives. Speaking at the conference, former school board member (and now senior administrator) Cathy Mincberg exemplified the district’s attitude when, in reference to the outsourcing initiative, she said, “We know our baby is ugly. We are working on it.”

Overall, Houston has made real progress by pursuing an admirably tough-minded and consistent strategy. Putting aside controversies over whether gains on TAAS predict improved performance in jobs or higher education, Houston students clearly are learning more than ever before. Progress to date is real, but nobody thinks it is nearly enough.

Implications for the Future
How can Houston build on what has been accomplished? Based on the papers presented at the conference, several comments seem in order.

Refine Existing Strategies. First, the superintendent and board should make the most of the current strategy by taking full advantages of initiatives that have been started but are not perfected yet. As suggested previously, this means more complete decentralization of funds and spending decisions to individual schools. It means eliminating spending inequities among
schools in richer and poorer parts of town. It requires making full use of chartering to create new options in neighborhoods where schools consistently fail to educate students to state standards. And it means more aggressive use of outsourcing and developing the district’s capacity to oversee contractors. Finally, it requires either scrapping or clarifying requirements for school-level SDMCs.

**Prepare for Leadership Transition.** Second, the Houston community — not only the superintendent and school board but also elected officials, civic groups and foundations, and religious and business leaders — should prepare for the inevitability of leadership transition. Superintendent Paige already has left. Within the next three years, the remaining board members who were present at the creation of Beliefs and Visions probably will be gone as well. This will be a time of great peril for the reform strategy that has served Houston well. Unless leadership succession is planned carefully, new superintendents and board members are more likely to strike out in new directions than to build on what has gone before.

As Ayers’ paper illustrates, Houston business leaders have played important roles in developing and supporting school improvement, but they now have a deeper role to play: protecting the basic reform strategy from erosion or careless abandonment. A possible key to continuation beyond Paige’s tenure is to appoint a superintendent who already knows the Houston situation well and has his or her own local political connections. Houston might consider the San Diego model, in which a superintendent with a support base in the local community (Alan Bersin) sets a broad strategy and works to sustain it politically. The superintendent then selects experts in educational leadership (Anthony Alvarado and his team) to lead the day-to-day implementation of the strategy.

**Define New Initiatives.** Finally, in the future, Houston will need to push the boundaries of its strategy even further. Reform leaders readily admit that their initiatives have not gone far enough. They acknowledge that some schools and groups of students still are waiting to benefit. They know that assets exist in the broader Houston community — people, organizations and ideas — that have not been exploited fully. Moreover, reform leaders acknowledge that strategy alone will not prepare all Houston children for the demands of a technology-driven economy. Houston’s reform strategy is on the right track as far as it goes, but it must expand to include some “out of the box” initiatives.

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Based on the conference papers and discussions, four avenues seem ripe for exploration:

*New options for secondary school students.* As the conference discussion made clear, Houston’s reforms to date scarcely have touched high schools. In cities throughout the country, high schools are far less responsive than elementary schools to the needs of students, especially the disadvantaged, and more resistant to change. There are a number of useful models
the city might pursue and should begin investigating.

*New uses of online instruction to give all students access to world-class presentation of ideas and materials.* Though teaching and learning must always be high-touch, individualized and caring, there is no substitute for excellent presentation of materials. This is particularly true in quantitative, scientific and linguistic disciplines in which few current teachers can claim mastery. Houston and other big-city systems need to experiment with new ways of combining on-site teaching and tutoring with world-class online coursework. Examples of the latter are now available for some Advanced Placement courses. Within a year, similar coursework will be available for many of the most demanding subjects taught in secondary school.

*New approaches to recruitment and training of teachers.* As Guthrie and Hansen’s paper shows, Houston’s alternative certification program is a model for the rest of the country. But more is needed. Qualified teachers are in short supply, and demand is likely to continue growing. In an economy where the most talented young people have many remunerative options, teaching cannot be set apart as a lifetime, low-paid occupation. Able college graduates expect to have several careers; some even anticipate making high incomes during some periods of their lives and trading income for satisfaction during others. Many of these people express interest in episodes of teaching throughout their careers. However, when viewed as a lifetime commitment to civil service, teaching is unattractive to the ablest.

Houston and other cities need to find ways to make a virtue out of necessity. If the ablest will go into teaching only for a limited time, policymakers might want explore how to encourage such short-term commitments. A possible approach is to hire teachers through contracts with professional cooperatives. Another would be to encourage some teachers to keep their day jobs — continue to work in industry while working part time as teachers. Arrangements such as these could give Houston schools and students access to Houston’s entire human resources pool, not an arbitrarily limited part of it.

*New independent local institutions to support school reform.* Nationwide, school districts have been unable to develop or maintain some capacities that are needed for sustained school reform. Manno’s paper identifies several of these: an incubator for new schools, a network of organizations willing to provide management and other services, an organization to analyze and publicize school performance information, and an independent inspectorate that can assess the performance of individual schools in light of the challenges they face. These capacities are necessary to create new schools that meet new needs, replace failed schools and sustain the kind of system Houston is trying to build.

In theory, a school district like Houston’s could have any of these capacities. However, districts seldom develop and rarely sustain them for two reasons. First, pressures for teacher hiring and maintenance of existing services are so overwhelming that district leaders are not free to take funds that would otherwise go to salaries or services and invest them in building new capacity. Second, district bureaucracies resist allowing independent organizations to start schools, provide services or conduct rigorous performance assessments. Manno suggests that such capacities be developed in independent organizations, supported wholly or in part by business and foundation funds.
National Implications of the Houston Experience

Houston is definitely a national model, for both its school improvement strategy and its leadership performance in holding the strategy in place. Leaders in other cities can and should learn important lessons from Houston’s experience.

But other cities should not kid themselves about how complex Houston’s strategy is or how much commitment is necessary for it to work. Localities that pick one or two easy-to-implement initiatives that resemble Houston’s and ignore the rest will not get the results they want. Localities in which community and business leaders think all the work can be left to educators soon will find that their initiatives are pale imitations of Houston’s and not worth the time and money spent on them.

This is true of other promising reform initiatives as well. Many localities trying to imitate Anthony Alvarado’s striking success in New York City are finding that it is easier to adopt some of the surface elements of a strategy than to reproduce all its active ingredients.

Other cities cannot clone Houston’s history, nor are they likely to have exact counterparts of the people who are the heroes of this effort. But with a working knowledge of the principles of HISD’s reforms, they can recruit and support equally talented, bright and committed people to do what is appropriate in their district. What other localities can do is invest in the election of a knowledgeable and responsible school board, create a workable strategy that can be widely understood and handed along as new leaders succeed old ones, and find a superintendent who can lead effectively in the local context.

Critics who dismiss Houston’s limited achievements are like naysayers who laughed at the Wright brothers’ first airplane because it could not fly very far or carry much weight. They were wrong, and so are today’s critics of the Houston effort. Something profound and significant has happened to the schools and children of Houston. The challenge for the community is to resist the temptation to rest on the schools’ laurels and build on what has been done. As with the Wright brothers, the Houston community won’t get very much credit just for getting off the ground. Now it needs to be sure it can take parents and students where they want to go.
Papers

John Ayers, “Business and Civic Leadership for Change.”


Jane Hannaway and Shannon McKay, “School Accountability and Student Achievement.”

Frederick M. Hess, “Setting the Caged Bird Free: The Struggle to Decentralize and Urban School System.”

Paul T. Hill, “A New Reform Agenda for Houston’s Public Schools.”

Richard L. Hooker, “Funding Students, Not Schools: The Effort to Decentralize.”

Scott Huntsman and Jay Aiyer, “Improving Business Operations.”

Marci Kanstoroom, “Houston’s Balanced Approach to Improving Instruction: Redefining the Role of the School District under Standards-Based Reform.”

David Leal, “Shared Decision Making Councils in Houston Public Schools.”


Donald R. McAdams, “Houston’s Reform Agenda.”
Acknowledgments

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In addition to this report, nine research papers commissioned to inform the conference discussions have been edited for publication in a forthcoming book.
Houston’s “Making the Grade” conference was held Oct. 23–24, 2000, and organized by the Center for Reform of School Systems at the University of Houston’s College of Education.

The center’s mission is to support school district and community leaders who want to become more effective school reformers. The center’s focus is school districts. The approach is whole-systems change. The center is now an independent not-for-profit corporation.

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