Creating a Governing Framework for Public Education in New Orleans:

The Central Office and the School

A Series of Reports by the Scott S. Cowen Institute For Public Education at Tulane University

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Creating a Governing Framework for Public Education in New Orleans

The Scott S. Cowen Institute for Public Education Initiatives at Tulane University presents the first three reports in a series of papers on public school governance called *Creating a Governing Framework for Public Education in New Orleans*. The overall goal of this study is to lay out options for the roles and responsibilities for all governing entities in the city's public education landscape in order to support a system of high-performing public schools. With a mayoral race, a legislative session, and federal Race to the Top applications coming in the near future, this information is critical and timely – not only for New Orleans but to public school districts across the country. Under state law, the Recovery School District must make a recommendation in 2010 as to whether some or all of the schools it took over in November 2005 (after Hurricane Katrina) should return to local control. The citizens of New Orleans must now begin to consider the long-term structure that ensures that every child has access to a high-performing public school. The purpose of this series is to inform that dialogue.

These initial three reports focus on district leadership, the relationship between the central office and schools, and charter school authorizers and operators. The reports provide important background information to policymakers and the community on the possible options for governance structures. These reports were written by Michael Schwam-Baird, Assistant Director for Research, and Laura Mogg, Research Analyst. A fourth report will be released in the coming weeks, in partnership with the Bureau of Governmental Research (BGR), and will outline specific models for a governing framework for public schools in New Orleans.

The Scott S. Cowen Institute for Public Education Initiatives at Tulane University

The Cowen Institute is an action-oriented think tank that informs and advances solutions – through policies, programs, and partnerships – to eliminate the challenges impeding the success of K-12 education in New Orleans and beyond. It also serves as a clearinghouse for K-12 public schools in New Orleans to directly access the myriad of experts and resources available at Tulane University. Our work is in the following key areas:

- Applied Research
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Applied Research at the Cowen Institute

The Cowen Institute’s Applied Research staff serve as an objective voice to education leaders, policymakers, the media, and the public about what is taking place in public education in New Orleans – particularly in the areas of accountability, operations (mainly finance and facilities), and governance – by disseminating relevant data and research. We draft briefings and conduct forums, meetings, and seminars that inform educators, administrators, media, and the general community on issues impacting public education in New Orleans.
# THE CENTRAL OFFICE AND THE SCHOOL

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EXECUTIVE SUMMARY

Introduction

For most of the 20th century, school systems in the United States have operated as highly centralized organizations that concentrated most authority and decision-making in a district-level administrative office. While this arrangement does work for some districts, it is often the failures of centralization that are the focus of attention and research and are the rationale behind the push for taking authority out of the central office.

Evidence indicates that decision-making in the New Orleans Public Schools (NOPS) was highly centralized until the post-Katrina transformation of the system. NOPS had many of the problems that critics of centralization ascribe to traditional school districts: excessive central office staff, financial and managerial problems, and limited accountability for serving students.

Since Hurricane Katrina, many schools have become charter schools, granting them significant control over many of the functions that used to be managed by the central office. Decision-making authority for the four remaining NOPS traditional schools has stayed with the NOPS central office in the aftermath of the storm. The Recovery School District initially ran on a centralized model for its traditional schools, but plans to move toward a system where the schools under its direct control are operated autonomously, with greater independence than the traditional relationship with district administration might offer.

The Relationship between the Central Office and Schools

The meaning of school district decentralization varies, and can take into account any of the following elements:

- Differences in the overall autonomy given to schools;
- Differences in accountability mechanisms;
- Differences in the extent to which particular decision-making domains or functions, such as budgeting, personnel, curriculum, or operations, are controlled at the school level.

Decentralization, for a district, can also mean giving greater control over a wide range of decisions to district principals or contracting with third party organizations to operate schools.

Proponents of decentralization make the following claims:

- Centralized structures can lead to inefficiency, inertia and corruption.
- Decentralization supports flexibility, increased accountability, and increased productivity.
Centralization and Decentralization in School Districts

A number of school districts have implemented changes in the relationship between their central office and schools in ways that are more strategic than ideological.

- This approach seeks to place particular functions at particular levels of authority based on what level of authority is likely to do the best job.
- Some of these districts have been at least partially successful in raising student achievement.
- What seems most important to these districts’ success is the quality of the relationship between schools and a central authority of some kind.

If roles and responsibilities are divvied up between a central office and schools, the research literature and case studies of school districts give some indication of how that split should occur:

- Standards, accountability, and overall goal setting should rest with a central authority (which may include some state involvement).
- Setting school-based budgets and making decisions about staffing based on the resources that are available are better left to administrators at the school level.
Lessons for New Orleans

The lessons that New Orleans can draw from the material covered in this report are somewhat limited because of the new system of public schooling that is developing in the city, which includes a significant number of charter schools.

- The schools directly run by the Recovery School District are likely to gain significant school-site powers, much like charter schools have. The RSD central office, according to Superintendent Vallas, will take on the more limited roles of accountability, school support, and shared services.
- Only those four schools run by the OPSB are likely to remain under strong central control. For those schools, a deliberative process to consider what functions could be taken on at the school site, versus at the central office, could be beneficial.

Assuming that New Orleans continues to have a majority charter system, there are still a number of functions that need to be centralized somewhere. These functions include:

- System-wide planning to determine how many schools are needed, of what type, and where they should be located;
- Ownership and responsibility for school facilities;
- Coordination of the school choice and enrollment process to ensure that it is comprehensive, fair, and transparent; and;
- Provision of objective information about school options for parents.

While there are certainly other roles that a single authority could handle better than individual schools, the current context calls for at least the functions mentioned here to be centralized in an entity of some kind. This entity may not look like a traditional district central office; however, it will have to take on some of the central office's typical roles and have some basic authority to accomplish its mission.
INTRODUCTION

For most of the 20th century, school systems in the United States have operated as highly centralized organizations that concentrated most authority and decision-making in a district-level administrative office. This model of school system organization originated with the Progressive movement in the early 20th century. Progressive reformers were concerned not only with the politicization of the school system through urban machine politics but also with the need to accommodate rapidly growing student populations in an efficient manner. Progressives believed that a professionally-run school district with centralized management, modeled on corporate organizations, could most efficiently fill the growing need for new schools, more teachers, and additional supplies. As a result, district functions became increasingly centralized and administered by a professional staff.¹

While the specifics vary by district, a school district’s administrative office is generally in charge of implementing policies set by the district’s political leadership (usually a school board), as well as overseeing academic programs, making human capital decisions, controlling budgeting and finances for the district, and providing schools with services such as meals and transportation. While this arrangement can and does work for some districts, it is generally the failures of centralization that are the focus of attention and research. These failures are used as the rationale behind the push for taking certain functions out of the central office. Centralization of authority and its resulting bureaucracy are blamed for a variety of problems including corruption, fraud and waste,² financial mismanagement,³ and poor academic outcomes.⁴

Centralizing and decentralizing authority have moved in and out of favor as reform strategies since public education began in the United States.⁵ Over recent decades there has been a movement to decentralize decision-making again by moving it to the school level. In the most recent incarnation of decentralization as a reform measure, principals, local school councils, or autonomous charter schools are given authority over important functional areas such as personnel, curriculum and instruction, and budgeting and purchasing. This latest trend towards decentralization is premised on the belief that decisions about how students are educated and how schools are operated are best made by those who are closest to students. It is argued that organizational structures, therefore, should be modified to give schools increased decision-making power. In spite of this newest push for decentralization, however, most school districts in the U.S. retain a strong central office with significant power over school operations.
HISTORY AND BACKGROUND

New Orleans Public Schools and Decentralization

Across the United States, efforts to decentralize decision-making in school districts were common in the 1960s and 1970s. Based on ideas originating with the Civil Rights movement, communities became concerned that centralized and isolated professional boards could not adequately govern systems serving predominantly poor and minority children. They advocated for greater involvement and authority for parents and community members over the schools in their neighborhoods. Some of these attempts were more successful than others, owing largely to the way that districts shaped their community involvement policies. New Orleans was no exception to this movement or its struggles, establishing its own decentralization policy in 1975.

By 1975, perception of the district administration, at least among employees, was poor. A survey of faculty, principals, and administrative staff released in January of that year revealed that more than half of teachers, and nearly that many principals, felt that the administrative management of schools was not improving. Fewer than 17 percent of teachers found various administrative and central office personnel “useful.” (This displeasure may have stemmed from the involuntary transfer of a number of teachers in 1972 as part of faculty desegregation.) Yet their negative feelings extended beyond just how they felt about administration and management. Seventy percent of those surveyed rated their schools as “only fair” or “poor.”

The Orleans Parish School Board (OPSB) was, at the time of the study, the recipient of a grant from the Rockefeller Foundation, the purpose of which was to “promote community involvement through the organization of broad-based community groups” to advise on issues such as policy, communications, desegregation, and attendance zones. In early 1975, a group of parents, community members, and district representatives presented a draft policy for community involvement in schools.

The policy was well received by the OPSB and included a plan for democratically elected school site “governing bodies” at each school. In addition, regional governance councils would be formed according to high school feeder patterns and a city-wide Community Advisory Board would be elected from the representatives on the regional boards. All boards would consist primarily of parents but would involve other community members. A version of the policy was adopted in December of 1975, after the initial formation of the Community Advisory Board. The policy stated that the OPSB “encourages formation” of school councils and would provide annual financial support for operations and workshops “as it deems adequate.”

While it was the goal of the program to establish councils in every school in 1976, and while the OPSB’s policy encouraged their formation, schools were not required to participate. Likewise, the adopted policy gave school site councils no official power. Available evidence from school board meeting minutes, policy manuals, and reports indicates that the policy had little impact on the manner in which decisions were made. Indeed, the OPSB’s decision not to give councils official powers was typical of other districts’ early experiences with decentralization in the form of elected school-site councils.
Meanwhile, the district’s central office continued to grow in the 1970s. Though enrollment continued to decline from its high in the late 1960s, “constant administrative growth characterized” the central office over the same time. Enrollment in public schools fell by 22 percent between 1969 and 1979, but the number of non-instructional positions during that time stayed nearly the same. Though the rhetoric of the period encouraged parental involvement, resources and decision-making powers were not necessarily being pushed down to the level of the school or the classroom.

The 1980s, 1990s, and School-Based Management

The school site council policy remained in the OPSB’s policy manual throughout the 1980s and 1990s, a time of central office expansion and declining enrollment. Based upon the business still being conducted at Board meetings and by the Superintendent’s agenda at those meetings, the district continued to operate in a centralized manner. This centralization of functions did not automatically result in efficiency or streamlining. In fact, an internal 1986 audit found that accounting and other administrative activities were being duplicated by different departments and that levels of responsibility assigned to different departments was inconsistent. Because tenure law and various union contracts prohibited elimination of personnel, the report concluded that responsibilities and positions should be redefined and employee overtime should be eliminated.

During this time, the board continued to entertain other plans for decentralizing authority. During the late 1980s and early 1990s, the OPSB discussed implementing “school-site management,” in the form of giving principals increased authority, which was again characteristic of how other districts were decentralizing at the time. By 1988, the Board had publicly agreed that principals needed greater autonomy, and their Accountability Task Force was investigating what needed to be done to implement this plan, with the Board of Elementary and Secondary Education (BESE) interested in treating the NOPS plan as a pilot project.

Three years later, the board claimed to still be moving toward decentralization and the implementation of management at the school site. And in 1993, the superintendent said that the administration had made “major commitments” to site-based management. While the superintendent claimed that almost all per-pupil expenditures went to the school site except for the percentage earmarked for teacher salaries, in reality board policy gave principals little control over where and how these funds were spent.

The board’s policy manual, board meeting minutes and reports, and public perception as presented at board meetings indicate that the New Orleans Public Schools continued to operate in a fairly centralized manner. In one instance, an innovative and reportedly successful program at one elementary school was nearly ended when the administration rejected the principal’s request for greater flexibility to operate the program. Though some parents desired the opportunity to get involved in the selection of administrators at their school (one of the intended goals of the school site council policy), they were publicly admonished by the Superintendent and told to focus on student achievement and not personnel matters.
The contradiction between the board’s statements and its (and the administration’s) actions was not lost on the public. At an OPSB meeting in 1993, one commenter claimed that site-based management was not occurring at schools and instead the district administration was micromanaging the school. This was seconded by a comment the following year, which mentioned the school-site council plan from 1975 and claimed that the system had “regressed” to centralized management.

These assertions find support in the growing number of central office employees and non-instructional staff relative to the number of students enrolled in the NOPS over this time. From the 1996-1997 school year to 2004-2005, enrollment fell by 22 percent. Over the same time period, the number of non-instructional central office employees stayed essentially flat. The student to central office employee ratio was 60 to 1 in 1996-1997; by 2004-2005 the ratio had decreased to just over 51 to 1. The district’s total non-instructional staff had been growing relative to enrollment since the district hit its highest enrollment, 116,000 students, in the 1969-1970 school year. Ten years later, there were 89,000 students, but virtually the same number of non-instructional support staff, even as the number of classroom teachers declined. By 2004, student enrollment had dropped to 68,000 students, but the number of non-instructional support staff was still virtually flat.

The district’s policy environment made devolving power to schools difficult. For example, while principals were given budgets for some supplies and equipment, all purchases were required by policy to be routed through the Purchasing Department and were made centrally, using district vendors and contracts. According to the 1989 version of the OPSB policy manual, district-wide curriculum was set by the administration and any modifications that a principal wished to make had to be approved at the central office. Teacher applications were submitted to and held at the central office and while principals assisted in selecting teachers, recommending candidates for positions, all employees were appointed only by the Superintendent.

This is not to say that no decision-making authority was held at the school site. However, it appears broad authority was rare. In addition to its own policies, the district was bound by a union contract as well as state and federal statutes that

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* The Superintendent stated at one board meeting that principals were allowed to determine how the Chapter I (now Title I) funds would be spent at their schools, creating their own programs and budgeting for the necessary personnel or technology at their discretion. (OPSB Meeting Minutes, June 26, 1995.)
affected how the central office interacted with school administration. Until 2007, Louisiana law granted all district employees (excluding cafeteria workers) eligibility for tenure after three years. The process for the termination of a tenured employee was also determined by Louisiana statute. Discipline, employee suspension, the school calendar, and other work rules were established by the contract between the OPSB and the United Teachers of New Orleans (UTNO), further restricting the central administration's authority to determine where decisions should be made. These laws and contracts dictated, to a degree, where authority for some functions, such as personnel and curriculum, resided.

In the last decade before Katrina, the system's central office also experienced significant turnover of its top management. Between February of 1999 and March of 2005, five different Chief Financial Officers were named in OPSB audits, with some gaps in that time frame where it is unclear that anyone filled that position. In addition, after Superintendent Morris Holmes left his post in June of 1998, NOPS was led by eight different superintendents (including 6 interim superintendents) before the start of the 2005 school year. After Superintendent Al Davis took over in 1999, he restructured most of the senior administration, creating new positions, eliminating others, and hiring a mostly new staff. Superintendent Anthony Amato also reorganized some of the positions in his administration when he took office in 2003.

The increasing size of the bureaucracy relative to enrollment, combined with the high turnover of top management, may have contributed to the mismanagement and fraud in the New Orleans school system's central office that came to light in the last decade before Hurricane Katrina. Two Legislative audits, one in March of 2004 and one in August of 2005, exposed the extent of the problems. The 2004 report revealed extensive problems with the payroll system, with estimates that terminated employees were paid $3,199,407 in pay and benefits to which they were not entitled. The auditors found that the human resources department had no handbook, the department's personnel received no training, and the district had no procedure by which schools could report terminated employees to the central office. In addition, the payroll department went through seven managers between October 1999 and July 2003 and had not updated its handbook since 1983. The finance department went through three administrators in the same amount of time and had no handbook or manual. Finally, the report noted that employees had "open access" to the payroll system, with the ability to change payroll records and financial and operational data outside of their departments for the prior five years.

The NOPS Central Office Post-Katrina

Because of the state takeover of the majority of the New Orleans Public Schools following Hurricane Katrina, the OPSB, as of the 2009-2010 school year, has direct control of four schools and the oversight of 12 charter schools. There exists little indication that the system plans to change its previous structure, aside from its additional task of overseeing charter schools. The revised 2008 Policy Manual reveals that much authority remains at, or was returned to, the central office as it relates to schools OPSB controls directly. While principals now interview school-based personnel, teacher applications are still submitted to and held at the central office. Principals must consult with the Director of Human Resources and Chief Financial Officer on potential hires, with the Superintendent making the final decision. In addition, the administration
The OPSB continues to be criticized for having a central office that remains too large for the number of students it serves. While there were 67 central office positions funded through the General Fund in 2008, the OPSB is currently going through a reduction in force in which ultimately 42.5 employees will remain at the central office to serve an estimated 2,671 students for the 2009-2010 school year. This is larger than districts such as Plaquemines, St. Bernard, and Zachary which have 15-22 central office employees for about 3,600 to 4,600 students. However, the OPSB serves additional functions such as overseeing 12 charter schools and acting as the fiscal agent for all New Orleans public schools, including those currently under the RSD.

The Recovery School District Central Office

After the state takeover, the majority of the New Orleans Public Schools were placed under the control of the Recovery School District (RSD). At the beginning of the 2009-2010 school year, the RSD oversaw 37 charter schools and directly operated 33 schools. Initially the RSD envisioned itself as overseeing a district composed almost entirely of charter schools, and it was unprepared when it was forced to open and operate schools. The RSD lacked adequate management and central office staff to support the functions that operating schools requires. This led to a teacher and school leader staffing shortage, problems with security and discipline, inadequate supplies, and other issues.

A Legislative audit following the close of the 2007-2008 school year found that some problems at the RSD central office still remained. The RSD had inadequate controls over payroll, failing to enter termination dates in a timely manner and thereby overpaying some former employees. It also failed to adequately control moveable property resulting in theft of equipment valued at $55,802. According to RSD management, in 40 percent of tested cases, vendors were not paid within the 90 days required by Louisiana law due to cash flow problems.

By the 2009-2010 school year, some of the initial confusion had subsided; more central office staff had been put in place; and a procedure handbook outlined how the RSD’s administration would interact with its directly-run schools. Based on the most recent available version of the RSD’s handbook, it appears that most functions are highly centralized. The central office administration develops the district-wide curriculum, which is aligned with benchmarks, expectations, standards, and classroom, district and state tests. Textbooks are adopted by the Chief Academic Officer, though teachers, principals, and parents are allowed some input. All purchasing is done through the central Purchasing Department. Personnel, including teachers, are hired through a centralized process; however, approved teaching applicants can be selected for placement by principals.
Despite these policies, the handbook requires the Superintendent to develop a model for the implementation and practice of school-based decision-making.49 The RSD has also announced plans to move toward a system where even those non-charter schools under its direct control are operated autonomously, with greater independence than a traditional relationship with district administration might offer. In January of 2009, RSD Superintendent Paul Vallas said, “In two to three years, this district is going to be almost exclusively made up of charter and independent schools that may not be legally charters, but they have all the autonomy, flexibility and independence that charters do.”50 The RSD’s 2009 strategy report echoed that sentiment, claiming that it is “moving to a model that will be composed of independent schools managed by proven, high-quality school operators.” The district will eventually have a small central office that will serve as a “monitoring, support, and feedback center.” In addition, schools will each have a governing board made up of community members and local supporters.
The relationship between schools and the district central office is often discussed in terms of the extent to which power, broadly construed, is centralized or decentralized. This framing masks the reality that a number of school system functions can be centralized or decentralized to varying extents. In most cases, both the central office and the school site will still have some role to play, regardless of the extent to which power is given to one or the other. For instance, even if schools have control over their own budgets, the central office will still be tasked with allocating funds to schools based on some sort of formula.

Because central control has been the status quo for some time, most of the research examining the relationship between schools and the central office examines different schemes for decentralizing control. School system decentralization is a reform measure that in some way entails pushing decision-making authority down from the central office to the community or school level. A number of variations can occur under the heading of decentralization, including differences in the amount of autonomy given to schools, in the kind of accountability mechanisms, and in the “decision-making domains” controlled at the school level. These key decision-making domains are generally budgeting, personnel, curriculum and instruction, and school operations and administration.

Two main types of school system decentralization can be identified: political and administrative. Political decentralization moves authority out of the system, taking power from the central governing body and giving it to a local governing body like an elected school-level council. Administrative decentralization involves a shift in the organization’s internal structure, moving administrative decision making power downward in the school system. Though this distinction is relatively clear in theory, it is not always clear in practice, as some plans, such as the 1969 New York School Decentralization Act and the Chicago School Reform Act of 1988, do both at once.

Experiences with Political Decentralization

Throughout the history of public education in the United States, reformers have returned at different times to political means of centralization and decentralization as a way of addressing school district problems. A history of school reform in the U.S. documents this persistence, noting that in the late 19th century, there were more than 100,000 school districts in the U.S., many with numerous board members who were perceived as being responsive to the electorate. Progressive reformers during the early 20th century worked to consolidate districts and place political power in the hands of smaller and more centralized “professional” school boards. In the 1960s, a movement away from this consolidation and again towards political decentralization began. This movement originated with civil rights activists who were concerned that small and isolated boards could not adequately and equitably deal with the large population of poor and minority children in urban public schools.
New York City is a typical example of political favor cycling between centralization and decentralization. One history of public schools in New York City observes that “most legislative changes have been a response to the perception that power had become too decentralized or too centralized.” This back and forth eventually resulted in a 1969 law – sparked by minority group protests – that divided the New York City school district into over 30 smaller sub-districts. These sub-districts were led by elected community boards that were given substantial powers over elementary and middle schools. The boards appointed the sub-district superintendent and could approve or veto the superintendent’s selections for school principals.

This political decentralization eventually led to significant problems. Criticism grew as boards became “embroiled in political or financial scandal, with board members accused of various forms of corruption, such as selling jobs, taking kickbacks for contracts, and using their budgets for patronage to friends and relatives.” Because they were beholden only to the local electorate with little outside accountability, the boards became mechanisms for patronage, bribes, and self-promotion. These problems stemmed not from the board’s lack of autonomy but from an excess of autonomy without oversight or accountability for student achievement or the effective oversight of sub-districts. Board members were held accountable by a small group of voters, some of whom could be placated with jobs and money. After decades of this behavior, the boards were abolished in 2002 and power was recentralized under the city government.

Chicago Public Schools also had significant problems with its initial attempt at political decentralization. The Chicago School Reform Act of 1988 established Local School Councils (LSCs) at every school to be elected by parents and community members. The LSCs were composed of parents, community members, students, staff, and principals. Each council was given control over its school’s discretionary budget and the ability to renew the principal’s contract. While the councils did increase parent and community involvement in making decisions about education, district-wide fiscal problems, low student achievement, and labor unrest persisted. It was only after further legislation, and the increased accountability and centralization it brought about, that test scores improved notably. (That legislation and its effects are discussed in more detail in the chapter on School District Political Leadership.)

**Administrative Decentralization: Theory and Practice**

Administrative changes in the relationship between the central office and the school fall along a continuum with radical centralization and radical decentralization at either end. While there are few advocates for radical centralization currently (in part because most central offices already have significant power), the debate about how far decentralization should go continues, with some advocating for moving towards the farthest end of the spectrum. Finally, in between these two extremes are reform approaches which seek to place particular functions at particular levels of authority based on what level of authority is likely to do the best job. This reform strategy, based on comparative advantage and sometimes called systemic reform, is generally the model used by successful school districts, even as they lean towards centralized or decentralized control overall.
The contemporary rationale for administrative decentralization is derived from recognition of the problems with centralization of schools systems. Namely, centralized structures are believed to lead to “inertia, pessimism, inefficiency, cynicism, and long delays for decisions of any kind on the smallest of matters.” They are also accused of failing to inspire the responsibility and commitment necessary in employees to bring about educational improvement. Administrative decentralization is presumed by its proponents to support three main organizational goals. The first is flexibility in decision making, or the belief that decentralization “permits quick response to local decisions.” Some authors agree that innovation will follow flexibility, with creative and intelligent people attracted to the latitude they are given. Secondly, this flexibility should result in increased accountability that is aligned with the overall organizational goals. Lastly, decentralization should increase productivity by improving outcomes, reducing costs, and increasing efficiency, with “service performance” as the guiding principle. This claim rests on the assumption that decisions cost more when they are made by higher administrators and when information has to be transmitted to increasingly higher levels.

A staunch critic of most forms of political decentralization, Lydia Segal argues for administrative decentralization as a way to counter the waste, corruption, and inefficiency that are endemic to large bureaucracies. Accordingly, as these systems have grown, they have eroded oversight and encouraged a focus on compliance instead of performance. Segal claims that central administration is where waste is embedded. The solution would be to loosen top down authority and give more power to principals. Other experts agree, seeing thick bureaucracy as a means of hiding fraudulent behavior and deflecting blame. Yet where and what authority is decentralized is important. The political decentralization of decision making in New York, for instance, encouraged fraud and waste because it provided for local political accountability without academic accountability.

Many school districts struggled with early attempts at administrative decentralization, often termed "site-based management" (SBM), from the 1960s through the 1980s. Experts generally agree that this was not due to flaws in the assumptions that these decentralization schemes are based on, but because of problems with implementation. School districts’ attempts were often marginalized and incomplete, had conflicting goals, and did not reflect the core principles of decentralization. A strategy like SBM was a "scheme added to the menu of other reforms" without fundamentally altering the way decisions were made in the system, giving schools control of only marginal issues.

More recent advocates of decentralization have tried to further remove the central office from its place of control by establishing schools that are funded publicly but are managed by third party organizations. These organizations can be for-profit or non-profit corporations that the district contracts with to handle the management of a school (called Education Management Organizations or EMOs), or they can be groups that contract with a charter authorizer to open a new school or take over an existing school. (Charter schools and their authorizers will be discussed in depth in a subsequent report.) In theory, charter schools and EMOs exchange greater autonomy for greater accountability. Since the 1990s, states have set more explicit standards for what students should learn and created a battery of standardized tests to monitor how well
students meet those standards. As a result, schools run by third parties can be held accountable for their results on state and local accountability systems while being given significant autonomy over operational issues.

Studies of charter school effectiveness have yielded mixed results. One recent analysis of charter school studies showed that 29 of 33 longitudinal studies found charters performing as well as or better than traditional public schools. Yet a large national study conducted by the U.S. Department of Education found charter schools no more effective, and sometimes less effective, than traditional public schools at improving student achievement. In one of the most rigorous charter school studies to date, researchers found that students enrolled in charter schools through a random lottery had slightly larger improvements in math and reading than students with similar backgrounds who were not chosen in the lottery. Due to these conflicting results, there is still no consensus on whether charter schools provide a better model of school governance. Additionally, in a review of more than 900 studies on some of the most popular education management organizations, only nine of these studies were considered by researchers to be valid—all of which focused on one particular EMO. The researchers could reach no conclusion about the effectiveness of EMOs given the research and information available.

While charter schools and EMO-operated schools represent extreme forms of administrative decentralization, many successful reforms occupy a middle place on the continuum between centralization and decentralization. These reforms attempt to consciously place functions at the level of authority where they will best be housed. As the cases below illustrate, there may be advantages to centralizing certain functions, like instructional standards, while radically decentralizing others, like hiring and budgeting. Indeed, a number of school districts have used the selective centralization of certain functions to improve school performance in struggling school systems. In San Diego (profiled below), the school district was able to standardize and improve instructional practice by shifting power to the district’s central office. This focus on raising the quality of instruction from the center is widely believed to have contributed to improvements in student achievement. Likewise, as one of many reforms it undertook, the school district of Philadelphia (profiled below) put a number of low-performing schools directly under the control of a new department within the central office even as other schools were turned over to the management of outside groups, a staple policy of advocates for decentralized school systems. The schools run by the central office outperformed those run by outside groups.

Centralization and Decentralization in School Districts

A number of school districts have implemented changes in the relationship between their central office and schools in ways that are more strategic than ideological. Some of these have been at least partially successful in raising student achievement.

San Diego

In San Diego, authority over schools was decentralized through the late 1990s in two main ways. First, multiple area superintendents were placed in charge of school groups that fed into one another. Over time, these superintendents became,
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according to a district observer, “autonomous, reactive, and competitive,” failing to share information and barely interacting with anyone outside of their departments. The achievement gap in San Diego has been linked in part to the inequitable way that resources and capacity were distributed across these sub-districts. In addition, each school site was operated differently by the school level leaders and teachers with little accountability. Former Board president Ron Ottinger said, “It was a very balkanized system, and in that culture, teachers basically ran the schools and did whatever they felt was best at their schools.”

In response to continuous low levels of student achievement, the San Diego school board decided in 1998 not to renew the superintendent’s contract and to instead hire Alan Bersin, a lawyer with no experience in curriculum or instruction, to fill the role. Bersin brought in Anthony Alvarado, a former district superintendent in New York City, to manage curriculum and instruction. Alvarado's theory of instruction stressed professional development and professional accountability; he worked under the assumption that developing teachers’ capacity to address the needs of their students would allow them to adopt successful teaching strategies.

The basis of Alvarado and Bersin’s reforms has been described as “an attempt to professionalize teaching by grounding decisions in both greater shared knowledge about effective practice and an expectation that teachers will learn to apply knowledge to the individual needs of students.” This was a departure from the more common view of teacher professionalism as autonomy and control over one’s own practice. Instead, Bersin and Alvarado were advocating for a professionalism based on shared norms of practice, and accountability for teachers to adhere to these practices. The changes they made to the San Diego Unified School District are considered by some to comprise “one of the first sustained efforts to approach school reform as a long term push to remake the culture and routines of an urban school system.”

The principles of Bersin and Alvarado’s Blueprint for Student Success were used as the basis for the creation of an expansive professional development program, a reworking of central office and human resource policies to better focus on student achievement, and a significant reallocation of resources toward a district-wide coordination of standardized instructional practices. These reforms greatly shifted the balance of authority in favor of the district’s central office. Significant control was taken away from principals and teachers over how their schools and classrooms were run, and funding for categorical programs was centralized and focused on district-wide initiatives.

Studies done after the implementation of the Blueprint indicate that principals were generally pleased with the implementation while the opinions of teachers were mixed. Despite the feelings of teachers, the reforms did result in improved student performance. A 2003 study found that gains both in average scores and in the proportion of students scoring above the 50th percentile on the Stanford Achievement Test-9 rose, even though participation rates also rose by 20 percent from 1998 to 2001. (Typically, rising participation rates bring scores down as more low-achieving students are tested.) Gains in scores were the greatest in the grades and subjects in which reform efforts were concentrated.
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Graders scoring above the 50th percentile in reading increased from 43 to 55 percent. The increase in math was 11 percentage points, from 50 to 61 percent. Overall, in 2000, 16 more schools scored above the state average and five more were at the state average than in 1999.

Other studies had similar findings, with noted increases in literacy achievement in the early grades and the effects tapering off in middle and high school grades. An extensive analysis of the SDUSD and the Blueprint initiatives, known as the San Diego Review, used multiple assessments between 1998 and 2003 to analyze the impact of the Blueprint. Researchers found that the Blueprint had its largest impact in literacy in the early grades. The reforms were not as effective at improving math at the elementary level according to the available test data. Middle school reading gains were smaller under the Blueprint than before it, and math gains continued at the same level.

Philadelphia

After a 2001 state take-over, the School District of Philadelphia became a district of “diverse providers” including many charter school operators and Education Management Organizations (EMOs) as part of a “portfolio model of schools.” The portfolio is a district wide model of management where “schools in a district’s portfolio represent a diversity of organizational formats, pedagogical approaches, and governance structures. A district focuses on managing the portfolio as a strategy for creating a district-wide system of individually excellent schools. . .”

Following a protracted struggle with Superintendent David Hornbeck in the late 1990s over state funding for education, and in light of low student achievement, the School District of Philadelphia was taken over by the state of Pennsylvania in 2001. A mayor and governor-appointed board was put in charge of overseeing schools and, after much public debate and opposition, eventually agreed to hand over 45 of the lowest-performing schools to seven different EMOs, including universities, for-profit companies, and local non-profits. These organizations also received additional per-pupil funding to help cover the cost of management.

However, motivated by “the real passionate belief that [district staff] had the internal capacity and talent to at least match instructionally” the EMO proposals, district administrators also formulated a plan for an internal restructuring model. The school district created an Office of Restructured Schools (ORS), which took over management of an additional 21 low-performing schools and was also given an extra per-pupil funding. These schools were all low-achieving, though not as low-achieving as the schools turned over to EMOs. There was hope among the public and district staff that improvement at the ORS-run schools would save other district schools from privatization. ORS-run schools were used to pilot new district interventions, including a core curriculum, a professional development program, and benchmark tests.
The district began operating under what it referred to as “thin management.” Schools were not turned completely over to the EMOs; the district still retained control over staffing, facilities, the school calendar, and some other aspects of school operation. Principals and teachers remained employees of the School District of Philadelphia, regardless of the management of the school in which they were employed. While EMOs had the authority to hire faculty and staff, they were required to go through the district’s procedures to do so. Providers were also bound by the district’s union contracts.103

Within the first few years of his tenure, new school CEO Paul Vallas made additional efforts to recentralize aspects of school management by instituting a common core curriculum, benchmark testing, and a uniform discipline code which acted to homogenize schools despite the diverse provider model.104 The district instituted an electronic Instructional Management System which gave teachers access to the core curriculum and student data.105 While this system was mandatory for district-run schools, most providers used it in some or all subject areas.106 All schools, regardless of the management provider, were held to a uniform, zero-tolerance discipline code and mandated extended-day and summer school for low-performing students.

The diverse provider model, as it was practiced in Philadelphia, had its problems. In an analysis of the first year under the model, there were two notable effects of the “thin management” style on operations: confusion among teachers, principals, district staff, and providers about the authority and accountability of providers and a sense among faculty and staff of “serving two masters” because they officially remained employees of the district regardless of the provider.107 Other problems included an inadequate delineation of roles and responsibilities for providers and the district, insufficient measures of accountability for all parties, and the financial cost of contracting out management duties. As one provider quoted in the study said, “There is no rule book that says who does what.”108

Even so, Vallas and the district were praised for their ability to create an environment conducive to the smooth operation of a hybrid model of governance that incorporated external private partners in public education. This environment resulted from the support given to partners by the district, the creation of a single point of contact created at the district for partners (the Office of Development), the practice of keeping discussions and mistakes behind closed doors, and the openness of the Office of Development to working with outside groups. The district also insisted on specific performance standards in the contracts with its partners which helped to clarify their role.109

In a detailed analysis of Pennsylvania state test scores, released by RAND in 2007, researchers found no significant effects, either positive or negative, in privately managed groups as a whole.110 Significant and substantial negative effects were found among schools managed by two specific providers. While private managers may have been benefiting schools, it was not yet evident in achievement test scores. The researchers write, “In sum, with four years of data, we find little evidence in terms of academic outcomes that would support the additional resources for private managers.”111

IV The Relationship between Schools and the Central Office
However, state data indicated greater score gains on the statewide PSSA exam at ORS managed schools than externally managed schools. The RAND report questions whether privately managed schools could have made greater test score gains if they had instead been taken over by the district’s Office of Restructured Schools, which was also tasked with turning around a number of low-performing schools. Schools managed by the ORS “out gained the rest of the district in math in all three years of restructuring” with the effect being “moderate to large in size, when compared with effects seen in educational interventions generally.”

While it is not possible to come to general conclusions on the effect of EMOs on student achievement nationwide, Philadelphia’s experience illustrates the need for districts and EMOs to outline the responsibilities and authority of both parties in advance. Additionally, EMOs are usually brought on to manage a school due to their expertise in human capital, operations, and, sometimes, curriculum and instruction. Many of these functions remained tightly controlled by the district. It is hard to gauge the impact that EMOs might have had were they to have had greater authority. At the same time, the example of Philadelphia shows that schools run by a galvanized and focused central office can begin to turn their performance around.

**Edmonton, Canada**

The school district of Edmonton in Alberta, Canada is widely cited as a decentralization success story. Edmonton schools were early adopters of site-based management, piloting a three year program in some schools in 1976. The Edmonton plan relied heavily on site-based budgeting and mechanisms of choice to spark reform and improvement.

Beginning in 1976, the pilot plan gave control to principals piece by piece. Eventually, 80 cents of every education dollar were pushed down to schools to spend at their discretion. Money follows the students to the schools that they attend based on a weighted student formula, with the maximum weight being nearly five times the amount of the minimum weight.

With the money that they receive from the district, principals are free to decide the number and positions of the employees in their schools. More than half of central office staff positions are dependent on their services being purchased by schools. The office establishes a billing rate for these positions and principals can purchase from inside the central office or outside vendors. Former Superintendent Angus McBeath claimed, “When you give people the money and the authority, they behave like owners, and boy, do they do that in our system.” In addition to offering services for sale, the central office provides free and voluntary consultation to principals as needed.

Not all authority is decentralized, however. Core goals and parameters are decided centrally, as well as how progress is measured. The school board sets quantitative goals, such as graduation rates. There is extensive, mandated professional development monthly, as well as a two year training program required to become a district principal. The province of Alberta also dictates a “highly specific curriculum” and the district requires that schools follow a “common approach in
managing instructional improvement.” Essentially, the Edmonton school district has decentralized school operations, budgeting, and human capital while retaining control over curriculum and professional development at the central office.

One of the more radical aspects of the reform movement in Edmonton is the establishment of total school choice within the district, including choice between traditional schools, charters, and private schools. The district fully funds charter schools and traditional schools with the weighted student formula and provides two-thirds of the formula's per-student funds to private schools as well. Private schools can also elect to join the public school system. (All of this is possible due to the absence of a Constitutional requirement mandating the separation of church and state.) Some claim that there are very few charter schools or private schools in Edmonton because of this choice mechanism. By 2006, more than half of all students chose to attend schools outside of the "home" school in their neighborhood.

Though there is no publicly available district plan for closing or intervening in schools that fail to meet district standards, McBeath believes that parental choice is enough to close ineffective schools. To aid in this process, the district conducts an anonymous satisfaction survey of stakeholders annually and releases this information publicly, in addition to student achievement data, for each school.

Edmonton's policies have led to some successes and some areas that merited further attention. The district is located in an urban area and serves a student population of approximately 80,000 students. One-fourth of all citizens live in poverty. As of 2007, 90 percent of all grade schoolers performed at grade level in reading and math. District performance on the PISA, an international test of student skills, was near that of the entire province, which performs close to the top internationally. However, by 2001, only 63 percent of students were graduating from high school. A focus on this problem at the district level led to gains in graduation rates, with 68 percent completing high school in 2004.

Conclusion

It is difficult to draw firm conclusions about the benefits of centralization or decentralization of school district functions from the research literature or from the examples of successful districts, especially from only a handful of cases. Indeed, what seems most important is the quality of the relationship between schools and a central authority of some kind. Central offices that show little competence in managing basic operational and financial issues, not to mention enable fraud and corruption, can do great harm to the schools they oversee and are an impediment to school success. On the other hand, central offices that support schools while holding them accountable for stated goals can be very effective. A motivated and focused department within a central office, like the Office of Restructured Schools in Philadelphia, may also have some success in turning around low-performing schools through direct management. When schools are given significant power with limited oversight or accountability, as in San Diego prior to Superintendent Bersin's tenure, poor performance is likely to result.
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If roles and responsibilities are split up between a central office and schools, the research literature and case studies of school districts give some indication of how that split should occur. For instance, standards, accountability, and overall goal setting need to rest with a central authority (the state will also play a role in this). The central office is well-placed to create a set of measures by which schools will be judged (as in Edmonton). Central offices may also be well-placed to set certain standards for curriculum and instructional practice. While states now play a large role in setting curricular standards, central offices can set standards for instructional practice and teacher preparation that schools must meet.

Other functions, however, seem better left to schools. These include setting school-based budgets and making decisions about staffing based on the resources that are available. As the case of Edmonton shows, control over school resources and personnel, combined with a strong centralized system of accountability and curriculum, gives schools a sense of ownership over their situation and a standardized measure by which they and others can judge their performance.
LESSONS FOR NEW ORLEANS

The lessons that New Orleans can draw from the material covered in this report are somewhat limited because of the new system of public schooling that is developing in the city. Over half of the city's public schools are now charter schools, which have no central office in the sense that it is dealt with here. Charter schools have an authorizer, which holds the contract with the school and ensures that it meets certain performance and operational criteria, but charter schools have their own governing bodies and administrators that set goals, make policy, hire staff, and so on.

Of the schools that remain under a traditional central office, the schools run by the Recovery School District are likely to gain significant school-site powers, much like charter schools have. The RSD central office, according to Superintendent Vallas, will take on the more limited roles of accountability, school support, and shared services. Only those four schools run by the OPSB are likely to remain under strong central control. For those schools, a deliberative process to consider what functions could be taken on at the school site, versus at the central office, could be beneficial.

However, these observations assume little change in the current landscape of public school governance in New Orleans. Assuming that New Orleans continues to have a majority charter system, a number of functions still need to be centralized somewhere. Currently, they are either not being done, or they are the responsibility of both the RSD and the OPSB. These functions include planning for the system as a whole, overseeing the system of admissions and school choice, and providing public information about school quality.

System-wide planning involves decisions about how many schools are needed, of what type, and where they should be located. It requires a central authority of some kind to make demographic projections and, with public input, decide where schools should go. This is not something that individual schools can decide on their own, for it requires deliberations about the system as a whole. It is also cumbersome for this function to be shared across two districts. As an example, the current School Facilities Master Plan for Orleans Parish requires the approval of both the RSD and the OPSB as each project moves forward. In New Orleans, responsibility for school facilities is also divided between the OPSB and RSD. Clearly, a single local authority is best suited to take on these roles.

In a system of city-wide school choice, where students can be admitted to schools regardless of their residence, there needs to be an entity that coordinates the admissions process and ensures that it is comprehensive, fair, and transparent. Though there is a common application process in New Orleans organized by a number of charter school organizations, non-profits, and the Recovery School District, participation is voluntary and a significant minority of schools does not use it. Likewise, there is little oversight to ensure that the schools who do participate in the common application process use it in the same ways and offer admission fairly.
Finally, a system of choice requires an entity to provide objective information about school options so that parents can make the best choices for their children. Non-profit organizations, like the Parent Organizing Network, have done some of this work in New Orleans. However, a single public entity could use more complex measures based on accountability data and other statistics to provide the public with more nuanced information about how well schools perform and serve different types of students.

While there are certainly other roles that a single authority could handle better than individual schools, the current context calls for at least the three functions mentioned here to be centralized in an entity of some kind. This entity may not look like a traditional central office; however, it will take on some of the central office’s typical roles. And with its roles, it will need enough authority over schools to ensure that rules are followed. How this entity will be structured and what powers it will have is a discussion that New Orleanians need to have in order to ensure an equitable and efficient school system.
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