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**THE EDUCATION INNOVATORS:
INSPIRING WORDS FROM CAN-DO
EDUCATORS**

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The Education Innovators: Inspiring Words from Can-Do Educators

**Edited transcripts from the Reason Foundation's
Making Schools Work conference**

Introduction



From coast to coast, schools are using the powerful tool of competitive contracting to bring excellence and efficiency to every part of the education environment. A 1996 survey by the National School Boards Association found that 62 percent of school board members surveyed said they have considered contracting for school services.

To help school officials better take advantage of this emerging opportunity, the Reason Foundation hosted a conference in November 1995. *Making Schools Work: Competitive Contracting for School Services* attracted 140 participants from 19 states to Santa Barbara, California for the event. Edited transcripts from some of the most inspirational and informative presenters are printed on the following pages.

The *Making Schools Work* conference provided a forum for education officials to share their experience in contracting for services with their colleagues from other districts and other states. Beyond discussing the successes of competitive contracting, the *Making Schools Work* conference also took on such nitty-gritty implementation issues as dealing with current employees, costing in-house services, and designing a dependable bidding system. A set of audiotapes of the complete conference is available from the Reason Foundation.

By taking advantage of the competitive efficiencies offered by private providers of services, schools have cut costs and eliminated wasteful spending. And by introducing accountability and expertise into school operations, the private sector has helped improve the quality of instructional and other programs for students.

—Janet R. Beales
Education Studies Program Director

Stephen C. Tracy

Senior Vice President, The Edison Project



In December of 1993, Dr. Tracy joined The Edison Project as Senior Vice President for Public School Partnerships. The Edison Project is a private venture dedicated to the reform and improvement of elementary and secondary education. Dr. Tracy is primarily responsible for the Project's marketing efforts in the northeastern United States.

Previously, Dr. Tracy served as Assistant to the Commissioner of Education in Connecticut and Assistant Superintendent of Schools in Farmington, Connecticut. From 1985 to 1993, he was the Superintendent of Schools in New Milford, Connecticut. Dr. Tracy earned his master's degree in teaching from Columbia University and his doctorate in school management from the Harvard Graduate School of Education.

Thank you. I'd like to begin my presentation with some words of wisdom from Calvin & Hobbes. Calvin is saying: "You see Hobbes, we shouldn't need accomplishments to feel good about ourselves. Self esteem shouldn't be conditional."

Calvin: "That's why I've stopped doing homework. I don't need to learn things to like myself. I'm fine the way I am."

Hobbes: "Oh, so the secret to good self esteem is to lower your expectations, until they're already met?"

Calvin: "Right, we should take pride in our mediocrity. I think this snowman is good enough, don't you?"

Of course, the reason that you're all here today is that you know, when it comes to the education of our sons and daughters, that there is no such thing as good enough. One of the most troubling questions that kept recurring to me over my years as a public school teacher and school superintendent was why is it—despite the best efforts of parents who want schools to be better, teachers who want schools to be better, communities, and taxpayers—that they don't get better, or at least better enough to keep up with the challenges that we face in the late 20th century?

A lot of people have answers to that question. Some will say we don't spend enough money. Well, as a superintendent I used to spend a lot of my time begging for more money. So I appreciate the importance of resources. But we have spent in the last generation substantially more money, even adjusted for inflation, than we did twenty or thirty years ago. That's not the answer. As several people have said today, it's not only having enough money, but it's how you spend it as well.

Other folks say: Well it's the administrator's fault. I think I've heard the word nincompoop more today than I have in the last six months. If we got rid of the nincompoops, we'd have a better result. Some go on to add that it's the teachers unions. That's where the fault lies. Not true. The vast majority of problems with quality in organizations have to do with the way the organizations are run and how the system works. And that's not the responsibility of the employees. That's the responsibility of management.

Then there are even some folks who will say: It's the fault of the children. The children aren't smart enough, or the families don't care enough. I'm sorry, but blaming the victim doesn't do it for me. And if that's the way one is thinking, one really ought to get into another line of work. Because if you don't believe the children can do it, and that the families want it, then you'll have a very difficult time providing it.

It finally occurred to me, after many years of contemplating it, that it really comes down to one word, and that's monopoly. Public education in this country for many decades has functioned as a protected monopoly. And it behaves

like any monopoly would. And it lacks, quite frankly, and I say this as a public school person, the competitive spirit, the determination to do whatever it takes, to change whatever needs to be changed to translate the limited resources our communities can provide into the very best education possible for our children.

I found Neal Ramsey's [past president of the Wilkesburg public school board in Pennsylvania] story about his frustrations in his community to be, on the one hand remarkable, and on the other hand all too typical of what citizens, teachers and taxpayers have faced in this country for a long time. And it's that kind of frustration that has led people to alternative solutions. That's why we see, at least on a limited scale, voucher programs, many for low-income children, some privately funded, some publicly funded. That's why we see a growing number of states adopting charter-school legislation, giving folks within the community the opportunity to do innovative and competitive things. And that's why we see the notion of private management in the realm of public education, represented by companies like The Edison Project and others that you will hear about.

What I'd like to do in the next few minutes is take advantage of the slide projector and tell you a little about The Edison Project, and why we're doing what we're doing.

The idea for The Edison Project was conceived by Christopher Whittle about six years ago when he addressed an assembly of the Tennessee Education Association and sketched out for them his vision of a national school improvement effort that would be funded, not with government funds, but with private investment. The company began its actual operations in 1992 when Benno Schmidt left the presidency of Yale University to become the CEO of The Edison Project.

We have a very simple mission, namely to offer a first-class education. We also want to make that education available to all children. And to do this at an affordable price—typically the prevailing per-pupil spending level in the public schools in the communities that we serve.

When you think of it, that mission is very much the mission that we all have as public-school educators. It's the same mission I thought I had

as a superintendent of schools or as a classroom teacher. Despite the fact that we are a private company managing these schools, they are ultimately public schools, open to all children. There is no entrance exam. And they function on the same tax-supported basis as any other public school. We tend not to refer to what we do as privatization, but rather as a public-private partnership. Privatization, at least in my mind, conjures up the image of turning a public school into a private school. And then people assume that it means that not everybody can go there, and those families that do send their kids there must somehow pay tuition. But that's really not what we're talking about. We're talking about public schools that are in fact open to all children, that do function as a partnership between The Edison Project, the school board or charter school that hires us, the educators who choose to work for us, and the families who choose to entrust their children to us.

The vast majority of problems with quality in organizations have to do with the way the organizations are run and how the system works.

All of our schools operate on the basis of choice, both for the faculty, and for the families. And that's why we prefer to refer to what we do as a partnership. Let me try to explain in a few words what we think is unique or interesting about what we've done. First, we started where any great school should start. And that is by asking ourselves what should children learn, and how will we know, and how will their parents know, whether or not they're learning it? A lot of the energy and time that we spent from 1992 until this past summer was spent answering that question.

Under the leadership of John Chubb, formerly of the Brookings Institution, we developed a series of what we called Student Standards Books that lay out in fairly readable form what we intend to teach and how we intend to measure student accomplishment. It's certainly not the only answer to those questions, but it is a coher-

ent and compelling answer. And it is what has guided us in everything else that we have done. We have a curriculum that comprises the five core areas that are up on the screen here. We're happy to provide those who may be interested with a more long winded answer to the question: What should children learn? But we think it falls in the five broad areas of:

Humanities and the arts. That includes instruction in Spanish for all children beginning in kindergarten.

Mathematics and science with an emphasis on hands-on experimental learning.

Character and ethics. That's one that usually raises some eyebrows. What are you doing in a public school teaching character and ethics? Whose values are these anyway? But we think that's a very important part of our design.

We put a great deal of emphasis on the recruiting and training of teachers.

Practical arts and schools. This is not a vocational track for some children. There is no tracking in the Edison design. This is teaching and learning about how to be an effective member of a team. How to use technology. Skills that we think all children, regardless of what their plans after high school are, ought to learn. And finally, *health and physical fitness.*

All these subjects are taught in an academically demanding fashion. We believe very strongly in integration, so that a lot of what you see going on in art class is reflected in the Spanish class. You'll see it again in what's going on in reading or literature.

Secondly, we put a great deal of emphasis on the recruiting and training of teachers, and on treating teachers like professionals. That means many things to us. First, it means offering competitive salaries. But it also means respecting teachers to make a lot of decisions about how they will conduct their classroom practice. It means providing them with five weeks of professional management training before they enter the class-

room and begin their work with children. And it means providing them with the kind of technology any other professional these days would expect to have. They have a laptop computer networked to our curriculum center, so that they have access to the tools that they need so that they can spend most of their time teaching.

The full Edison school design is a pre-K through 12 model. We break it down further into six smaller pieces that we call academies. You could think of them as schools within schools, simply because we do think that all things being equal, smaller is better. These academies usually have between 250 or 300 children in them. And also because we want children to have a more lasting relationship with the teachers. A child spends typically two or three years in a given academy, working with a team of teachers. This is not an original idea with us, very few of these are. But the notion is that if children and families work with the same team of teachers over a three-year period you can get a lot more use out of those resources. You can use your time more effectively, because you're not reshuffling the deck every ten months, starting everyone all over again with strangers. Instead you're carrying on from one year to the next with much less in the way of interruption. Each of the academies is organized further into houses so that the children can become more closely acquainted with the teachers that serve them.

We make an interesting use of educational technology in our schools. We are not computer schools, although a lot of people have attempted to paint us into that corner. Most of the time that students spend in school they are not sitting in front of computers. There are computers in every classroom to be used as tools. Just as a child might go to the dictionary or go to an encyclopedia, children have the opportunity to go to a computer system to help them with their work. But most of their time is spent working with their fellow students and working with teachers.

We do, however, think that access to information technology is critical to successfully educating the youngsters of the 21st century. So we provide each teacher with a laptop when they come to work for us. We provide each child, beginning in the third grade, with a computer in their own home because we want them to have access over

the telephone lines to their homework, to their library for research. There's no more racing to the library to get one of the only six copies of the book that you need for the term paper. We want them to be able to communicate with one another, as well as with other children in Edison schools around the country. And most of that happens outside of school so that time in school can be reserved for the human relationships that really lie at the heart of an effective school.

Here's a couple of teachers helping to get all the equipment ready in our Boston school for distribution to the classrooms back in September. One of those teachers is a physical-education teacher and the other is a reading teacher. Everybody gets involved in everything.

Finally, one of the other interesting things about our design, again not unique to us, is the flexible use of time. As countless educators have said over the last ten years, if we want children to perform at higher levels, one of the things we need to look at is the amount of time children spend in learning in this country, certainly as it compares to the amount of time spent in schooling in the industrialized nations of Europe and the Far East. And so we provide a longer than the typical school day. That's not counting a before or after-school program. I'm talking now about a longer instructional day. And we also provide a 210-day school year. That's about five weeks longer than the typical public schools we're serving. If you do the arithmetic, this adds up to over four years of additional educational opportunity over the 13-year career of a child. That's not the only answer to better performance. But we think it's one important ingredient; more time for learning.

I want to conclude with just a few slides of the school that I'm most closely associated with. And that's the Renaissance Charter School in Boston, which opened a couple of months ago. This is a downtown city school. In this case we don't work for the Boston Public School system. We work for a group of independent citizens known as the Renaissance Charter School group that received a charter from the Commonwealth of Massachusetts to operate a charter school.

The school is located not far from the Boston Common and the state capitol. It serves young-

sters from throughout the city. There is, as I mentioned before, no entrance exam. We received over 2,100 applications for the 630 seats in the school. And the children who do attend were selected simply on the basis of a random lottery, literally pulling names out of a hat.

This is Lakia Clark, hiding behind her proud mother. She was the first student to show up for school on our first day. She was one of the lucky ones whose name got picked out of the hat. On the left is our headmaster Barbara Wager, who was a highly acclaimed school principal from Rochester, New York before we lured her to Boston. And next to her Governor William Weld, without whose leadership we wouldn't be in Massachusetts.

Access to information technology is critical to successfully educating the youngsters of the 21st Century.

There are a number of governors: Tom Ridge in Pennsylvania has been mentioned, Bill Weld in Massachusetts, and several others who have changed the rules of the game in terms of who can provide public education. They've challenged the monopoly. And they've made it possible for groups like The Edison Project and Sylvan Learning Centers to offer the kinds of alternatives that we are now offering.

This last picture is a young man who insisted that I take his picture with his science book. And it's a reminder to all of us that these are the people we work for. We will work very hard on their behalf. Because if their parents are not convinced that the children are profiting, then there's no way that we recover the rather substantial investment that we made in technology and materials. So we have to remind ourselves every day who we work for, and this young man and the other 2,100 students that we currently enroll are in fact ultimately the people that we serve.

Let me just say that I think one of the most important questions that we get—and no doubt other private and nonprofit providers get from school boards after they visit our schools or hear our story is: Gee, this sounds very interesting.

This sounds great. Why do we need you to do it? Why don't we just do it? My answer to that is really two-fold. One is, if you can do it, you should go do it. And, let me turn the question back to you: Why aren't you doing it?

The second answer has a little more detail to it. There are really three things that we think we, as a private provider, can provide for public schools. And these are things that public schools, at least the ones I've been associated with in my career, find it very difficult to provide. One is focus. We provide a very focused curriculum. We have a very clear set of statements about what children will learn and how that learning will be measured. It's very difficult to do that in the typical public-school setting. Everybody agrees that things need to get better. But as soon you start talking about the details, the discussion goes off in 17 different directions. You like team teaching. I don't want to do team teaching. She wants a longer school year. I want my summers off. He wants to do technology. I'm retiring in ten years. I don't do technology. All of that makes it very difficult and leads to arm wrestling in the faculty room. And when school finally starts the following September, it often looks very much like it did the year before.

A quality education is one of the most precious gifts that we can give to our children.

Since we don't run a school district, we had the luxury of stepping back for a couple of years with private money and asking ourselves, "if we were designing a school from scratch, how would we do it?" And we offer it to people. And those who find it compelling and interesting sign us up. And those for whom we're not their cup of tea, don't need to.

Second, we have the advantage of private investment. We put over a million dollars of our own private capital into each of these schools before they open. That's why every kid from the third grade up can have a computer. That's why we have a fully developed, integrated, curriculum. Those of you who have been through these in the

public schools, know that the seven-year plan doesn't get funded until it becomes a ten-year plan. And by the tenth year when you're doing the arts, you can't remember what you did ten years ago in the sciences. So the opportunity to put that investment up front and do things the way we'd all like to do them, is a unique advantage that we think we can bring.

And finally, there are serious consequences to us for how these schools function and how the children do. No school board has to hire us again. No charter school has to ask us back. Lakin's mom doesn't have to send her next year if we don't perform. We talk about accountability all of the time. These are some of the most accountable public schools in the country. Because if they don't work, not in our opinion, but in the opinion of the school boards who have hired us and the parents who have trusted us, if they don't work, we're gone. And as an educator, I have no problem with that. I think that's the way it ought to be.

Let me just conclude with a little story about my son Brian, who's now a college student. Many years ago, he was watching his father going off to graduate school, and his mother was going off to graduate school. We were running around like chickens with our heads cut off. He said: "Dad, I don't get it. When you're a kid like me, you don't have to pay for school. And you don't want to go, but they make you go. And when you get old like you, you don't have to go, but they make you pay, and you want to go." He said, "Now, why is that?"

Well, as we've gotten older, we realize that there is a very powerful answer to that question. It's because we know that a quality education is one of the most precious gifts that we can give to our children. It will have so much to do with their personal satisfaction as individuals, with the well-being of their families and communities, and ultimately with whether or not we can preserve a democratic way of life in this country. So that's why we're doing what we're doing at The Edison Project. That's why, I suspect, you're doing whatever you're doing in your communities around the country. And that's why we owe great thanks to the folks at the Reason Foundation for sponsoring this conversation and keeping these ideas moving forward. Thanks very much.

Yvonne Chan

Principal, Vaughn Learning Center



In 1993, Dr. Chan's elementary school became one of the first in the state to be awarded a charter under California's charter-school legislation. Under her leadership, student achievement increased by 300 percent and student attendance is the best in the state. Through Dr. Chan's management skills, the school saved \$1.2 million during the first year as an autonomous charter school and was able to purchase adjoining property (formerly a crack house) to expand the school. Her restructured charter school also offers "one-stop shopping" for health and social services in the community.

Dr. Chan's degrees include a B.A. in foreign languages from UCLA, an M.A. in special education from California State University, Northridge, a doctorate in education from UCLA, and post-doctoral work in computer science. Dr. Chan is fluent in five languages.

Good morning. And thank you. And welcome to Santa Barbara. I've always wanted to come here. And today's a great opportunity. I see many familiar faces; people who visited my school. And people who helped us get started in July, 1993. Let me first give you just a brief description of Vaughn Learning Center.

Vaughn Learning Center is part of the Los Angeles Unified School District, the second largest district in the nation. And bless our board's heart, they have approved one of the nation's boldest charters, which is ours.

At Vaughn, we have about 1,200 students, preschool through sixth grade. We're located in the heart of Pacoima. How many of you know where Pacoima is? It's a big urban area. It's an empowerment zone. It's about a mile-and-a-half from the Rodney King incident, for those of you from out of town. That puts it in perspective.



It's preschool through sixth grade, multitrack, year-round, because I don't have enough space. Kids are divided into three groups with two sets of buildings only. There are 163 school days in a year. Of the 1,200 students, 95 percent are Latinos, five percent are African-American students, two percent are little Asian kids. We have zero white students. Years of mandatory busing brought us about four white students. Of the 1,200 folks, 900 are Limited-English-Proficient. The maximum income of the families is \$15,000. Many are living in garages and trailer parks. There are lots of first-generation immigrants. And added to that, of 42 teachers, 18 are with emergency credentials. That means many of them do not have any course work or haven't ever seen kids before.

I had one who was managing a Burger King, and the next day came in [for a teaching job]. We couldn't get teachers. Who wants to be there when you get ripped off every day? And so we hired this guy. I told him, come on in. You get first and second grade split, and it's bilingual, by the way.

We are what you call a typical inner-city throw-away school. For forty years, students learned to be hopeless and learned to be helpless. As a principal who knows how to do creative non-compliance, I know it's easier to beg forgiveness than to ask for permission. I was assigned to that school. This is my third time in administration, though I'm still a rookie. Because of the racial-ethnic problem—my predecessor was pulled out of school because of death threats—the best they could do for me as a neutral race for that situation was to give me three security guards.

When the charter school-law came into being, boy, wow, our charter was approved. And it is a very bold charter. Because we're not only looking at our own design of curriculum instruction, how we deliver it is different. (By the way, we are following the state framework. We choose to.) We have our own governance. We have our own personnel flexibility, and a budget. We took on everything possible under the school charter law and pushed everything to the limit. So, wow, happy days, right? Kids gave me a happy face. But you know what? On July 1, 1993 this perceived happy face turned into a very sad face.

For the next 15 minutes I'll give you exactly the difficulties, the tears, and the blood and sweat that we lived through. But we made it. This sad face started with a broken heart. [Holds up paper heart.] See, I'm a teacher. I'm an elementary school teacher. So I gotta have visuals. We had a big heart, but on July 1, it broke into pieces.

We took on everything possible under the school charter law and pushed everything to the limit.

Step one. We were told that we had no legal status. I said, "Wait a minute, this is a public school; we have the same kids, same address, same credential. How could we all of a sudden become less public just because we want to do more for kids?" What happened? We couldn't even open a checking account. We couldn't accept donations. We're nobody. We're aliens from outer space. MIAs—Missing In Action. That's us too.

How are we going to deal with that? Well, people suggested the legal things. Go get a 501(c)(3). Go incorporate yourself. You've heard of that. That's a way out. But the point is: Why should we? We are a public school. Charter schools are public schools. Let's get real clear on that. The difference is that now the school is a place for kids and not necessarily a place for secure jobs for adults, including myself.

How are we going to get that? Easy. We can apply through the federal department and get a

federal ID. We did that. We got the state's EDD, you know, that unemployment stuff. Getting those numbers is great. 1-800 gets you those numbers. But after getting a piece of paper stating that we are a legal entity; we are a public school; that we are supported by our tax dollars; that we have all the rights and responsibilities (don't shake the responsibilities) as a charitable public entity; guess what? It took us a year and three months. You ever try to educate the IRS on this? Well we did. We finally got through. And bless their hearts, they looked through all the codes and they said, "You know what? You are created by a Senate Bill, right?" Right. "What's the number—SB1448. Here's a copy. Well, gee, under that you are a government created public entity."

Wow, that letter got us through. Now we can buy liability insurance, and do all that. We finally have a document stating that we are a legal, charitable public entity. So that's Step One. And of course immediately our hearts mended. You see, we started having these buttons: I love Vaughn. Everybody pins it on, with a heart. Big heart for kids.

Now, next step. How are we going to stretch our dollars? How are we going to look into how to run a school? Now, although I said I'm an expert at "creative noncompliance," I know that many of my parents are very concerned about their kids. Many of them are not that literate. We don't have real professional parents. Most of my parents are car washers and work on construction, or are domestic servants. Exactly how are we going to know if we have enough money? Or how are we going to manage the revenues and expenses?

At that time, if you had asked me, Yvonne, how much does it take to run the school? I don't think any principal knows, if you're not a charter school. You don't. Why? Its because everything is taken care of for you. You're depending on someone. It's true. Big Daddy, my district, takes care of it. For every 30 bodies of kids, they give me the body of a teacher, right? John Doe, Jane, whatever. And they take care of it. We have a small discretionary budget which we love and bless. And my God, we kiss the ground when we get that \$20,000 to \$30,000 discretionary money. And we promise we'll be good.

But meanwhile, don't forget. When I sent the district office seven people a month on worker's comp., did I care? No, I didn't care. Big Daddy takes care of it just the same. When I send them seven people on workmen's compensation and two on disability, who cares? Who cares? Because my buddies do it at the school next door anyway.

Start-up funds are a major problem. Now, as soon as July 1 came, we became a separate entity. We're a year-round school, don't forget. We started the day after the Fourth of July. Well, how am I going to make salary? How am I going to pay utilities? How am I going to buy pencils and all that? What do we have? Nothing. There's no such thing as start-up money for charter schools. Do you have start-up money in your states? How many of you do? Raise your hand. Well, bless your heart, Arizona. Are you from Arizona? Michigan? Very good, then you have very strong legislation. We don't.

Okay, what are we going to do? We want this charter to go through, and we're not going to back down. Like those Marines going to hit that beach in Normandy—we cannot pull back now. Okay, everybody, all our 115 employees, said we are going to delay payroll. Our bread and butter. We did it. We're going to delay payroll until August 15th. But guess what? That still won't work because the state won't float money until September. They use the traditional calendar even for those of us who are overcrowded, multi-track schools. What else can I do?

I made a stand at that time. My house isn't worth much now because I live in Northridge [epicenter of a major earthquake in 1994]. I put my house on a second mortgage for \$125,000, at eight-percent interest. Not bad. Once that decision was made, we were not going to turn back.

Guess what? Things do happen. We found out, Gee, almighty, that there is such a thing called a tranloan. It's called a tax revenue acquisition note, at 2.9 percent. Public schools are eligible. Charter schools are public schools and are eligible because our revenue is a sure thing. It's tax dollars. Do I have to go and collect tuition? No. Do I have to hustle different foundation funds? No. It is a given, it's coming. That's good collateral. So many charter schools in the Los

Angeles Unified School District are now able to borrow from this transfund. This year I have \$425,000 for start-up. I don't have to mortgage my house for eight percent. In fact, you know what we did? We borrowed at three percent and put half-a-million dollars, which we do have, in the County Treasury for 6.5 percent. Right there we have an extra teaching position saved.

Right now, we have no theft, no nothing. Everybody takes ownership of this school.

Now how do you further stretch this? Now you have the ID number. Now they've notified you that you are legal. Now we have some start-up money. Then we have to get those insurances. If you're a vendor, like Prudential or Sigma, God, will you sell workmen's comp. and liability to a school like Vaughn in the ghetto with all the vandalism and graffiti and theft? And we have no rating now, don't forget. You have an identification number, but you still have no rating. Remember seven workers a month in those old days [filed workmen's compensation claims].

Well, we did it. The first year we got three companies willing to take us on; B-rating companies. Seventy thousand dollars for liability insurance. Holy Jesus. That could have bought many services for the kids. But we stretched. Everyone's on good behavior now. Nobody's going on workers' comp. Right? Because we own the school. It's going to come out of everybody's pocket in terms of salary, benefits and services. Everybody worked carefully, safely. Everybody takes ownership. And this year, this last year, guess what? Sigma, Great American, they're all bidding. A-rating companies; they're all bidding. Zenith is bidding. We make them bid. Great, wonderful.

We saved \$1.2 million in one year.

Then you know what? The public sector wanted to bid. The Los Angeles County Office of Education, through ASCIP [Alliance of Schools

for Cooperative Insurance Program], also bid. And they got the lowest bid. And we went with the County Office of Education for \$23,000 of liability insurance at three times the amount per occurrence. Fifteen million dollars per occurrence. Three times higher than any other district. Great coverage.

We have a well trained, better compensated staff who receive about 10 percent more in salary than if they worked for the district. We have inclusive services for exceptional children—handicapped children. Before we didn't have the facilities for them. Now we have a first-class facility and technology.

But guess what? Right now, we have no theft, no nothing. Everybody takes ownership of this school. We contracted with a payroll company ten blocks away. It does all the payroll for \$126 per month. It does all the taxes. We don't worry about that. For routine maintenance, we stayed with the district. Our buildings are very old, you know. And besides, it's hard to contract out for routine maintenance, because we have none of those blueprints that show you how it was built. Only the district has it. But you know my district did a good job. I have a good relationship with my maintenance people. In fact, we purchased double the amount of maintenance than we used before. Because now we have the resources to build the pavilion, do this, fix the rain gutter, add on the security screen and so forth.

Next, we were ready to look for deals. Ever seen some of these ads? Ten percent off; 20 percent off; gotta shop around. It was time for us to do that. So, we looked at various operational possibilities. Find those good guys and good buys, you know. What about personnel? A lot of people said, "Wait a minute. Aren't you taking

jobs from union people?" But you know, some of these jobs never existed before.

I'll give you an example. We needed a nurse practitioner. Before, I only had a nurse one-day-a-week for 1,200 kids, living in garages. There's 110-degree heat in the San Fernando Valley. This one gal, you know what she did all day long? Treated lice. Yes. As a principal, I was pretty good at that too. I used my little chopsticks, and zap the darn thing. Sheesh, a nurse practitioner. We needed someone who could give immunizations, primary care, write small prescriptions, and all that. This service never existed before. Guess how we stretched it? Ten blocks away we have a clinic called Northeast Valley Health Medical Corp. Aha. They said, "Hey, we have a deal—only \$28,000." For \$28,000 you can get a full-time, year-round nurse practitioner and a clerk with her. Whoa, isn't that a good deal? Wonderful deal, right? I couldn't have had that kind of deal before as a district school. Who's going to pay her balance? Well you see, most of my kids are eligible for MediCal. I have all the records. I do all the paperwork, provide her with space, provide her with a telephone, do the clerical work. They bill the rest to MediCal. I have someone worth \$75,000 a year. Okay, so that's one example.

We did that with custodial too. We partnered with the college nearby. They only wanted four hours graveyard. I'm flexible. I don't need graveyard. But I only need four hours. So this guy does four hours with the community college, four hours with me. We share the benefits. We pay only half; before we had to pay full.

Tech fellow? IBM sent us a technology fellow and so forth. Now we're also contracting for transportation with Laidlaw. Its the same Laidlaw that anybody else in the district uses. We pay a little bit less than we would have paid through the district because we don't have to go through the district offices.

And they [Laidlaw] like it because we don't have to do six packs of paper. And they don't have to wait to be paid. They know exactly when and where our kids are going on the field trip. And we clock in the hours that are beneficial to them and for us. So all those deals are stretching dollars.

Food services? We use Marriott for consulting. We do our USDA food service ourselves. Computer repair? The occupational center costs you nothing. You have to take it over there, but it's great. Health benefits? We were with the district before, but everybody wants better health benefits, and easier access in case they want to change on a daily or weekly basis. So now we're with, again, Los Angeles County Office of Education. It's a big consortium. We can stretch the 10 percent or 20 percent and lower the premium as well as paying less co-payment, and giving everybody disability insurance.

We saved \$1.2 million in year one. This is my last thing. See this building here? Do you think we spent all the money on the building? No, no, you gotta save some of that. We outbid everybody through Freddy Mac, and for \$2,000 bought the crack house, and bulldozed them out. Within 10 months we went from closing escrow, to environmental design (and cleaning up the septic tank), the entire architecture design and getting a state building permit. We built the darn thing using joint venture and neighborhood minority or women-owned business. And they must use my parents. Don't forget, 60 percent of my parents are construction workers. And during the summer, for \$5 bucks an hour, high school kids did the cabinet work. In ten months we went from closing escrow to having 14 high-tech buildings. We were done and moved the kids in. At this time we're off the year-round schedule. Instead of 163 days, we have 200 full days for every single student. And may no teacher have to rowe again.

So, to end, happy faces are here again. We have smaller class sizes, 26 students instead of 31. We have a longer school year, 200 full days instead of 163 roving days. We have a well trained, better compensated staff who receive about 10 percent more in salary than if they worked for the district. We have 9,000 parent volunteer hours and parents in governance. We have inclusive services for exceptional children—handicapped children. We brought them home, as well as the gifted kids; we brought them home. Before we didn't have the facilities for them. Now we have a first-class facility and technology. And there was a job increase. We are one of the biggest employers around. Jobs increased in the various fields. I have seven

teachers more than before. I have two custodial personnel more than before; a lot more teacher assistants than before. Two more classified employees than before. And they're all union. They all belong to unions. We're all union members. There are lots more jobs in the community and we're putting high school students to work.

So we provide a new type of public school that's a better fit for today's and tomorrow's world. They deserve our resources. They deserve the best facilities.

So we provide a new type of public school that's a better fit for today's and tomorrow's world. And look, our kids deserve our heart. They deserve our resources. They deserve the best facilities. They deserve collaborative deals. And ladies and gentlemen, they deserve the Gold Card. Thank you.

Louise Sundin

President, Minneapolis Federation of Teachers and Vice President, American Federation of Teachers



Ms. Sundin is President of the Minneapolis Federation of Teachers, Local 59. Ms. Sundin also serves as the Vice President for the American Federation of Teachers. She has earned national recognition as a spokesperson for education reform and teacher professionalism. Ms. Sundin is active in her community serving on the Executive Committee of the Minneapolis United Way and the Board of Directors of Minnesota's Council on Quality. Ms. Sundin chairs the University of Minnesota's Labor Education Service Advisory and is president of Dial-A-Teacher, a free homework helpline for students.

Thank you very much and good morning. I'm also a practicing ninth-grade English teacher at Southwest High School in Minneapolis playing hockey today. I bring you greetings from Lake Wobegone. You remember, that's where all the women are strong, the men are good looking, and all the children are above average, so it makes teaching them quite easy. I'm really happy to be in California. I guess those of you who are not from Minnesota don't know how happy it is to be in California. Actually we're happy to be anywhere where the temperature is above freezing and the water out there is still liquid, even if it's a little foggy.

Well, as you heard from the introduction, I'm one of those entrenched, dreaded, hated, vilified union goons that you've heard somewhat about this morning. So I'm asking you to just suspend your disbelief for a few moments. Maybe I might have something to say that you might be interested in. We'll find out at the end. If you come to Minneapolis, you'll find a much different city than maybe you'd thought we were. We used to be a German-Scandinavian city. We're now a school district of which over two-thirds are a majority of children of color, made up of Asian-Americans, African-Americans, Native-Americans, Hispanic-Americans and so on. We're a center for immigrants from all over the world because our churches are very strong in that activity. So we're constantly looking for teachers and adults to interact with new immigrants who speak very interesting new languages.

If you walk into our district superintendent's office, you may be struck by something that will meet your eye directly in front of you as you walk in the door. There's a sign on his wall that says in very large letters "Non-traditional superintendent." Peter Hutchinson and The Public Strategies Group now provide leadership services to the Minneapolis Public Schools.

This was following an interim period of about six months, in which we had a superintendent who was a throwback to eighteen years ago, in which we almost lost all the progress that we had made in the intervening eighteen years and six months, and cost me a lot of sleep. Our previous superintendent was not exactly what you would call a match for Minneapolis. And we found that out eventually, or he found it out eventually. He was a short southern European male from California. And you have no idea what an outsider that is until you get to Minneapolis. He also exploded a lot. And if you know anything about German-Scandinavians, we don't like people exploding in our face. All we do is back up to the approved 18 inches and we silently wait for a time when they get injured. And then we get them. And we did.

Well, after all that, as you can imagine, we were looking for someone who could be both a leader and a healer. Oral Roberts wasn't available, so we looked for a leader. And we hired the most prestigious search firm in the country and went out on a national search, and all that stuff. And we were looking for a leader who could restore the faith of the community, who could restore our finances, restore the respect of the business

and corporate community and who could really restore our self esteem as a school system and as employees within it.

The search firm found excellent candidates. They were traditional candidates from large urban school districts. But the reality was, as we looked at it, that may have brought us a leader for 18 months. That's their shelf life these days. Many in that group of finalists would have been just fine I'm sure. And we're seeing some of them now who have moved into superintendencies around the country with friends of ours. And they are doing well. But we (and right now I'm talking about the school board and the unions as the "we"), were looking for something more in a leader. We wanted a partner for change. A partner who would help us transform, not tinker. Who would help us walk the talk. Who would help us keep our promises to the public. And we had made some pretty big ones, which I'll talk about in a minute. And one who would help us challenge convention with boldness. That's all.

There was one guy in the field of finalists, our field of dreams if you will, who was a local guy. We knew him in other venues, other capacities. We knew him as a parent of Minneapolis Public School kids. We knew him as a facilitator of some pretty interesting groups, as a leader of a large corporate foundation in our community, and as a respected member of the community. So he saw us on our knees a lot during that period of time. And he was the Minnesota Commissioner of Finance.

We were on our knees again. However, this guy said to us: I didn't seek this job. You sought me. If you want me, you have to do it on my terms. I won't come as an individual. I'm a group, The Public Strategies Group. We don't come separately. We come as an entity. The Public Strategies Group, for your information, is a firm of consultants whose mission is to help public service bureaucracies transform themselves into service organizations and to become much better at delivering public service.

Well this concept was not universally embraced, as you may suspect. Although, interestingly enough, the majority of the unions in our district—we have 22—were the ones who were early supporters, and the strongest supporters.

And I think they did much of the lobbying with the board to give them the courage to make the decision to hire Hutchinson and The Public Strategies Group. There was one exception—the principals union. The principals union never finds its courage to do things like that. The board was willing in the final analysis to take Hutchinson's group, to get Hutchinson, I think.

The process itself was open and inclusive. Parents, students, unions, minority organizations were all represented on the screening committee. Interviews were conducted on our own cable channel and rerun over and over again so the community could see them and were knowledgeable about the candidates. The Public Strategies Group was selected. And I think it was a signal to our community that the board and the school district were really serious about making a change. And this big a change in leadership should signal to our community and our constituents that we were real and we wanted to do things better.

We have found the major lesson is that school leaders, particularly New Age leaders, need and benefit from the partnership of the new professional unionism.

Well Hutchinson moved into that office with a big sign. Well, not exactly. He moved into a different one up on the second floor, and thought he could hide for awhile and do that kind of non-traditional thing. But he eventually made it down to the superintendents' office. And we gradually got to know Hutchinson much better. Peter is president of The Public Strategies Group. He's a shy, charming, non-educator who regularly says things like, "I have to get back to my spiritual center." Now the fact that he's a non-educator was pretty hard for educators—teachers particularly—to swallow. But you can imagine how central-office bureaucrats, particularly those like me, the German-Scandinavians and even the African-American career bureaucrats, felt about an outsider who talked about spiritual centers and stuff like that. Maybe you

Californians out here can relate to that, think it's a little rad. But we were a little shaken about it.

Gradually Peter has let us in closer to that center. We see a sensitive guy grounded in a love for kids, with a passion for helping public sector organizations get better, a clear focus, and an articulation of support for where education really happens, in classrooms with caring relationships between teachers and kids.

We're also trying to reform and restructure ourselves, as an organization, to model that for other organizations.

Well, what were we asking him to do? First of all, we were looking for a true leader, and not a traditional superintendent or an administrator. My favorite definition of a true leader is someone who will take us further than we would have gone on our own. I think he has proven that. It's what has guided my leadership in the union as president for the past 14 years. And it's one of the qualities that we saw in Peter and still do. We were looking not only for a true believer in public education, but we were looking for a true believer in public educators; a much maligned, abused, blamed group of employees who are working their hearts out.

We were looking for a leader who could actually turn a public bureaucracy into a quality organization based on principles of quality management. It starts with the vision thing. It goes to a really sincere belief in people and valuing workers. Not just through the absence of abuse, but genuine caring support, belief, and reward. It starts with articulation of that. And it goes to motivation and inspiration of them.

Third, a belief in service as a hallmark of excellence. No confusion about who the customers are either. Central office customers are school sites. Now part of the reason that other superintendents get in trouble sometimes is that they view their direct customers as the parents and kids. And they look over and do not look at and

do not support the people at the school sites. The school-site customers, for the most part in educating kids, are the parents first and the kids. They're the ones who are making the choices. And they're the ones being educated.

Fourth, a belief that we can and will constantly get better at what we do. And we must always be about continuous improvement. And our school improvement process does that. Fifth, a belief that you can't and won't get better unless you measure where you are and constantly measure everything you do to chart your progress and your improvement, or chart your lack of it. And that's how you get better, by examining it through cold, hard lenses. Sixth, a belief that you must celebrate and reward progress towards goals. So we have a performance contract for the superintendent. And performance awards for schools. And we have received performance awards for the district from the state.

Now what progress have we made together as partners in this venture? And here now the "we" becomes Minneapolis Public Schools, the Minneapolis Federation of Teachers, and The Public Strategies Group, the "royal we." First of all, we have cleaned up the financial situation and restored confidence in it. We have implemented and adhered to a class-size referendum that guarantees a class size of 19 for kindergarten, first, and second-grade classrooms, and a class size of 25 for the rest of the classrooms in the district. It was passed by a two-thirds vote in our city. It was not easy to do. And we have made district budgeting an inclusive process.

Secondly, we turned several district services into self-sustaining departments with much improved services to sites. Let me give you three quick examples.

One is, the department we used to call Stores and Equipment. They now give a rebate to schools for doing business with them. But schools don't have to do business with them. Schools can take their equipment budget, and their other budgets for stuff to Target or Office Max, or WalMart or Sam's Club or wherever they want. But Stores and Equipment has been competitive, and for every dollar that is spent with them, they then divide up the profit at the end of the year and rebate it with the school sites that did business

with them, based on a percentage. Those checks went out last month.

Another example is payroll. Payroll is very important to workers' hearts. Payroll was not always a focus. Zero defect in the first payroll of the school year was a goal. And the payroll department got very close to that this year. It was 98 or 99 percent accuracy in payroll for the first one of the year.

I teach at a high school and there are often young people who think graffiti on game days is pretty cool. So you get to school early in the morning and there is stuff all over the walls and the doors and the steps. Well it used to be until the next school year before that stuff got removed in the old days. I came to school on a game day very early one morning this fall, and the graffiti had been found there by the school engineer at 6:30 a.m., and by 9:00 a.m. it had been steamed off. Those are examples of service improvements.

Third, Peter turned the administrative silos into six service units with team leaders, not associate superintendents. Fourth, he turned the Superintendent Cabinet into the Superintendency, called the Strategy Team, which is Minneapolis Public Schools team leaders and Public Strategies Group leaders. Fifth, we created, through a principled problem-based negotiations experience, a landmark contract this fall. It was ready, on time, when the teachers came back. And it has language sections in it that describe all the pieces of developing a true profession, including peer review, a preamble establishing shared commitment and responsibility for educating kids in the Minneapolis Schools, and a big section on shared-decision making and the school-improvement process, including standards for effective schools and standards for effective central support for effective schools.

Sixth, we are challenging many previously unchallenged things in our city. For instance, Peter, through the help of a courageous new mayor in our town, is challenging that busing every child somewhere in our city helps their learning. We have done that for 25 years. We also, over those 25 years, have developed 17 separate distinct choices for parents to make. And incoming kindergarten parents were beginning to overdose on choice. We're finding that

desegregation was doing nothing to de-concentrate poverty in our city. And this fall, in a courageous political move, we are trying to return to neighborhood schools and therefore recreate communities in our city.

Seventh, we measure everything constantly. The superintendent and The Public Strategies Group are measured on a performance contract. The school district is measured by the state and has received performance-award grants from the state. And our sites are measured against performance and receive performance-award grants based on the district improvement agenda, their school improvement process, and also their professional development goals. And we have all new curricular standards that are creating our new curriculum base that are rigorous, relevant, interdisciplinary, results oriented, and focused on the future.

We believe that we are called and driven to create a true profession.

Well, what have we learned through all this? We've learned some lessons together as partners. And here are just a few. Teachers still find it hard to trust a non-educator. But then as a group we find it hard to trust very many people at all any more in this venture. As a group, we're always grasping for saviors. But then they usually come in the form of fallible human beings like themselves. And sometimes that's disappointing. We find there are no magic bullets. But teachers also know that magic happens every day in their classrooms. And they appreciate someone supporting that and saying so in the community. Principals and other managers don't seem to be able to grasp a new paradigm for themselves as leaders instead of administrators, and seem to take no responsibility as a group for leading the organization to a different place or turning themselves into anything but nervous naysayers.

Grooming and growing replacements for leadership is hard. Coaching and mentoring service team leaders is one of Peter's activities. He has a personal coach himself. But it has been hard to fulfill one of his promises. And that is that by

the time he leaves the Minneapolis Public Schools that he will have grown and groomed his successorship. Schools change more quickly and effectively for kids than central offices do. Surprise. Sustaining change is harder than initiating it.

Contracting out of organizational services for basic services rather than using regular employees means that the organization is not a learning organization. Because the organization does not learn that way. It doesn't learn the daily lessons necessary to improve itself. We have found that school district employees in areas often farmed out are the stable bedrock of our city as residents, as voters, and as family heads. We don't seek to add to or exacerbate the destabilization of our changing city.

We believe in challenging everything, taking nothing for granted, and thinking creatively with our partners about how to do everything better.

We have found the major lesson is that school leaders, particularly New Age leaders, need and benefit from the partnership of the new professional unionism. The union partnership makes us one of three anchors in our district: the board, the superintendency, and the union. The school districts in this country that have made the most progress in change, reform, and restructuring to deliver excellent and sometimes even elegant services to all kids have done so with equal partners in their unions. The Rand report from a few years ago speaks to that, as does our own experience. The bedrock beliefs that we believe in at the AFT [American Federation of Teachers], as is articulated in our futures report, are the same as yours, I believe. We believe strongly that the success, survival and effectiveness of the enterprise and the institution is critical. And it's our responsibility to see that it survives.

Two, we believe that we are called and driven to create a true profession. And we have been about that revolution for over a dozen years. Three, we believe that children and parents are

our customers, and "families first" is our motto. All children will learn and grow and achieve with our help as union leaders.

Four, we believe strongly in standards of achievement and standards of conduct. And we have led that movement nationally and locally.

Five, we believe that teachers are the experts in the education business and should be a part of the leadership and the decision making, and not relegated to the position of factory workers from the past.

Sixth, we believe in challenging everything, taking nothing for granted, and thinking creatively with our partners about how to do everything better.

Seven, we believe in measuring what we do and making the connections between what we do as teachers and union leaders and what happens to kids. For the first time in public education we're making those direct connections.

We're also trying to reform and restructure ourselves, as an organization, to model that for other organizations. I would boldly propose that new management cannot improve the success of students without new professional unionism as partners. The organization needs to model the behaviors, the results and the relationships that we want our graduates and our future workers, citizens, and families to have when they leave us. The learning organization models stewardship for workers within it who work directly with kids. The organization needs to model the learning relationship between teachers and kids, to nurture it, support it, challenge it, focus on it, protect it, resource it, coach it, and absolutely guarantee that that relationship between teachers and kids is the only business of the organization.

Well, thank you for indulging the comments of, and maybe rantings of, an old crusty union goon. I hope you suspended your disbelief for just a moment. And we look forward to partnering with you in the future for the betterment of children. Thank you.

Peter C. Hutchinson

President, The Public Strategies Group and
Superintendent, Minneapolis Public Schools



Mr. Hutchinson is President of The Public Strategies Group, a private consulting firm, which specializes in transforming public bureaucracies into public enterprises accountable to the citizens they serve. During the eighties, Mr. Hutchinson was Vice President for the Dayton Hudson Corporation and Chair of the Dayton Hudson Foundation. Most recently, he served as Minnesota's Commissioner of Finance. In 1993, The Public Strategies Group was hired as the new school superintendent of the Minneapolis Public Schools. Mr. Hutchinson was graduated by Dartmouth College magna cum laude, Phi Beta Kappa. He earned an MPA-UP degree from Princeton's Woodrow Wilson School of Public and International Affairs and completed the Advanced Management Program at the Harvard Business School.

Well good afternoon. I'm real excited about being here for lots of reasons. One is that I'm here visiting some old dear friends, whom I haven't seen for awhile. The second is, I'm here with Louise Sundin. And I have never heard Louise Sundin give a speech before. And that was fabulous. And the third is that I get to talk about one of my favorite subjects—education, and what's going on in education. And, with your indulgence, I'd like to talk about what I call the "Seven Lessons, Five Myths and Six Strategies for Change" that are necessary for school reform to actually take place.

In late 1993, our company was selected to be school superintendent. For the last two years I've been sitting in the big chair in the big office with the little telephone answering one call after another. And I think I've learned a lot of things in the last two years that stand out in my mind as keys, as we go forward with improving public education in this country and meeting the needs of all of our kids.

I learned my first lesson one month into the job, literally one month in. We started on December 15th, and on January 18th I learned Lesson One about this work. Now most of you aren't from our part of the country. So I'm going to have to give you just a little



bit of background. One month after December 15th is the middle of January. The middle of January is the coldest week in the year in Minnesota, and if you don't happen to be from there you haven't a clue what I'm talking about. On January 18th of 1994, a very special day by the way—that day, that year was a Monday, Martin Luther King's birthday, we were on holiday from the schools. For me it was nice to have a break. And it's also our wedding anniversary.

So my wife and I had gone out to a movie that afternoon. The temperature outside was about 22 degrees below zero. We returned from the movie. At least we were driving back. And I thought to myself: Boy it's cold. (Laughter) I wonder if the busses will run alright tomorrow when the school reopens? And when I got home I had 57 messages. And they were all basically the same, although they came from people who ranged in age from seven to about 65. But they were all basically the same. They went like this. "Hutchinson, you wanted this job. It's cold outside. Close school tomorrow." Well then it dawned on me that after all these months of trying out and being interviewed and being coerced and everything, no one had ever once said to me: "You know, as school superintendent you get to decide whether school is open or closed." And I hadn't a clue what to do.

I did confer with my two children, who attend the Minneapolis Public Schools (Laughter). And they were pretty clear about it. But not fully trusting that they had their best interests at heart, I did the only thing I could, I called the Superintendent in Saint Paul. I said, "Kermin, what do we do?" He said, "Well, whatever we do,

let's do it together." (Laughter) I said: "I'm for that. What are you planning on?" (Laughter) He said: "I don't know yet. We're all still conferring." Well, to make this long story short, the governor of the state, for the first time in the history of the state of Minnesota, closed every school in the state. Because the forecast was that it was going to be 34 below the next day with wind chills of 50 to 60 below.

You can't transform the system if you don't like the customers. You've got to love them. You've got to capture the passion that comes to school every day and make something out of it.

So I went into the office the next day, now having another, if you will, "day off." And this is my day to catch up. I got into the office and the phone rang every twenty seconds, literally, from the minute I got in to the minute I left. And there were basically two messages. There was a rerun of the first message, although now the age span was a little bit different. This was basically from age seven to about age 18. And they were all saying: "Hutchinson, you wanted this job. It's still cold outside. Close school tomorrow." But then there was this other group of phone calls coming in from a group of adults who were saying to me: "Hutchinson, you wanted this job. Get these kids back in school." And the phone calls went on and on. And the truth is that opinion was very evenly split among the adults on this. Some adults felt it was way too cold to send kids to school. Another group was feeling at least as strongly that we had to get the kids out of the house and get them back in school. And it piled up and piled up. And as it did, I could feel the pressure building up that this was a loser. This was one of those; this was a killer.

And then I learned the lesson. And the lesson is that when you're faced with an extremely difficult decision to make, and the emotion is high on both sides, it doesn't matter what you decide. (Laughter) Because you're wrong. And once you learn that, (and this is the lesson about school reform), once you learn this lesson,

you're free to do what you think is right. In spite of what your kids tell you. And my kids gave me hell because we went to school the next day. We thought that was the right thing to do. So, the first lesson is: Understand that there's lots of difficult decisions to make and do what you think is right for kids.

Now I learned the second lesson about a month later sprawled on the sidewalk in front of one of our schools. Not the position I was expecting to find myself in. One of the things I did when I first became superintendent, because I knew so little about it, was I wanted to visit every school. We have about 100 schools in Minneapolis. And I wanted to experience the full range of school life. So this particular morning I said: "What I want to do today is take a bus to school and kind of do it with the kids, you know."

So, I show up on a street corner about quarter to seven in south Minneapolis. This is February now. And at a quarter-to-seven, in February, in Minneapolis, it's dark. It's really dark. And I'm standing there on the street corner with this mom and her two kids waiting for the bus. And she's looking at me. And I'm looking at her. And she's looking at me. And we're not too sure this is a good deal. But she was willing to put up with it, knowing the bus would be along any second.

But before the bus got there, this station-wagon pulls up. And these people jump out and they announce they're from Channel 5 in Chicago. And they want to film this actually happening. So these lights go on in the middle of South Minneapolis. And cameras were whirring. And this mother is looking at me. And I'm looking apologetic at her. But sooner or later the bus arrives and we climb on. Here's the two kids, me, two camera people, the lights, the whole deal. We're traveling through South Minneapolis. Pitch black. Lights all over the place. Kids were getting on the busses. It's the greatest experience they've ever had in their lives. "We're going to be on the news." We're not exactly sure where Chicago is, but we're going to be on the news somewhere. (Laughter) We get to school, and the camera guys get off first, because they want to record this event. And the kids start getting off. And you know how it is on a school bus. The aisles are not too wide.

So they're jostling their way down the aisle. And at the right time I get up and move to the front there. And I get to the front of the bus. And I turn to the bus driver, a wonderful woman who had obviously put up with a lot of bad stuff that morning. And I said, "Thank you so much for such a great job." She looks up and says, "You're welcome. And don't forget to use the handrail." (Laughter) Well, you know, I'm an adult. I can get down a set of steps. And I did—face first on the sidewalk. Cameras whirring. Kids laughing. Lesson Two: If you want to be successful at this, listen to the people around you who are smarter than you are. Cause they can keep you from falling flat on your face.

Now you heard Louise Sundin this morning talk a lot about our partnership. You can't transform schools without this partnership. It can't be done. The people have got to be together. It's too big a task for people to do on their own. And I've taken this lesson seriously ever since I fell on my face. We can't make it without great partners.

Now Lesson Three came that same day. I went in to school and it was still fairly early in the morning. So I joined the kids who were eating breakfast. We feed breakfast to half the kids in Minneapolis. And the sad fact is, we don't do it because we want to be in the food business. The sad fact is that if we didn't feed them breakfast, they probably wouldn't get it. And that's unfortunate. We need to change that aspect of our lives.

But while they were there, I sat down across the table from this wonderful little African-American girl called Amisha, who was a second grader. Now this is almost two years ago. Amisha was about as kind as you can be to a guy in a tie and a suit carrying a briefcase, not her normal breakfast partner for sure. And I said to Amisha, "Amisha, do you like school?" "Oh," she said, "I love school." Great news for a superintendent, right? I said, "Amisha, what is it about school that you really like?" She didn't even bat an eyelash. She said, "Well, it's my teacher." Whoa, this is great news. "Now what is it Amisha? Tell me, what is it about your teacher that you like so much?" "Well," she says, "she's proud of us." That's it. Lesson Three. This is about being proud of the kids.

You can't transform the system if you don't like the customers. You've got to love them. You've got to capture the passion that comes to school every day and make something out of it. And Amisha, I mean, Amisha's it. This little girl, a second grader, has already learned the most fundamental lesson about schooling that there is to learn, which is that this is fundamentally about building a passionate relationship between adults and kids.

When you're in the dark, things look a lot better than they really are.

By the way, I went to a group of teachers later that day. And I told them the story about Amisha, how inspired I was by her. And I said, "When you went to school to learn to be a teacher, did anyone ever tell you that being proud of the kids was part of the deal?" "No." "Well, what did you learn?" "Well, you know, we learned about classroom management and discipline, and curriculum plans and lesson plans and how to get on our knees in front of the principal. You know, all the basics of success." (Laughter) "But we never learned about Amisha." The system won't get better until we understand that creating a passionate relationship between the adults and the kids is the key to success.

Now, for me, lessons four and five came from a different place. They came from the answer to the question: "What did you do on your summer vacation?" I've had two summer vacations since I've been a superintendent. On the first one my family and I—it's two children and my wife—climbed in our minivan and headed west. We thought we'd take them along the Oregon Trail through Nebraska, up through Wyoming, and visit Jackson, Wyoming. We had a great trip as we began out, until we got to Scott's Bluff, Nebraska.

We climbed, we drove to the top of the bluff, which is like driving to the top of this building. I don't want you to think this is a big deal. (Laughter) By the time we got there, the car overheated. Well, thinking that we had some mechanical problem that we had to deal with, but knowing we had to press on, we coasted

down from Scott's Bluff and coasted all the way into Cheyenne, Wyoming, thinking, we'll find a place to stay, get some dinner, and we'll have the car fixed tomorrow. It was Cheyenne Days in Cheyenne. There were 300,000 people there. The Motel 6 was charging \$175 a night. (Laughter) And it was full. So we headed south into Colorado. Ended up in Fort Collins, Colorado. My kids were mighty impressed by the way that you could go from Nebraska to Wyoming to Colorado in a single day with a car that fundamentally didn't work. We spent a delightful, though somewhat sobering, day in Fort Collins, Colorado the next day as they took various pieces of the car off and put them back on—including the water pump, all the hoses, all the water clamps and several of the valves.

And the lesson is that these are the good days. This is all we can expect. And this is the time to lead. This is not a time to sit around and wait for something better. It is a time to take what we've got and get on with it. And that is the central thought, I believe, in the emphasis on school reform.

At 5 o'clock that night, they assured us that things were fixed, and we headed off across the Rocky Mountains. We got up above 4,000 feet before the car overheated again. We pressed on though, because, as you know, when you rise in this world it gets colder. And this allowed us to maintain the needle on the heating gauge right on H, but not above H. (Laughter) We ended up in Jackson, Wyoming the next day and literally spent the entire week running our car in and out of one garage or another trying to get it fixed. And they proceeded to take out and put back in various pieces of the car, including a radiator that had to be flown in from Salt Lake City. And the day the radiator was flown in we hightailed it out of there as fast as we could, believing that the

car was fixed, and got to Livingston, Wyoming, where there was only one room left at the Paradise Inn, no paradise to be sure.

We got up the next morning and looked underneath, and there's a puddle. A puddle of radiator fluid, I thought to myself: minor problem. I'll use my Swiss Army knife that solves all our problems. Reached under there and turned that little screw on that clamp, you know, one eighth of a turn. It exploded. It exploded. Radiator fluid everywhere. At this point I completely lost control. Fortunately my wife didn't. She climbs in the car, drives it across the street to the service station. They pump it up, drain the fluid, take off some of the parts that had been replaced, and other parts, noting the fact that they had been defective.

We got back in the car within an hour, and headed for Bismarck, North Dakota. It's a long trip from Livingston, Wyoming to Bismarck, North Dakota. We felt very confident traveling 75 miles per hour. As we entered a rainstorm 40 miles from Bismarck, the right front tire exploded. No one in our family had ever changed a tire on our car. We didn't know where it was. We didn't know where the jack was. We leaped into action, within twenty minutes had the tire changed, drove into Bismarck. No room at the inn. Finally found a place to stay, and drove home the next day.

Now, you're wondering what the lesson is. When my family talks about this vacation, and we try not to, to tell you the truth. (Laughter) When my family does talk about this vacation, we remember it as one of the best vacations we ever had. Not because things went so well, but because as a family we were required to pull together. We were required to confront things that we hadn't anticipated. And we found out we were pretty good at it. And so, the lesson is, it doesn't have to be perfect to be successful.

Any team confronted with challenges they can't anticipate can really make something wonderful out of it, by simply paying attention to the set of relationships that allow us to succeed. And creating success out of wherever we find ourselves. Now this leads very nicely, by the way, to Lesson Five which happened last summer.

We felt so good about that vacation with the car that we thought we'd try it again. Only this time we decided to rent one. We went out to Oregon and we were driving down through central Oregon and decided to go camping with my wife's cousins. Now the scene is hard to imagine. It's so idyllic. We're next to this wonderful trout stream in the mountains in Oregon. Big pine trees everywhere. Two pup tents. Two families of four. Just a wonderful setting after a great meal. And we all go to bed. We're actually sleeping pretty well when my oldest daughter rolls over and says the words that terrify us in the dark, "I don't feel so well." And as these words come out of her mouth, so does her dinner. All over us, and the tent. Now this of course raises an uproar in camp. We have flashlights out and we're cleaning up. And she says we've got to get out of here, it's a disaster. And we convince her that there's nowhere to go, which was true, and that we had cleaned things up. And tomorrow we'd deal with whatever we faced, but for now things were all right. And this is Lesson Five: When you're in the dark, things look a lot better than they really are. (Laughter/applause)

Trust me, they looked a lot better than they really were. And the grave reminder here about school reform is that we are in the dark most of the time. You know, there's this illusion that somehow we know how this is supposed to go. And the truth is we don't. And most of the people who are involved trying to lead school reform are really working in the dark. Now, the nice thing about that is: When you're in the dark, there's an unlimited resource of optimism available to you. It's only in the cold light of day that you find out how crazy you are. And Louise Sundin knows this very well; I keep the lights off in my office. (Laughter) I need as much optimism as I can get. And so do we all who engage in this very, very serious work. And so, I don't think it's bad to work in the dark. It's just that we gotta get used to it. And we've gotta be alright with saying, "We'll make it better tomorrow. We'll make it better tomorrow." Not that we even know how, but we know we will get there.

Lesson Six came just a few months ago. I was driving to work one morning and I turned on the radio to listen to the news, hoping I wouldn't be on it. And I wasn't. And it turned out it was the 50th anniversary of the death of Franklin

Roosevelt. And the commentator was recounting Franklin Roosevelt's career. And I want you to fathom three facts about Franklin Roosevelt's career. First of all, Franklin Roosevelt was disabled. He spent a huge share of his life as a disabled person. Secondly, when Franklin Roosevelt became president of the United States, we were engulfed in the worst economic depression that any of us, I hope, will ever see. And third, when Franklin Roosevelt died, the country was still at war. Now, if you take those three facts together, you realize quickly that Franklin Roosevelt never had a good day. He never had a day when everything was going his way. Think about it.

5 Great Myths About Improving Education

1. Liberal Myth: Bigger is better.
2. Conservative Myth: Smaller is better.
3. Business Myth: Private is better.
4. People Myth: The problem is the people.
5. Resource Myth: We can flood or starve the machinery of education to get desired results.

Yet, this man is widely regarded not just in this country, but in the world, as one of the greatest leaders ever. And the lesson is that these are the good days. This is all we can expect. And this is the time to lead. This is not a time to sit around and wait for something better. It is a time to take what we've got and get on with it. And that is the central thought, I believe, in the emphasis on school reform. It's not going to be any better. It's only going to be different and equally challenging. And the question is, are we prepared to play our appropriate leadership role.

The Seventh Lesson of this little litany came at a board meeting just last April. At our school-board meetings I try very hard to have students lead off, to always be the first people on the agenda. And we get all kinds of things that students bring to us—petitions, complaints, sto-

ries about their schools, awards that kids have won, examples of performances they've done, and so on. I want to have kids in front of the school board at the beginning of the meeting for two important reasons. The first is: the kids are why we're there. And it's real important for us adults to be reminded about that, seems to me, every time we're about to make a decision. The second reason I love to have kids there is that they always tell the truth. They're not bothered about whether it's polite, they just want to get it out. And I believe that's a useful thing for us to imagine happening on a regular basis. (Laughter)

**It's not the money. That's not the issue.
It's the quality of the result. It's the
quality that counts, not the resources.**

Well, this particular evening we had a young man named Robert and a bunch of his colleagues from one of our schools talk to us about their school program. Robert was very proud of what was going on in his school. It's hard to set this scene. Our school board sits up on a kind of curved raised dias and we look down on people who are standing behind a podium about this size. Robert, unfortunately, was only about four feet tall. So that standing behind this podium he looked something like this ... (Laughter)... from the point of view of the board. And all we had was the disembodied voice of Robert. We knew he was there, but we actually couldn't see him.

I don't have a clue whether Robert knew what he was saying, although I think there's a lot of wisdom in his words. In the middle of what he said to us, was the following. He says, "You know, education, it's the big chance." Well, in those words Robert was laying in front of us the ultimate challenge. He conveyed very poignantly that he was aware that it was his big chance. And further, that he was prepared to do what he needed to do to take advantage of it. But the question of course, to us adults was, "Are you ready? Can you live up to my expectations? Are you prepared to do what I need done in order to be successful?" The lesson is that education is the big chance. And school reform and transfor-

mation is about living up to the expectations of those that we serve, these youngsters. It's about living up to the anticipation of the future. And in the words of Robert Greenleaf, it's about being accountable for making those we serve healthier, wiser, freer, and more autonomous.

Well, if education is the big chance, it's also being challenged in some pretty big ways. Relentlessly in fact. Being challenged to improve, to restructure, to better meet the needs of students and families and our changing communities. The reality on which we all seem to agree is that it's gotta get better. What we don't agree on is how to make it happen.

I worry that as this debate continues and we argue about the ways in which schooling is kind of isolated, and maybe even mesmerized, and probably even frozen in its past, that we're doing it with arguments that are equally frozen in the past. These are what I call the Five Myths: "The Five Great Myths About Improving Education." My fear is that these myths are frozen in a belief structure that was invented quite some time back, and they don't really help us understand how to get where we want to go.

Quickly, the Five Myths are these: The first is the Liberal Myth that somehow bigger is better. People who share this myth believe that the machinery of education isn't working because it isn't big enough. If only there were more teachers, more schools or more hours, or more days, or more central controls—somehow education would work. But more is not what we need. What we need is better. Better is the issue. It's the quality of the result, not its quantity that we're having a debate over.

Well, that leads nicely to the Conservative Myth, the myth that smaller is better. Now, these folks believe that the machinery of education isn't working because it's too big, and that the answer lies in less: fewer special programs, fewer teachers, fewer teacher aides, smaller central bureaucracies, doing away with school boards, whatever. But less is not what we need either. Our problem is not that our children are over educated, they're not appropriately educated for the needs of the coming century.

Well, then there's the Business Myth, that private is better. Now these folks believe that the machinery of education isn't working because it's public. And that public bureaucracies won't and can't produce what we need. They want privatization, and believe that it's the holy grail. But there is nothing inherently superior about a private bureaucracy, or about its ability to adequately meet our needs. After all, ladies and gentlemen, while the public sector was producing \$200 hammers and \$600 dollar toilets, the private sector was producing the Edsel, the mini-skirt, the Pet Rock, greenmail, and some of the most massive layoffs and economic dislocations in the history of the world. I'm not prepared to trust my child's education to the people who produced those results.

So then there's the Fourth Myth, that the problem is the people. If we just get rid of the nincompoops, somehow it'll all be better. And the people who really believe in this believe that if I could put my nincompoops in there they'd work better than yours. (Laughter) But Edward Demming, who has spent his whole life understanding why it is that systems produce the results they do, understood that it's not the people. It's the system within which they work. Immersed in the brine of bureaucracy, even the most creative cucumber soon becomes a pickle. I'm pickled up to about here. Bureaucracy is an overwhelming cultural context in which we expect people to operate. Insanity is defined as doing the same thing over and over again, and expecting a different result. That's the condition in which many people find themselves in public organizations today. If we don't change the system, we cannot expect it to produce a different result.

And then, of course, there's the Myth of Resources. This comes actually in two sub-myths. Sub-myth One says that we can flood the machinery of education into providing the desired results. And the other myth says: No, we can starve the machinery of education into producing the results we want. The facts of course are quite different. Resources do count. There's no doubt about it. But they don't count in the ways we normally assume. You can travel the country and find high and low spending districts producing poor results that are unacceptable for our kids. By the way, you can travel the country and find high and low spending districts producing spec-

tacular results for our kids. It's not the money. That's not the issue. It's the quality of the result. In fact, people of all incomes will pay almost any amount for a quality education. But it's the quality that counts, not the resources.

These myths are dangerous because they get us focused on the wrong issues. The issue isn't whether the machinery of education is too big or too small; whether it's owned or operated by a public or private bureaucracy; or by the right people, or whether it needs more or fewer resources. The issue is that we need a new machine, a machine that produces better results.

6 Elements of A Strategy to Transform Education

1. **Get educational organizations focused on their purpose.**
2. **Know the meaning of success.**
3. **Measure and report frequently and relentlessly.**
4. **Make schools centers for high performance.**
5. **Get the central office out of the way.**
6. **Create a culture where courage, trust, collaboration and achievement become hallmarks of our schools.**

Getting there, it seems to me, involves some very fundamental transformations. These transformations require us to move from rewarding good intentions to rewarding results. From a system in which people follow rules to one in which people chase a sense of purpose. From a system where we have control over inputs to one where we have accountability for outcomes. From organizations steeped in the traditions of bureaucracy, to ones challenged by the imperative of service. And from an ethic of distrust and mistrust, to a culture of expectation, high expectation. These changes are central to any strategy for transforming education. And we believe that

this strategy can be thought of as having six critical elements.

The First is to get educational organizations focused on their purpose. In fact, to reassert the moral purpose of our schools. When I got to the Minneapolis schools, one of the first things I asked for was a copy of the mission statement. The vision thing. Three weeks later I got it. It was three pages long. It's not possible for an organization to have clarity about its purpose if it doesn't know where these vital sacred texts are buried (Laughter), and if it's not able to summarize them briefly. Louise and I and many others spent a lot of time wrestling with the question: "What is our purpose?" And we finally came up with a mission statement that we like. And you're free to steal it if you like. But I certainly commend its brevity to you. We say in Minneapolis that our mission is to ensure that all students learn.

We gotta get to the point where everyone in this organization either serves students directly, or serves someone who does.

I love this statement because it's got all the key elements of a great mission. A statement of accountability. We're there to ensure that it happens. A statement of who we're there to serve: all students. Not some of them, not a few of them, not the ones we like—all students. And a statement about what we're supposed to do for them—learn.

Educational organizations have been asked to do too much. And the truth is we've accepted those assignments. It's time for the rest of the community to reshoulder its responsibilities. We need to focus on children and their learning. We need to make learning the business of education. Its only business. But it's not enough to have clarity of purpose. It's necessary but not enough.

We also need to know what we mean by success. For us, we've wrestled hard with this. And

Louise told you this morning that we've come up with definitions of success that we think are compelling. We know now what we mean by effective teaching. We know now what we mean by effective schools. And we know today what we mean by a curriculum that's high, relevant and challenging for all of our students. These curriculum standards tell us what we expect. And we expect a lot. Without the curriculum standards, without clarity of our definition of success, well, it's like bowling in the fog. Everyone's up there rolling the balls down and listening to the pins fly. But nobody knows the score. You can't succeed in any organization if you don't know what success looks like.

Our curriculum standards and our expectations for our students give us clarity. But that too is not enough. Then, as Louise mentioned earlier, we have to measure and report frequently and relentlessly. Measurement and reporting provide feedback. And with some apology to our Minneapolis company called General Mills, we believe that feedback is the breakfast of champions. You can't get better if you don't know the score. And, in fact, you will only get cynical. We need relentless reporting and measurement, not because we want to hold people accountable, but because they want to be held accountable. Nobody in my mythical bowling alley, being able to see the pins, would do anything other than try to improve. The same is true in any organization. When we give the people who are actually there to do the work the information about how things are going, they will improve the result. In Minneapolis, every three months we issue a report on our progress. Now some people think it's too much. Maybe it is. But it communicates a relentless concern that we know how we're doing at any point in time so that we can make the necessary changes.

The fourth piece of this strategy has to do with making the schools, perhaps even allowing the schools, to become the laboratories and centers for high performance. Every school needs to be as exciting as Yvonne Chan's [charter] school. Every school needs to have the same opportunities and challenge. Every school needs to have clear performance goals of its own, and feel empowered to make the decisions necessary to achieve those goals. And, every school must

accept the accountability for success and continuous improvement.

This is a powerful set of ideas—ill-implemented in most school districts. The design for school-based management, at least in the districts I'm familiar with, has basically been: "We give up. You do it." (Laughter) This is not a particularly effective way to encourage people to do even better. When school-based management really works, it is because the school community embraces their challenges and rises to the occasion.

Let me tell you about one of our schools named Putnam School. This is a very small elementary school. It's not one that has a fancy new name or a great pedigree. In fact, it's one that in our choice process rarely is chosen. And it means that the students who go there are assigned. So you can imagine the challenge that the faculty and staff face. This is a school where 40, 50, maybe even 60 percent of the children will turn over in a single year. This school of roughly 300 students, three years ago had 375 suspensions. This is an elementary school. That faculty looked at that number and tried to understand what they could do to change that result. They felt they had the responsibility. They felt they had the power to make the necessary changes. But they weren't sure what they ought to do. Well the best thing is they didn't ask our advice. Because I'm not so sure what we would have told them. Rather, they sat and talked among themselves as a school community to try and discover what it was in that community that was producing this horrendous result.

And as they listened to themselves talk, they heard phrases that sent chills up their backs. Phrases like "those children" and "them" and "the kids," as though these youngsters were not part of this community, but were really visitors from another planet, only dropping in for a few months before they went on to some other place. No sense of ownership for the kids. No sense of collective responsibility. The good news is that they heard themselves saying those words. And they were as horrified as I was. And they changed. They made some of the most courageous changes you can make.

In this school building they had what they called the behavior room. Now, you know about the

behavior room. This is where the teacher will send a child who is misbehaving so that the child can sit in a meditative position and reflect upon their transgression (Laughter)...so that upon returning to the classroom, they will act more appropriately. Well, they understood, as you obviously do, that that's not at all what goes on in the behavior room. It's actually a place where military strategy is plotted on a grand scale (Laughter)...for major insurrections within our classrooms. Getting rid of the behavior room is an act of either total insanity or ultimate confidence. They got rid of the behavior room and took those resources and reinvested them in themselves, and in the kind of social and psychological services that these students really needed.

The design for school-based management, at least in the districts I'm familiar with, has basically been: "We give up. You do it." (Laughter) This is not a particularly effective way to encourage people to do even better.

The results have been nothing less than dramatic. Last year, this school that had had 376 suspensions the year before, had 80. Instead of losing 522 days of schooling, they lost 100. That's not acceptable. It's not an acceptable level. But it shows you what you can do when a school community feels empowered to make the necessary changes. By the way, if you walk in the front door today, you'll see a great big sign that says "The number of suspensions so far has been." And a friend of mine was over there, and the number nine was up. And standing in front of this sign was a third grader looking up at it saying, "Oh, that's terrible. That's terrible." But when he saw the adult walk in, he turned quickly to say, "I'm not one of them." (Laughter) They've got it at Putnam. They know what they're trying to be. They've got clarity of purpose. They're measuring relentlessly. They're focused on what constitutes success. And they're going to make it.

Now, the fifth part of the strategy is to get the central office out of the way. We need to make it a center of service, not a center of command and control. We gotta get to the point where everyone in this organization either serves students directly, or serves someone who does. I say to everybody, "If you're not in one of those two categories, come counsel with me and we'll find a job that's really worth doing." We need to make the central staff accountable to those they serve. Louise told you this morning about our central-stores operation. This is one of the most amazing transformations I've ever seen. Not only were they a monopoly two years ago, but it took them six weeks to get a pad of paper from the central stores out to the buildings. And there was this air of resignation that this was how it had always been. And thus it was always supposed to be. But they did something courageous when they turned their budgets over to the schools and said, "You decide." They understood that that meant they needed to change. Today, if a school calls central stores, they get the paper in 24 hours or less. Their business has actually gone up 20 percent. The result in the buildings is palpable. And, oh yes, the rebates. What an interesting way to communicate to your customers that you really care about the quality of service.

You all need to be part of this transformation. But don't let your old ideologies and myths blind you to the need for real change. Press for and support the kinds of transformations necessary to really produce better results.

Now, the final piece, the sixth piece of any strategy for change, must ultimately focus upon the culture of schooling itself. Today's culture is one of fear, mistrust, isolation and failure. The culture we have is a direct result of the bureaucratic revolution that took over public education a century ago. Courage, trust, collaboration and achievement must become the

hallmarks of our schools. And if you think about it, those characteristics: courage, trust, collaboration and achievement are exactly the same qualities we want and prize in our graduates. The system can't produce those qualities if it doesn't live them itself.

Well, I want to say to you today that transformation in education is underway. It's happening, and it will happen, because our society so relentlessly demands it. We're still early in the process though. We're stumbling along. We're trying to learn the lessons fast enough to be able to keep moving. You all need to be part of this transformation. But don't let your old ideologies and myths blind you to the need for real change. Press for and support the kinds of transformations necessary to really produce better results. And challenge all those that come to you with schemes for improvement to show you how they've pursued these six critical strategic changes that are necessary for success. But, perhaps most importantly, remember the lessons of the children. Education is the big chance. And the most important thing is to believe in the children. Thank you very much.

Douglas L. Becker

President, Sylvan Learning Systems



Mr. Becker has served as the President of Sylvan Learning Systems, Inc. since April 1993. Prior to this appointment, he was the president and chief executive officer of the Sylvan Learning Center division of the company's predecessor for two years. In March 1993, Mr. Becker forged a partnership with Baltimore City Public Schools for Sylvan Learning Systems to teach remedial reading and math. Since that time, Sylvan has expanded into over 50 public schools in seven states. Under Mr. Becker's leadership, Sylvan Learning Systems was awarded a contract with Educational Testing Service to serve as the exclusive commercial provider of ETS's computer-based standardized tests.

I'm glad to be here and certainly it would take more than a little fog to keep me away. It's an exciting conference. And it's a very exciting time in the whole field of education. I think that many of the forces at play are really beginning to mold some changes. And being in a place like this, you really can sense and feel what the future's going to hold. I predict that three years or four years from now it would take a room many times this size to contain the number of people who are going to be interested in this topic, both clients of school districts as well as different people from the business community interested in the business opportunity afforded them.

These kinds of momentous times really are important to recognize. Because in many cases judging your action and making your plans means you have to understand the time and the environment, and how much time you have ahead of you. Shakespeare said that "There is a tide in the affairs of men, which taken at the flood, leads on to fortune. Omitted, all the voyage of their life is bound for shallows and for misery." Now that's the time we're at right now. This is a tide that's at full flood. And if we don't take this opportunity to make some changes and do some of the good work that's ahead of us, I think we're going to be missing out in a really big way. I think it's tremendously important that the work the Reason Foundation is doing and the work that many of you do, be continued.

So in that spirit I really gave some thought to our position at Sylvan, what we've learned in the past three years since we've been working with public schools. By way of some background and general reference, Sylvan Learning Systems has been around for about 16 years. In 1979 we were founded by a teacher who felt that the tutoring prospects available to students really could be improved; that no one really certified who could be a good tutor. No one really provided what was good curriculum for tutors. No one really specified what the best setting was to take a student and put them in after school for tutoring. So this particular teacher created a learning center and specified all of those things. Standards for who could teach there. What would be required of them. How to train the teachers. And what the setting and the environment would be like. And all of these different aspects and standards became a Sylvan Learning Center. Today we have 554 Sylvan Learning Centers open in all 50 states, and throughout Canada, also Hong Kong, and the Canton Province of China. We're open in Korea. It's really very exciting because we see it as a worldwide opportunity.

But perhaps the most important thing that has happened to our company over the past several years has been the effort we've made to really forge partnerships with public education and with what I would call the education establishment. Because there is no question that there is an establishment when it comes to this particular field and this particular industry. And that establishment includes public-education governance. And in that case, we have Sylvan Learning Centers under contract located in public schools

in Baltimore City, in Washington, D.C., in Chicago, and a variety of other important school districts throughout the United States.

We also have a partnership with Educational Testing Service. And there we're helping usher in another change. In this case, the change is moving away from paper and pencil tests for tests like the GRE for graduate school admissions and the GMAT for business school admissions. We're moving to a computer-based test that you can take on the day of your choice and get your scores instantly, instead of waiting to take a test on one of two or three or five different dates each year, and getting your scores six or eight weeks later.

School choice has a lot to recommend it. And it has a lot that can work against it. I view school choice as a management fool.

Today about 280 of our Sylvan Learning Centers are able to offer computer-based testing. We do administer the GRE. We do all the nurse licensing in the United States. We're administering national teachers' examinations, and a host of other tests. And these testing centers are being made available throughout the world, outside the United States, as well.

So in our business we really think of two giant sweeping changes. One, which is perhaps more modest than what I'm going to talk about today, is simply the change from paper and pencil testing to computer-based testing. It's an extraordinary thing, though, to imagine that a private-sector company would be given the privilege and honor of delivering and administering these very important public-sector kinds of tests. Having an exclusive contract with the Educational Testing Service was, I think, the culmination of a lot of effort to build credibility and to build trust, and to overcome what I think is a very natural level of mistrust that the public sector frequently has towards the private sector.

Once we have a partnership with ETS, and they can vouch for the fact that we meet our commitments and we're ethical and honorable, that can be taken to the next public-sector client who knows ETS, and says, "Well, if it's good enough for ETS, I'll work with them as well." When Baltimore City was willing to work with us, Washington, D.C. became willing to work with us. And so, success breeds success, and the opportunity only grows.

I mentioned that I see the tide at full flood. That Shakespeare quote is the best way to say that we have to seize this opportunity, that the time is now. And if we pass it up, terrible things can happen in the future. It occurred to me that that's the very same kind of nexus, the very same kind of crossroads, that students face. If you're in an inner city school in Chicago or Detroit or Baltimore or Los Angeles, where sometimes as many as 60 percent of the students who enter high school never graduate from high school, the opportunity that can be lost is very clear. And the tragedy of that opportunity loss can be very clear. And my question is: Do these students know when they drop out of high school that their tide is at full flood? And that if they don't go forward to finish their education, that they may find their voyage of life bound in shallows and in miseries? And I think that's a very important and in some ways depressing thought.

But as I think about education, my view is you have to look at it as a full spectrum. Because those same inner city schools where we have a 60 percent dropout rate at the high school level are mirrored in many cases by suburban public schools that are producing and performing every bit as well as the finest private school.

I come with a unique vantage point. I went to public elementary school and private high school, so I really was able to see the two. And the fact is, when it works, public education works very, very well. And so my opinion—and this is always a dangerous place to spout opinions, when you're faced with a room of people who have their own very strongly held opinions or they wouldn't be here—my opinion is that public education is more successful than it is given credit for, and it is an important underpinning for the future.

I really do not believe that the future is going to be marked with large-scale private management of public schools. That's not how I see it shaping up. And I don't really believe that the future is going to be for school choice either. Although I think that there is a lot of merit to certain elements of that.

School choice has a lot to recommend it. And it has a lot that can work against it. I view school choice as a management tool. I view it as the same kind of management tool that Hernando Cortez used when he landed with his troops in Mexico. He burned his boats so that nobody would say, "Let's go back to Spain." That's a very useful management tool. Everybody focuses. They have to succeed, they have to go forward. I really believe that in many ways school choice is burning the boats. You can't go back again. You can only go forward. So that has something to recommend it. On the other hand, if you happen to have landed upon a particular beach, and at the other end of that beach is a cliff, and there's no place further to go, and you've burned your boats, you may find that those boats, as creaky as they may have appeared to you a few hours before, suddenly have in memory a luster of luxury and comfort that you never considered.

I think that before we burn down a system that in many ways is better than we give it credit for, we need to really look hard at it. And we need to find out if there is another option. Running public schools with private management has encountered such bitter opposition and raised questions of conflict of interest. And it's been faced with the greatest obstacle, the very natural question for someone to say, which is, "Alright, you want me to let you run my school, show me the school you've run better." That's the problem with private management of public schools.

Now in five years, if Edison has been successful, if EAI [Education Alternatives, Inc.] can make strides, maybe that will become a viable alternative. Because they will be able to say: Here are 25 schools with thousands of kids, and here are the results. But until then I think that they are facing a truly unsurpassable obstacle in the issue: What are the results? Show me the school you've run better. Because every school district, no

matter how dire its situation, has some good schools and some bad schools. And they really need to see you can do a really good job before they're going to give you a chance. That's private management of public schools. Choice, on the other hand, means burning down the boats. Its a very very dangerous, very holistic and dramatic and drastic tactic.

What's in the middle? When I think about the name Reason, and the Reason Foundation, the whole idea may very well be to promote some sort of reasoned and rational middle ground. I think a reasoned and rational middle ground is exactly what the conversation that was going on right before lunch was covering. And that is: What kind of private sector resources can public schools avail themselves of? What kind of contracting can public schools do to make the resources of the private sector available to them? That to me is the middle ground. Public school continues to be responsible for it.

For a school district like Baltimore, Dade County, or Hartford to contract out to a third party to run public schools is like the fall of the Berlin Wall.

The analogy that I use in many cases is the Defense Department. And I can always get myself in trouble with this one. But if you think about our Defense Department in the United States, how good do you think our defense system would be if the U.S. government designed and built every ammunition type, every tank, every plane, every radar system, every computer, every transportation system— everything. They designed it and built it. They were completely vertically integrated from soups to nuts. We would probably have a pretty dysfunctional military system. Is there anything shameful about saying that? No. There's a reason why that would be unthinkable to the Defense Department. Instead, they avail themselves of the best resources of the private sector. They use Re-

quests for Information, and for Qualification, for Proposal. (I love all the alphabet soup that we have in this industry.) They use all those tools to find out what's out there. What's working? How well is it working? And what can we do to benefit from it? And if Lockheed is going to make the best radar system, or Martin Marietta is going to make the best missile, they're going to go for that. And you know what, they may end up paying \$800 for a hammer once in awhile. But the bottom line is that the hammer they're getting works, and it works really well.

Setting expectations is absolutely essential.

In general we have today the world's best post-secondary education system. But it's very expensive. How often do we complain about how expensive college and universities are in the United States? We have the world's best health care system. How often do we talk about how expensive it is? It's incredibly expensive. But it's the best. Build the best then polish off the rough edges. In health care our problem is very simple. Those who use the system are not the same as those who pay for the system. So that means that no one is watching the till. Let's fix that. But it doesn't mean we can't have the best health care system in the world.

The health care industry is a perfect analogy for education. Twenty five years ago the health care industry was dominated by the public sector. If you had said there would be multibillion dollar chains of for-profit hospitals, managed care, physician networks, HMOs and giant pharmacy chains, people would have looked at you as if you were crazy. It was at best a mom-and-pop business, generally speaking, completely dominated by the public sector. Today the public sector controls the purse strings, though not always well. But the public sector allows our private-sector initiative and the basic concept of our democratic society—supply and demand—to demand the best quality health care. Now what we're seeing is people demanding the best quality education. And that's the opportunity.

So why do I think that the tide is at full flood? Because it's easy to be a pioneer in this industry

with the arrows sticking out of your back and the wagon trails over your head and everybody else progressing and looking back and saying: Gee, it was sure nice of them to take those arrows for us. And the truth is there are some people in this industry who are taking arrows for all of us. And whether we like what they're doing or not, we certainly have to respect them for being out there in front and taking those arrows.

I believe the time for taking arrows in the back is behind us. I also believe this will take years to fully develop. But I believe now we're seeing the beginning phases of a real development towards a true public-private partnership concept.

You're going to see the walls come crashing down. For a school district like Baltimore, Dade County, or Hartford to contract out to a third party to run public schools is like the fall of the Berlin Wall. Who even knows today who it was that actually knocked down the Berlin Wall? And who remembers today exactly what event it was that we all watched on CNN the night before the Berlin Wall fell. But go to Germany today, not eastern Germany, not western Germany, go to unified Germany today and see the results of what happened when that wall fell down. And that's what I think is important. I think the wall has come down. And we are in the early stages now of people beginning to find ways to work together. And I think it's really very exciting.

There's a lot of responsibility that comes with that. Part of the problem of being an early stage pioneer in the education industry is that the scrutiny is extraordinary. People expect you to do extremely well. How you set people's expectations is incredibly important. Look at a product like "Hooked On Phonics." It's a perfectly fine product. I think of it like a vitamin pill. Vitamin pills do something for you. But they don't cure cancer. So don't make the claim that it's going to cure cancer. If you make the claim that it cures cancer and someone might say: This is just a vitamin. But if you say: It will help you do things a little bit better. It will get you up out of bed a little bit earlier, or it will help you run a little bit faster, people will say: What a nifty pill. I think I'll buy one. Setting expectations is absolutely essential.

The first thing we do when we go into school districts is to properly set expectations. We say to them: We're not going to solve all of your problems. We don't have all the answers. You don't have all the answers. The truth is, if you really look hard at what the most egregious problems in our education system happen to be today, I think all of them are going to trace back to a root cause which is poverty. And until you can address some of those deep-seated political and social issues, I think that we're all just tinkering on the margins.

Don't go into a school district and say: I'm going to solve all your problems. Go in and say: This is what I know how to do. And this is why I know how to do it better than any one else. And this is why, because I'm a specialist. There's no shame in recognizing that I may know how to do this one little thing better than anyone else. That's been our approach when we go into a school district.

Schools have such an enormous array of responsibility. They've got a building to maintain. I don't know anything about maintaining a building. And they've got to address everything. In today's environment schools are acting "en loco parentis." They are providing inoculation and health-care services. They're providing uniforms and clothing for kids. They're feeding kids with mammoth school lunch programs. They're instilling ethics with character education programs. Who ever thought school would have to build character? That's what families are for. So if families can't build character for kids, we've saddled schools with something that they cannot possibly be expected to shoulder without a completely different array of resources than we've made available for them.

I go into that school district and I say: I have nothing but respect for the issues that you face. I have nothing but respect for the breadth of problems, for the range of resources, and for those successes that you're able to eke out of this very difficult setting.

Typically, we are working with really troubled school districts. That's been the group that has been most open to us. Although now we're finding some really high-quality school districts that are not subject to the same economic and

performance issues, but who are saying: Gee, this can work for us too.

So it's very exciting in terms of the spectrum of opportunity. We go in and say: This is one thing we know how to do. We don't know how to do all these other things, but we can do this one thing really well. Let's set some standards for how we're going to be judged. And let's let you be the client and be the judge. Letting the school be the client is very important.

The fact that we view the principal as the client is one of the reasons we've been successful. We're not in a school that a principal didn't want us to be in. Because they would have kept us out if they didn't want us in there. The principal is our ally and our partner in making it work. And we never forget that once we are in that school, they are the host and we are the guest. That school is the client and we are the vendor.

These are exciting times, volatile times, with tremendous risk and tremendous opportunity.

Partnership is a dangerous word. Sometimes it makes one's own employees go around saying: I'm their partner. No, no, no. You are their vendor. If they let you be their partner, that is to their credit. That is out of grace on their part and we are grateful for it. What makes business work is understanding who the client is and meeting their needs. So we understand who the client is.

We work with them in setting expectations. We say: you tell us what goals you want to achieve, and we'll tell you how long it will take and how much it will cost. We never sell something that we can't fulfill, because that would be death in this business. It's very important to position yourself very carefully, as not being able to do more than you know how to do. Under promise and over deliver.

The last point I'll make on this subject is to understand that when you're in the private sector you have to be above reproach in everything that

you do. Because people are not going to give you the benefit of the doubt. If a teacher in the classroom does a bad job teaching kids, what do we call them? We call them inept. And it's a shame. But if I, using public money, were to send teachers doing a bad job into a school, I would be considered unethical. I would be accused of stealing money. [The assumption would be that] I could have spent more money to produce a better quality job, put less profit in my pocket, and done a better job for kids. Is that unfair? I'm not railing against it. I'm recognizing it. [Private companies] have to be above reproach.

We have to accept responsibility, not just to keep our own noses clean, but to recognize that how we are perceived, and the measure of our success, undoubtedly will determine how many other people are allowed to come behind us.

In Baltimore the newspapers are filled with stories about how the Baltimore County public schools allowed a vendor to pay dozens of their employees to go visit them and see their program someplace else. That's a scary thing. In business that happens all the time. But the minute the public school district allowed a vendor to take many of their employees to a sunny climate, there was all sorts of stink and hullabaloo. Is that fair? Probably not. Should the company and the school district have known about public perception and how the media would react? Absolutely. I think they should have known better.

Companies like ours that are early in, have an enormous responsibility. As this tide reaches full flood, we have to accept responsibility, not just to keep our own noses clean, but to recognize that how we are perceived, and the measure of our success, undoubtedly will determine how many other people are allowed to come behind

us. These are exciting times, volatile times, with tremendous risk and tremendous opportunity.

There are a few other aspects that I think are important to review, in looking at this whole picture. Education tends to have a pendulum that swings hard in one direction or the other. Phonics was the only way to teach kids 20 years ago. Then the pendulum swings all the way to the other side and phonics is out. Now we're just going to teach whole language, (despite the fact that the people who developed whole language wanted there to be a phonics component). We're just going to teach whole language because we want literature, and we don't want students that just sound out sounds but who can't read and put sentences together.

Well, doesn't that pendulum belong somewhere in the middle? The same thing goes with all of the other arguments that take place in education. What should the role of labor be? What should the role of management be? How should it be governed? Who should be paying? How much budget should there be? All those questions tend to polarize people into one camp or the other. And the way I view the industry is something in the middle. People don't like to hear "something in the middle." It's fuzzy. It's not clear. Well, John F. Kennedy said that: "Just because we cannot clearly see the end of the road, that's no reason for not setting out on the essential voyage." And I think this is an essential voyage, an essential journey, a journey we're all taking together. And I'm very excited to be taking it. And very excited to have been asked to be with you today. Thank you very much.

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