

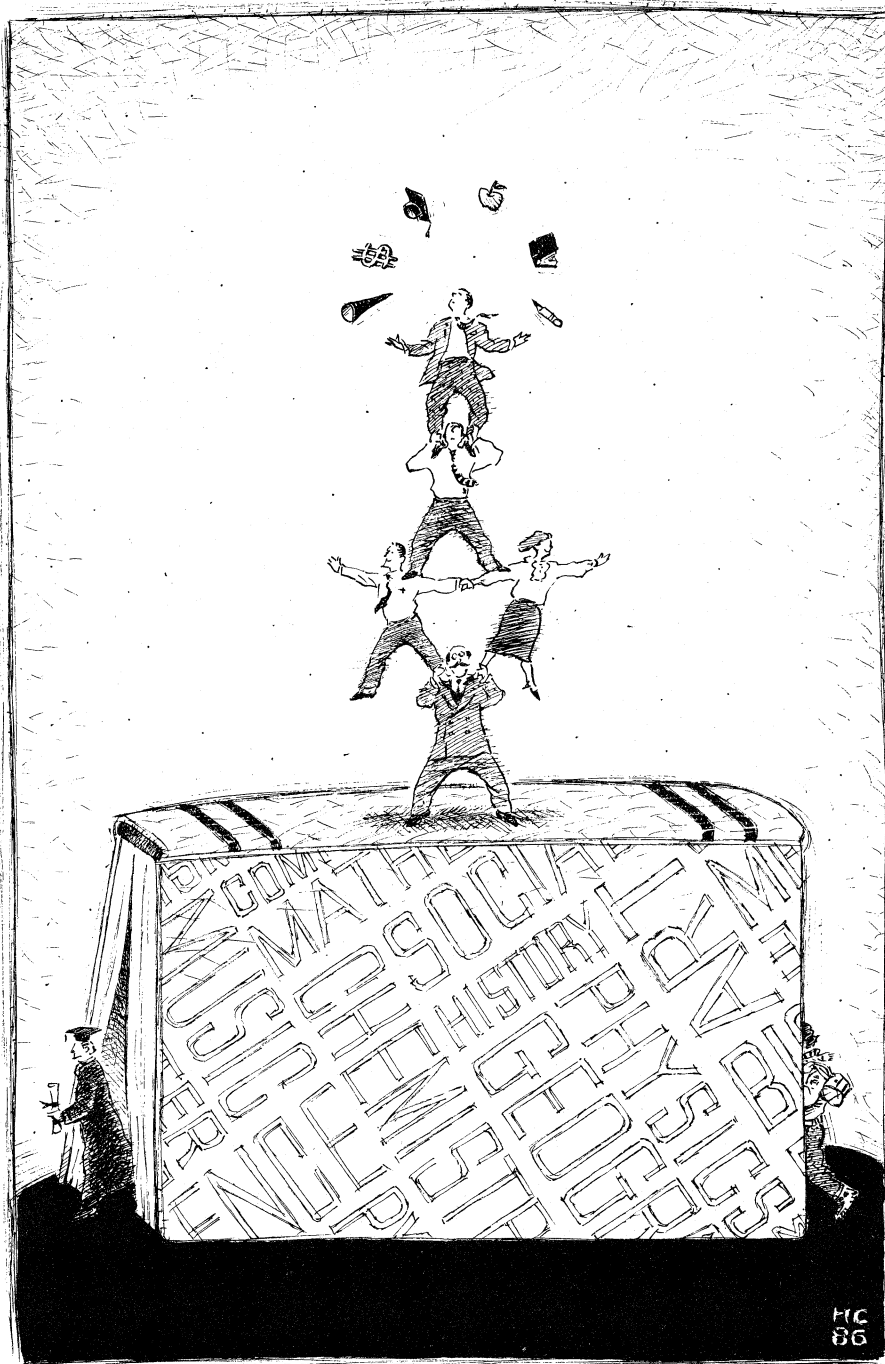
School-Based Management: The Next Needed Education Reform

The time is ripe to implement school-based management, says Mr. Guthrie. In fact, without such a step, the education reform movement seems likely to lose its momentum.

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BY JAMES W. GUTHRIE

THE QUEST FOR equality of educational opportunity, which dominated education policy agendas in the U.S. from 1955 to 1980, has now receded in the face of rising national concern for greater school productivity. Early returns from a few states suggest that the recent reform efforts are having a positive effect. Although no dramatic increases in student achievement have been recorded and dropout rates remain unacceptably high, more students are

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now enrolled in academic courses, publishers are feeling pressure to develop more rigorous textbooks, and many institutions of higher education have raised their admissions standards.

Despite such hopeful signs, it seems unlikely that the reform movement can fulfill the high hopes of its backers unless it first attends to a major source of tension: *fundamental components of the reform strategy seem to be painfully at odds with the dynamics of organizational revitalization.* Unless policies are identified that unleash productive local initiatives, the reform movement seems likely to lose its momentum. And the loss of momentum will end virtually all short-term prospects for sustaining citizens' confidence in the schools and for generating additional public resources for them.

THE NATURE OF THE PROBLEM

However well-intentioned or logically justified, the permissiveness and the laissez-faire ethos of the Sixties and Seventies were accompanied by a downward spiral in academic standards. Of course, some local schools and school districts managed to maintain a keen scholarly edge. Nationally, however, test scores declined, the dropout rate increased, students gravitated toward easier courses, grade inflation became common, publishers "dumbed down" their textbooks, and the public perceived student discipline as lax. In light of such changes, policy makers felt compelled to act.

A new and not-very-subtle understanding evolved between state-level policy makers and professional educators: no more new money would be

forthcoming from the states except in exchange for local school reform. Since the schools had just endured a decade of economic turmoil, many local educators would quite willingly have traded their pedagogical souls to Mephistopheles himself for more funds. School reform in return for state money seemed pure, by comparison.

However, sustained school reform requires the active involvement of educators at the building level. Since virtually all school reform initiatives now originate in the statehouse, policy makers are faced with the challenge of constructively redressing this imbalance.

A POTENTIAL SOLUTION

School-based management strategies, appropriately tailored to the circumstances of each state and local school district, hold the potential for resolving the tensions that currently exist between state-level policy makers and local school personnel. School-based management stems from a belief in the individual school as the fundamental decision-making unit within the educational system.¹ John Coons and Stephen Sugarman refer to this belief as the "principle of subsidiarity," and they would carry this principle all the way to the individual household as the basic decision-making unit in education.²

The classroom teacher is not sufficiently independent to be considered a management base. But a school faculty and its principal constitute — or *should* constitute — a natural team. Moreover, parents and students usually give their allegiance to a school, rather than to a district or to a statewide educational system. Thus it seems only logical that



"The hospital reports that Miss Babcock is doing as well as can be expected since returning from her trip to Washington with her seventh-grade class."

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the school should be the primary decision-making unit in an educational system.

The states should continue to establish broad policies for education. Meanwhile, local school districts should continue to coordinate the efforts of local schools and to tailor state policies to local circumstances. If the school is to function as the primary decision-making unit, however, policy makers must give school personnel the necessary authority to address and solve educational problems. Such a management transformation is best achieved through: 1) principals who function as chief executive officers, 2) school advisory councils, 3) school-site budgeting and accounting, and 4) annual planning and performance reports.

The principal as chief executive officer. Sometimes a school will languish despite the efforts of an able principal. But a school with a weak principal almost never remains effective for very long. Researchers have repeatedly identified leadership as a crucial factor in school effectiveness. If the principal's role is so important, the incentive system should communicate this fact. In a school district practicing school-based management, no one in the central office should receive a higher salary than the principals. Superintendents, particularly in large school systems, and a few state-level education officials are the only reasonable exceptions to this general rule. (Moreover, in time, the highest-paid and most able teachers in each school should be able to earn as much as their principals. Such a salary structure would end the current perverse pattern of promoting able teachers into central office assignments simply because the classroom affords so few avenues to higher salaries and status.

However, the reform of teacher salaries will not be possible until teaching is more completely professionalized.)

In districts that use a school-based management system, no teacher can be assigned to a school without the principal's approval. This is the case even in those districts that continue to centralize their teacher recruitment activities. To assign a teacher to a school without the principal's approval violates the notion of the principal as chief executive officer and weakens the chain of professional accountability. It is impractical and unfair to hold a principal responsible for the effectiveness of a school if he or she has no control over who is assigned to teach in that school.

School advisory councils. One means of gathering feedback from school clients and encouraging employee participation is through school advisory councils. A school might establish two such councils — one composed of parents and one composed of professional educators — or it might establish a single advisory council representing both groups equally. The primary purpose of a school advisory council is to advise the principal on such matters as disciplinary policies, program planning, hiring new faculty members, and allocation of school resources. Parents and professional educators who serve on a school advisory council can also take responsibility for specific sections of the annual performance report (discussed in detail later).

School advisory councils can help to shape state and district policies to the circumstances of individual schools. Council members also play an important role in planning and evaluation, but they have no authority to implement their recommendations. To make the role of the councils more than advisory would violate principals' professional accountability. Councils can take part in the evaluation of principals, however. (Indeed, one proposal suggests that principals be given four-year contracts, with renewal of those contracts subject to approval by the school advisory councils.) School boards sometimes see such councils as threats to their own political power. But the unwillingness of a school board to establish school advisory councils should not serve as an excuse to avoid school-based management altogether.

Though they provide important advice and feedback from parents and staff

members, school advisory councils are not crucial to school-based management. However, districts that use such councils as part of a decentralization effort should take care to insure that council members are representative of the parents served by each school. Low-cost methods exist for selecting council members equitably. An election is essential, and the principal should take

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responsibility for arranging it. Qualifications for membership on a school advisory council should be established in advance and approved by the school board and by whatever organizations speak for parents and citizens in the district.

Generally, membership on an advisory council should be restricted to parents of students currently enrolled in the school. Clearly, other citizens also have a stake in the performance of the public schools, but their interests are more appropriately represented at the district level. The same is true of employee unions.

Candidates for membership on a school advisory council can be recruited and nominated by parent groups and by the principal. Candidates should also be permitted to nominate themselves. If a surplus of candidates exists, the field can be narrowed by requiring each candidate to solicit a minimum number of signatures on a petition supporting his or her candidacy. Ballots can be mailed to parents or sent home with pupils.

Advisory councils should probably be limited to no more than 12 members, since the awkward social dynamics of larger groups often pose problems. Council members should be elected for two- or three-year terms. To provide some continuity, council members'

terms should be overlapping. Members should have the option of running for reelection, but they should be allowed to serve only as long as they have children attending the school.

If a school advisory council includes both parents and teachers, the two groups should be represented equally, but total council membership should still not exceed 12. The teachers should arrange for the election of their representatives. If a school decides to restrict advisory council membership to parents, then the principal will probably want to establish a faculty senate or some other representative body for the teachers.

In addition to giving parents a voice in decision making, school advisory councils should coordinate the activities of specialized programs, such as compensatory education, bilingual education, and special education. Without such coordination, curricular fragmentation is possible, and principals have to spend too many weeknights with one advisory committee or another.

School-site budgeting and accounting. To function effectively as chief executive officers, principals must have discretion over school resources. But they must also be held accountable for the manner in which they allocate resources. The mechanism that facilitates such discretion and accountability is school-site budgeting and accounting.

In this kind of budgeting and accounting system, each school has a given sum per pupil (consistent with the state funding formula) credited to its account. A standard amount — say, 10% — is taken off the top to pay the expenses of the district's central office. Beyond that percentage, the aggregate amount a school generates by virtue of its enrollment is under its control.

To handle teacher salaries under such a system, each school receives a certain number of instructional units, based on its enrollment. (A district might allocate one unit for every 20 students, for example.) An instructional unit is a sum of money equal to the average teacher salary in the district. How a school actually allocates its instructional units is determined by the principal, with advice from the school council. Of course, a principal must abide by state law and district policy on such issues as class size.

Imagine a school with an unallocated instructional unit, acquired through en-

rollment growth or faculty attrition. The principal could request advice from the school council on how to allocate the funds. The money could be used to hire a teacher, two aides, or a librarian. It could be used instead to finance field trips or other school projects. The important point is that individuals within the school community — parents, teachers, and administrators — determine how the money should be spent.

Microcomputers and computer networks enable school districts to keep accurate and timely records of each school's funds. Schools should be permitted to carry over funds from one year to the next, because this gives them an incentive to improve their performance. For example, if a school does not spend all the funds budgeted for substitutes in a given year, teachers should decide how best to use those unspent funds during the following year to benefit students. Similarly, if a principal overspends, then the deficit should be deducted from the discretionary funds available to the school for the following year.

Annual planning and performance reports. Giving faculty members substantial discretion in decision making encourages their productive participation in activities aimed at school reform. However, greater discretion carries with it greater responsibility. A state-wide information and testing program (described in detail later) is an important component of a system of accountability. In addition, each school is responsible for the development and dissemination of an annual performance and planning report.

The purpose of the annual report is to let clients (e.g., parents and employers) and school district officials know how well the school is meeting its goals, how it deploys its resources, and what plans it has for the future. As chief executive officer, the principal has the primary responsibility for assembling information for this document. The school advisory council and the professional staff can take responsibility for preparing specific sections of the report. The annual report might contain the following information.

- *A statistical description of the school.* This would include such statistics as the current enrollment, projected enrollments for the next five years, the number of teachers and their qualifications, the number of other staff mem-

bers and their qualifications, the age and condition of the building, and the curricular offerings in various content areas.

- *Data on pupils' performance.* These data might include scores and performance trends on state-administered achievement tests; information on how the achievement of the student body compares with that of other students in the district, the state, and — when possible — the nation; contemporary and longitudinal information on patterns of course enrollment at the secondary level; absentee, dropout, and turnover rates for students; and "downstream" measures of student performance, such as high school grades and rates of college attendance.

- *Reports by parents and members of the professional staff.* This section of the report might cover the findings from an annual poll of parents regarding their satisfaction with and rating of the school and its components, for example. It might also include an assessment by the professional staff of the current strengths and weaknesses of the school.

- *Future plans.* This section of the report should cover the school's five-year plan of action, which is reviewed annually and which specifies future goals. This section should also specify school goals for the coming year and tell how progress toward meeting them will be measured.

- *Budget information.* This section of the annual report should contain a financial statement for the preceding year and a spending plan for the year ahead. The budget should reflect the school's five-year goals and its goals for the coming year, described in the preceding section.

A copy of the annual report should be prominently posted in the school. Copies should be distributed to parents whose children attend the school, to parents of prospective students, to school employees, and to local school district officials. The local newspaper should receive a summary of the report. State officials should also receive copies, since they will use the annual school report as a data-gathering instrument.

IMPLEMENTATION

In any given district, the transition from centralized procedures to school-based management may take a year or

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two. Curriculum and instructional services provide an example of how such a transition can take place. Many U.S. school districts budget funds each year for curriculum development and staff improvement. These activities are central to the ongoing revitalization of such a complex enterprise as public education. But the responsibility for revitalization is currently ill-placed. As matters now stand, the school district central office determines how the funds budgeted for curriculum and staff development will be spent.

Under a school-based management system, by contrast, a principal and his or her staff determine which curricular and staff development activities best meet the needs of their particular school. The principal and the staff also control the ways in which the financial resources that have been budgeted to carry out these functions are spent. (Indeed, a principal ought to be evaluated, in part, on the extent to which curricular and staff development activities are effectively conducted in his or her building.)

To give schools discretion over the resources set aside for curriculum and staff development, districts must first establish a dollar amount to be spent on these activities per pupil. This per-pupil amount — which might vary among elementary, junior high, and secondary schools — would be reflected in each school's annual budget. The principal and staff of a given school might decide that the district's division of curriculum and instruction could adequately meet their needs for technical information and advice, and they would elect to "purchase" curriculum and staff development services from that divi-

sion. However, if the principal and the school staff believed that private consultants, institutions of higher education, or corporations could better meet their needs, they would be free to contract instead with those agencies. Under such a management system, centralized service units would either meet the needs of local school personnel or disappear for lack of resources to sustain them.

SCHOOL-BASED management is not a new idea. It was proposed in the 1970s as a means of offsetting the increased state authority and the centralization of funding that the push for equity in school finance had called forth. Proponents of school-based management believed that an expanded state role could be balanced by giving local schools greater decision-making authority.

In the years since then, school-based management has been proposed in literally every corner of the U.S. The Fleischmann Commission recommended school-based management for the state of New York in 1971.³ The Florida Governor's Citizen Commission proposed school-based management for that state in 1973.⁴ Two years later, the California legislature enacted the School Improvement Program (SIP), which contained many provisions for school-based management. Recently, the Washington legislature mandated many school-based management procedures for its schools. No state has implemented all the components of a school-based management system, but enough components have been tried in enough states to give policy makers and

practitioners some idea of how the total system might work.

FREEDOM REQUIRES ACCOUNTABILITY

Greater empowerment for local schools, while crucial for eliciting professional commitment and organizational involvement, is insufficient by itself to sustain school reform. Without a well-developed "feedback loop," school districts and individual schools run the risk of lapsing back into isolation and letting standards slide. Educators and local officials *need* to know — and state policy makers and the public *deserve* to know — how the schools are performing. One way to accomplish this systematically is through a state-administered performance assessment system.

Systems to measure school performance, or portions of such systems, are already in operation in seven states, and there is no one perfect model. To put such a system in place, however, a state must have a series of criterion-referenced tests that are aligned with the minimum performance goals that it has established for its students. (The textbooks adopted by the state or chosen by the local school districts must also be congruent with these performance goals and criterion-referenced tests.) In addition to test scores, the state should systematically collect data on such factors as absenteeism, dropout rates, and students' "downstream" performance. Information on the courses in which students enroll, the qualifications of the teachers, the length of the school day and year, class size, and district and school policies on homework and discipline would also be useful.

Although a performance measure-

S*chool-based management will help resolve the tension that currently exists between state imposition and local initiative.*

ment system is important to state officials and the general public, it need not be an onerous ordeal for local practitioners. If school districts and states rely on the annual planning and performance reports of individual schools as their primary means of gathering data, duplication of effort will be minimized.

The time is ripe to implement school-based management. The social contract between state policy makers and professional educators clearly states, "No more money without reform." School-based management will help resolve the tension that currently exists between state imposition and local initiative, so that school reform can be sustained and genuine progress can be reported. Without such progress, U.S. schools will have to rely on larger enrollments as the only source of revenue increases. Meanwhile, the advocates of vouchers wait in the wings, hoping that the current excellence movement will falter and thus give them an opening for far more radical changes than those proposed here.



"They must be with the government. They're in triplicate!"

1. For a more detailed description of school-based management, see James W. Guthrie and Rodney J. Reed, *Educational Administration and Policy: Effective Leadership for American Schools* (Englewood Cliffs, N.J.: Prentice-Hall, 1986).

2. John E. Coons and Stephen D. Sugarman, *Education by Choice: The Case for Family Control* (Berkeley: University of California Press, 1978).

3. New York State Commission on the Cost, Quality, and Financing of Education, *The Fleischmann Report on the Cost, Quality, and Financing of Elementary and Secondary Education in New York State, Vols. 1-3* (New York: Viking Press, 1972).

4. *Improving Education in Florida* (Tallahassee: Florida Governor's Citizen Commission, 1973). K