

**Testimony of Donald R. McAdams before the Texas Senate Committee on Education
October 4, 2006**

Madame Chairman and honorable members, thank you for giving me this opportunity to share my views on improving public education in Texas. Though in recent years I have had an opportunity to have a small influence on the policy recommendations of several organizations, I have never before had the opportunity to speak directly to the Texas Legislature as an interested citizen.

Please note that I speak today as a citizen. As president of the Center for Reform of School Systems (CRSS), I am involved in a significant amount of board training, both in Texas and nationally. CRSS has strong positions on school district governance, but it has no position and makes no recommendations on state or national education policy. For example, we do not advocate to board members on the issues of choice, school finance, or state accountability. On these policy issues CRSS training is silent.

However, as a former school board member and active citizen, I have strong views on many state and national education policy issues, and from time to time have the opportunity to express them. Thank you for giving me an opportunity to express them now.

I wish to begin by stating unequivocally that I believe Texas public schools are performing better today than at any time in the history. The Texas Miracle is no myth. Texans, building on the twin pillars of accountability and local control, have built perhaps the most improved state K-12 system in the United States. With strong leadership from the Governor's Mansion and the Legislature, bi-partisan support statewide, and the active involvement of business and education leaders, Texans have created a policy framework and provided necessary funding to change the dynamics in Texas school districts.

Educators, parents, and students have responded with innovation and hard work. The result is rapidly increasing student achievement, even as standards have been raised again and again. Texans are rightly proud of what they have accomplished for children and the future prosperity and quality of life of all Texans.

But though much has been accomplished, much remains to be done. We all know that the world has changed. The global information economy has arrived. What used to be good enough is no longer acceptable. Texas faces an educational crisis. Continued improvement in student achievement at the present rate of improvement is not sufficient to meet the future needs of our children or our state. We must do much better, and I believe we can.

What needs to be done to take Texas K12 education from good to great? Work is needed in three major policy areas: accountability, deregulation, and public school choice.

Accountability

Raise the Bar

The Texas accountability system is good, very good, but it needs improvement in three specific ways. First, the bar is too low. Indeed Texas has for over a decade been wisely raising the bar bit by bit to give school districts a chance to respond and to avoid crashing the system. I recognize the need to raise the bar with caution, but still it is too low. Consider the following.

A school with 65 percent of its African American or Hispanic students failing science tests is not performing acceptably, nor is a school performing acceptably if 60 percent of its African American or Hispanic students are failing math tests. Yet currently, all other things being equal, such schools are judged acceptable. Given the absolute importance of math and science to the future of our children and our state, these ratings are too low!

Why do these ratings need to be so low? In 2006, 54 percent of African American students and 59 percent of Hispanic students passed the science tests. So, even if what is truly acceptable is not yet doable, could we not at least set the bar for science at 50 percent, below the performance level of the lowest performing subgroup? Currently the bar is set at 35 percent!

In 2006, 61 percent of Texas African American students and 68 percent of Hispanic students passed the math tests. The bar for subgroups for acceptable performance in math is 40 percent!

The big question for us is “why is the bar set so low?” My understanding is that cut points for “acceptable” are set based on TEA staff predictions of the number of schools that would be deemed unacceptable. The predicted number each year, generally in the range of 10-15 percent of Texas’ schools, scares the committee and nudges folks to the lower bar.

Yet, students each and every year since the accountability system was implemented in 1993 have done better than in the previous year. As a result, in every year since the mid-90s, no more than 5 percent of the state’s schools have been designated as “low performing.”

So, lets return to the question, why is the bar set so low? Is it because dire things happen to schools that get the low rating? No! Not unless a school is low performing for multiple years in a row. And before that happens there the law requires technical assistance, intervention assistance, and changes in personnel and practice. In fact, under existing law, it is unlikely that more than 1 percent of Texas schools will ever be subject to mandatory restructuring!

Could Texas live with 10 percent its public schools rated unacceptable in any given year and 2 to 3 percent unacceptable over multiple years requiring extra attention? I think so.

End of Course Examinations

The second change needed is true high school accountability. We will not have that until we have in place rigorous, statewide, end of course examinations for all core high school courses. I know this is coming, someday. But the sooner the better.

Texas K8 schools have improved more than high schools. There are many reasons for this, but one of the core reasons is that Texas has not really had an accountability system for high schools. Indeed, attendance and dropout (now completion) rates have been measured, and there has been an exit TAAS, but the exit TAAS was given in 10th grade and measured 9th or even 8th grade skills.

Now we have the exit TAKS. This more rigorous test is given in 11th grade. This is a significant improvement. But it still allows the 12th grade to be a wasted year, and it is still difficult to link teacher performance with student achievement. Also, because there are no standard formative assessments of high school progress, students, their parents, and the public are always going to be surprised when children who have passed all courses don't graduate.

The case for end-of-course examinations in short is this:

- Just as elementary schools use formative assessments to identify and assist children who are not learning, so end-of-course high school examinations will enable high schools to assess and track student achievement through four years of high school and intervene as necessary to head off drop-outs and prepare students for the exit TAKS.
- Without end-of-course examinations, high school accountability is extraordinarily difficult, perhaps impossible.

The big question is will end-of-course examinations undermine the exit TAKS? No, end-of-course examinations aligned with the TEKS will complement the exit TAKS. They will be formative assessments toward the exit TAKS, provide students with a solid framework for preparing for the exit TAKS, and improve exit TAKS pass rates.

Also, with end of course examinations, the exit TAKS could be given in April of the 12th grade, as a true measure of high school achievement and college readiness. And the late results of the test would not be a major problem for students or colleges, because end of course examinations would already show if a student was on track to be college ready.

End-of-course examinations will not increase overall testing. Students take end-of course examinations now. But unfortunately, throughout the state, and even within school districts, the rigor and alignment of high school courses with the TEKS is so uneven that final exams do not add nearly the value they should. End-of-course examinations will align high school courses with the TEKS and make final grades meaningful.

One last point, should end-of-course examinations be part of the Texas Accountability System. No. The state should collect and report end-of-course results along with all other assessments; and districts, schools, and communities should act on this information, but pass rates should not determine school rankings in the Texas Accountability System. The exit TAKS serves this purpose. It needs to remain as the final measure of high school completion and college readiness.

Simplification

The third area for improvement of the accountability system is to simplify. Currently, there are just too many trip wires. How, you ask, can we raise the bar and add high school end of course examinations and at the same time simplify? This is not easy and will require creative work. But it can and should be done.

Accountability systems do not exist just to provide data. They exist to focus attention and change behavior. When there are too many measures, focus is blurred; principals and teachers begin to believe that becoming exemplary or even recognized is just too complicated, so why try. I believe this has already happened with NCLB and I fear it is beginning to happen with the Texas Accountability System.

I am attaching a document, prepared with funding by The Broad Foundation, for a training/advisory services program for deep intervention in school districts. This document is a school district accountability system for ACME Public Schools, an imaginary school district for which CRSS has created an entire set of policy documents. This document is the ACME district accountability system. Note that it provides a comprehensive assessment of school performance that takes into consideration performance level and trend data, with disaggregated data, but by selecting key performance indicators and weighting and averaging them, keeps the system fairly simple.

Additional Accountability Points

I wish to add three additional points about accountability, all broad. And there are others far more knowledgeable than I who need to speak to these. First, Texas needs to rewrite its state standards, making them more rigorous and more clearly defined. This work will take time, but we need to start now, beginning with reading and math. The TEKS was never as strong as it needed to be, and it is already growing old.

Texas should move toward value added assessments as quickly as possible, but with care. For there are complex methodological issues that need to be resolved.

Texas should not worry overly about the disconnect between the Texas Accountability System and NCLB. Yes, some parents may be confused, but Texas has built its accountability system on a sound foundation, and NCLB could be here today and vastly modified tomorrow.

Deregulation

In Senate Bill 1 in 1995 Texas committed itself to a theory of action for improving K-12 education: accountability for results balanced with local control and a state commitment to provide the necessary state infrastructure and resources. This theory of action has served us well. But I fear some in the Texas Legislature have forgotten our commitment to local control.

Before standards-based reform, the Legislature and the TEA had to regulate school districts. There was no other way to assure minimum standards of practice and protect the rights of teachers. But as we know, regulation did not guarantee results.

The dynamics have changed. The Texas Accountability System and the marketplace for teachers make regulation much less important. Of course, many regulations are still required. But significant deregulation is now possible, and it is much needed. Deregulation will improve performance.

In the last 10 years school districts have been put under significant pressure to improve student achievement. But accountability for results was supposed to be balanced with local control. This has not happened. In fact, since 1995 numerous new regulations have been imposed on the school districts of Texas. Just when school districts have needed to innovate to meet rising standards for student achievement, the state regulatory structure has increased rather than decreased.¹

School districts do not need more mandates, more regulations, and more management from Austin. They do not need the state designing statewide performance pay systems or statewide anything else. Districts are already overregulated. Austin can and must establish a state policy framework that drives reform. But Austin cannot redesign classrooms and schools. This work must be done in school districts.

Deregulation will be a powerful force for change, and its time has come. Educating children is a shared responsibility. Every level has its proper responsibility. But school districts are where the education of children is managed. School districts provide places for children to learn and help get them there. They recruit and train educators, allocate resources, and assign leadership staff to schools. Through district policies and practices they create structures, processes, and cultures that determine the effectiveness of schools.

For nearly 100 years districts have been organized into what education historian David Tyack calls "the one best system." It is the system we all know, a system modeled on the factory system of industrializing America, a system designed to prepare only the few for business leadership and the professions and prepare the many for unskilled labor or on-the-job training for factory work and the trades. This system was not designed to do what we are now expecting the public schools of Texas to do: educate all children to high levels.

The one best system is obsolescent and must give way to new models of district organization. Already we see the emergence of managed instruction, performance-based empowerment, and even charter districts as new models.

What Texas needs are hundreds of redesigned school districts. This work cannot be done in Austin; it can only be done by innovative people in school districts. Board/superintendent teams, stimulated by innovative principals and school administrators and the emerging literature on school district redesign, must lead their workforces and communities to embrace new designs.

¹ It is true that school districts have the option of becoming charter districts. But as a practical matter the hurdle to become a charter district is so high that, to my knowledge, no districts have become charter districts and few have even considered it.

District leaders have the incentive to act: the ever more challenging ever more tightening Texas Accountability System. But to innovate they must be relieved of the burden of numerous state regulations.

A prime area for innovation is human resource management policies. Districts need to develop new contracts and compensation systems to replace the traditional single salary schedule. They need to be able pay more to fill high demand positions and reward excellence and pay less to marginal performers. They need to be able place on partial salaries with adjusted benefits talented teachers who want regular, but only part-time teaching jobs. They need to be able, if they choose, to contract with associations of local scientists and engineers to provide science and math instruction in the high schools.

Likewise, the 22 to one student/teacher mandate stifles school innovation to more effectively group students for efficiency and effectiveness. The method by which the state pays for instruction (average daily attendance at 10:00AM) discourages innovative schedules for high school students. And the 65 percent Solution is no solution at all. It can actually be a barrier to innovation.

How should Texas deregulate? Not by just repealing regulations. Many school districts would not know what to do with the freedom. There would be abuses here and there, and in a few places chaos. What the state should do is give school districts the opportunity to obtain waivers from all state regulations, except for those related to health and safety, and of course the Texas Accountability System. For all others, the commissioner should be free to grant waivers based on cogent reasoning and reporting requirements.

To encourage waivers, perhaps even to support some of the best with financial incentives, the Texas Legislature should provide the TEA with sufficient resources to effectively market waiver opportunities to school boards and superintendents, build a professional pro-waiver staff that can act quickly to recommend approval, and enough grant money to help support numerous promising innovations. Then let the innovations begin and acknowledge that some ideas will not pan out but other ideas that work will spread throughout the state.

I am convinced that Texas educators would be far more welcoming of increased accountability and much less worried about competition from charter schools if they had the freedom to manage for results with minimum requirements for compliance.

Public School Choice

The third major area for reform legislation is public school choice. Texas needs a new charter law that would expand significantly the number of state charters, provide more technical support and oversight for new charter schools, provide adequate funding for high performing, established charter schools, and encourage school districts to grant more district charters. Choice is not bad. It is a powerful engine for improvement.

Texas now authorizes up to 200 state charters. Why only 200? Why not 1,000. Even 1,000 would serve only a small fraction of the states public school children. But 1,000 charters, managed well, would have revolutionary impact on the states K12 system.

Here is how it should be done. The Legislature must recognize that one size does not fit all. That there are charters, and there are charters. An effective charter law should provide firstly for technical support and oversight of new charter schools. If we want charters to succeed, we should make available to them business and instructional support so that they can more quickly become viable effective schools. Starting up a new school is hard work.

Also, charter schools must be watched. The TEA, without micromanaging, must have the authority, and aggressively use that authority, to close down or offer to another charter operator schools that are clearly frauds on the public or unable to meet the needs of children.

Guaranteeing freedom and encouraging innovation is consistent with offering help and demanding evidence of progress towards excellence. Striking this balance is not easy, but it has been done elsewhere—Chicago Public Schools come to mind—and it can be done in Texas.

Consistent with this treatment for new charter start-ups and charter schools that remain at the margin of excellence, the state's charter law should provide full operational funding and facility funding for charter schools that excel. If charter schools are public schools—and they are—those that have met business and instructional benchmarks should receive the same funding as traditional public schools. To provide less discriminates against the children in those schools. It is another form of inequity.

A two tiered charter law, perhaps even a three tiered charter law, and expansion of charters up to 1,000 would encourage new charter start-ups, increase the success rate of charter schools, provide all charters with an incentive to reach performance benchmarks to receive full state funding.

And what would 1,000 charter schools, with ever more of them performing at high levels like KIPP and YES College Prep do for Texas. They would provide a place for children that are still trapped in low performing schools, their innovations would challenge school district innovation, and they would command enough market share to provide school districts with an additional incentive to improve. Elsewhere in America, where charters have crossed a market share threshold, they have stimulated a positive response from traditional public schools.

Much research will be required to flesh out legislation in these three areas: accountability, deregulation, and public school choice. And many unforeseen complications are no doubt in the details. But certainly policy initiatives in these three areas would build directly on the achievements of the last decade, be perfectly consistent with the Texas commitment to accountability for results and local control, in no way suggest a turning away from the Texas model, and most importantly, stimulate additional innovation, directly benefiting the children of Texas and helping create a better future for everyone.

REFORM GOVERNANCESM IN ACTION

ACME Public Schools Board of Education District Accountability Policy (Policy No. 123.456)

Purpose

The primary purpose of this policy is to improve student achievement and district performance in all areas by aligning employee incentives with the interests of children and taxpayers. For ACME Public Schools to reach high standards of excellence in its core business—teaching and learning—and in all district operations, standards must be established and performance measured. Furthermore, there must be consequences. An additional purpose of this policy is to provide guidelines for determining various levels of school empowerment and autonomy as per ACME Public Schools' Managed Performance Empowerment theory of action.

Definition

A comprehensive district accountability policy sets performance standards for schools, principals, and teachers (and requests the superintendent to set performance standards for other functional units of the district and other district employees), measures performance against these standards, and responds to performance with positive and/or negative consequences. The premise is simple. What gets measured gets done. Districts should measure what they value. Accountability systems do not exist merely to provide information on district performance. They exist to change behavior.

Why ACME Public Schools Needs a District Accountability System

The state accountability system and NCLB have spurred improvement in ACME Public Schools. However, we believe that the goals and targets of these external accountability systems are too limited. Furthermore, they do not meet the ACME school district's unique needs. Accordingly, the new ACME accountability system is based on and aligned with the state system and NCLB, but it goes beyond, setting more ambitious and far-reaching goals.

Accountability Principles

The ACME Public Schools accountability system is based on the following principles:

- The primary purpose of an accountability system is to focus and motivate unit and individual behaviors to align with system beliefs, commitments, and goals.
- For this reason, accountability systems should be as simple, clear, and easily understood as possible.
- Schools are the primary units of accountability. Therefore, all schools must be rated.
- Student achievement must be the dominant measure of school performance, but other metrics also count. Multiple metrics are required to measure performance fairly.
- Schools must be held accountable for the performance of all students (minimal exemptions) as well as the performance of student subgroups.

REFORM GOVERNANCESM IN ACTION

- Changes in performance over time as well as performance levels should be measured.
- The metrics that are used must be limited in number, and carefully balanced and weighted.
- Outcome metrics are preferred over intermediate or process measures.
- All functional units of the district should be held accountable for performance.
- Individual accountability should be aligned with, not necessarily directly tied to, unit accountability.
- Positive consequences are more effective than negative consequences, though both have their place.
- All systems and processes must be designed for robust integrity to discourage gaming of the system.
- Simplicity promotes effectiveness.

Overview of School Accountability System

At the end of each school year, every school in the district will be given two ratings:

- A rating of **Exemplary, Recognized, Acceptable, or Unacceptable**, based on the school's annual performance *levels* as defined below.
- A rating of **Gold, Silver, or No Progress**, based on the school's annual performance *trends*.

In addition, the board directs the superintendent to develop a system for annually designating schools as "safe and clean" and for assessing parent satisfaction. This "safe and clean" seal of approval is not part of the board's accountability system.

REFORM GOVERNANCESM IN ACTION

High Schools

Performance Level Ratings

Schools will be rated as **Exemplary**, **Recognized**, **Acceptable**, or **Unacceptable**, in the following manner:

- 1) Each school will receive a cumulative weighted score (from 0 to 3) based on their performance on the outcome and intermediate indicators listed in the following table. Ratings will be assigned based on the performance of all students and the performance of the lowest performing student group (as specified and qualified in the state accountability system).
- 2) Based on its cumulative weighted score, each school will be assigned to the appropriate performance level, according to the following system:

Exemplary	2.5 – 3.0 points
Recognized	1.5 – 2.4 points
Acceptable	0.5 – 1.4 points
Unacceptable	<0.5 points

REFORM GOVERNANCESM IN ACTION

OUTCOME INDICATORS	Point System	Weight
Percentage of students graduating from high school on time (Manhattan Institute methodology).	90% = 3 points 82% = 2 points 75% = 1 point <75% = 0 points	20%
Percentage of students in lowest performing group graduating from high school on time.	90% = 3 points 82% = 2 points 75% = 1 point <75% = 0 points	10%
Percentage of high school students passing exit examination on first attempt.	90% = 3 points 80% = 2 points 70% = 1 point <70% = 0 points	20%
Percentage of students in lowest performing group passing exit examination on first attempt.	90% = 3 points 80% = 2 points 70% = 1 point <70% = 0 points	10%
Percentage of high school graduates achieving at least one score of 3 or better on an Advanced Placement examination.	50% = 3 points 40% = 2 points 30% = 1 point <30% = 0 points	14%
Percentage of students in lowest performing student group achieving at least one score of 3 or better on an Advanced Placement examination.	50% = 3 points 40% = 2 points 30% = 1 point <30% = 0 points	6%
INTERMEDIATE INDICATORS		
Percentage of students on track to graduate on time, based on district-mandated end-of-course examination results.	90% = 3 points 82% = 2 points 75% = 1 point <75% = 0 points	7%
Percentage of students in lowest performing student group on track to graduate on time, based on district-mandated end-of-course examination.	90% = 3 points 82% = 2 points 75% = 1 point <75% = 0 points	3%
Average daily attendance.	95% = 3 points 92% = 2 points 90% = 1 point <90% = 0 points	7%
Average daily attendance of lowest performing student group.	95% = 3 points 92% = 2 points 90% = 1 point <90% = 0 points	3%

REFORM GOVERNANCESM IN ACTION

Performance Trend Ratings

All schools will be assigned a second rating of **Gold**, **Silver**, or **No Progress** based on their performance trends:

Schools rated as "Exemplary"	Not eligible for trend rating (not rated).
Schools rated as "Recognized"	<p>If performance trends show a rate of improvement sufficient for the school to become "Exemplary" within two years, the school receives a rating of Gold.</p> <p>If performance trends show a rate of improvement sufficient for the school to become "Exemplary" within three years, the school receives a rating of Silver.</p> <p>If performance trends are flat or declining, the school receives a rating of No Progress.</p>
Schools rated as "Acceptable"	<p>If performance trends show a rate of improvement sufficient for the school to become "Recognized" within two years, the school receives a rating of Gold.</p> <p>If performance trends show a rate of improvement sufficient for the school to become "Recognized" within four years, the school receives a rating of Silver.</p> <p>If performance trends are flat or declining, the school receives a rating of No Progress.</p>
Schools rated as "Unacceptable"	<p>If performance trends show a rate of improvement sufficient for the school to become "Acceptable" within two years, the school receives a rating of Gold.</p> <p>If performance trends show a rate of improvement sufficient for the school to become "Acceptable" within four years, the school receives a rating of Silver.</p> <p>If performance trends are flat or declining, the school receives a rating of No Progress.</p>

REFORM GOVERNANCESM IN ACTION

Elementary and Middle Schools

Performance Level Ratings

Schools will be rated as **Exemplary**, **Recognized**, **Acceptable**, or **Unacceptable**, in the following manner:

1) Each school will receive a cumulative weighted score (from 0 to 3) based on their performance on the outcome and intermediate indicators listed in the following table. Ratings will be assigned based on the performance of all students and the performance of the lowest performing student group (as specified and qualified in the state accountability system).

2) Based on its cumulative weighted score, each school will be assigned to the appropriate performance level, according to the following system:

Exemplary	2.5 – 3.0 points
Recognized	1.5 – 2.4 points
Acceptable	0.5 – 1.4 points
Unacceptable	<0.5 points

REFORM GOVERNANCESM IN ACTION

OUTCOME INDICATORS	Rating Scale	Weight
Percentage pass rate of all students for all state tests at all grades	90% = 3 points 80% = 2 points 70% = 1 point <70% = 0 points	40%
Percentage pass rate of students in lowest performing group for all state tests at all grades	90% = 3 points 80% = 2 points 70% = 1 point <70% = 0 points	20%
Percentage of all students receiving a composite score of 45 percentile or above on national norm-referenced test	90% = 3 points 80% = 2 points 70% = 1 point <70% = 0 points	20%
Percentage of students in lowest performing group receiving a composite score of 45 percentile or above on national norm-referenced test	90% = 3 points 80% = 2 points 70% = 1 point <70% = 0 points	10%
INTERMEDIATE INDICATORS		
Average daily attendance	98% = 3 points 96% = 2 points 95% = 1 point <95% = 0 points	7%
Average daily attendance of lowest performing student group	98% = 3 points 96% = 2 points 95% = 1 point <95% = 0 points	3%

Performance Trend Ratings

All schools will be assigned a second rating of **Gold, Silver, or No Progress**, based on their performance trends, using the same process described in the earlier section on high schools.

REFORM GOVERNANCESM IN ACTION

Rationale

The ACME accountability system, described above, incorporates all relevant accountability principles, captures multiple measures of school performance, and focuses the school community on comprehensive and balanced school improvement.

The high school accountability system is simple, with only three outcome and two intermediate measures. It focuses on the three most important high school (even district) outcomes: graduation on time, overall academic performance, and rigorous work. The two intermediate metrics, attendance and students on track to graduate on time, are the best leading indicators of high school performance. By weighting indicators, focus is kept on the most important ones.

The elementary and middle school accountability system contains only two outcome measures and one intermediate measure. Using two outcome measures—the state assessment and a recognized nationally normed test—significantly reduces the incentive for schools to narrow the curriculum and teach to the test. The state testing system is given slightly more weight due to its focus on the basics, which we believe are an essential foundation for all other learning. Attendance is included as a leading indicator because students need to be in class to learn and because state funding is based on average daily attendance.

In both the high school and the elementary and middle school accountability systems, a sharp focus on the achievement gap is provided by incorporating the performance of the lowest performing student group directly into the overall ratings. Following the state definition of student groups and the number (or percentage) of students in a group to qualify for inclusion solves a complex problem and keeps the system simple. Counting only the lowest performing student group also keeps the system simple, and it has the same effect as counting all student groups. By definition, the lowest performing group is the one that needs the most attention. However, if a school focuses only on this group (with successful results), then another group will become the lowest performing group. *Until there is no achievement gap, there will always be a lowest performing group.* In many state accountability systems and NCLB, the performance of the lowest performing group can result in an entire school being rated poorly. The ACME accountability system improves on this situation, we believe, by rewarding schools for their overall performance while at the same time penalizing them for achievement gaps.

The Gold, Silver, and No Progress ratings focus the schools on performance trends, in addition to performance levels. Even low performing schools, if they work hard to improve student achievement, can be golden.

Finally, the Superintendent's Designation System places a set of complex and constantly changing metrics where it belongs, with the superintendent; keeps additional measures from diluting the weight attached to academic achievement; and still manages to keep school safety, cleanliness, and customer satisfaction as high priorities for principals in ACME schools.

REFORM GOVERNANCESM IN ACTION

Levels of School Empowerment

This accountability system rests on two fundamental assumptions that are consistent with the district's Core Beliefs and Commitments and Theory of Action for Change:

- First, responsibility and authority go together. If principals and teachers are to be held accountable for student achievement, then they must control (to the greatest extent possible) their work and the environment in which they work.
- Second, because teaching and learning is the district's core business, because there are many emerging best instructional practices, because every class and every grade make an essential contribution to a child's readiness for citizenship, college, or the workplace, and because children in ACME frequently change schools, even in mid-year, the district must manage instruction through a comprehensive instructional management system.

It is the intent of the board that a centrally managed instructional system (specified in board policy 111.555) remain the foundation for teaching and learning in ACME. Building on this foundation, schools should be given greater or lesser control over instruction and operations, depending on a variety of factors, such as levels and trends in student achievement (as evidenced by the accountability system), school leadership, etc.

Based on the accountability system results as well as other information that he or she deems relevant and appropriate, the superintendent will determine levels of school empowerment for operations and instruction. Factors other than school performance ratings—such as financial management, building management, community support, leadership, and student mobility—may influence these determinations.

As a general guideline, the board suggests that Recognized schools be given maximum allowable control of operations, and Exemplary schools be given maximum control over operations and instructional management. In all cases, schools must teach the ACME district curriculum and participate in all district formative assessments.

The superintendent will annually report to the board on school empowerment, defining for each school its level of empowerment and explaining the basis for his/her determination.

Consequences

The superintendent will make provisions for intervention in all schools that receive an Unacceptable rating or schools that receive an Acceptable rating combined with a No Progress designation. These action plans may be as minimal as school-developed action plans monitored by central office, or action plans developed by central office and implemented by intervention teams. All action plans will be made available to the board, and the superintendent will annually provide the board with an overview of school action plans and results.

Schools that remain Unacceptable for three years will be reconstituted. Reconstituted schools that remain Unacceptable for two years will be closed and re-opened as district charter schools,

REFORM GOVERNANCESM IN ACTION

per the ACME board policy on opening, closing, and reconstituting schools (see Board Policy 101.326).

Functional Unit Accountability

Operations are the superintendent's responsibility, and he/she is held accountable for performance. It is the board's intent that all management units be held accountable for performance according to performance measures appropriate to the work. Establishing accountability systems in operations is the superintendent's responsibility. The board exercises its oversight of operations by reviewing systems, metrics, and performance through its management oversight system of workshops and reports (see Board Policy 101.200).

Given this, the board directs the superintendent to develop a system for functional unit accountability. Specifically, built on assessments of customer (internal and external) satisfaction and process analysis (using, at minimum, standard quality tools), each unit should develop, for approval by its supervisor, performance measures. A typical family of measures might include measures of productivity, quality, timeliness, safety, and customer satisfaction.

Measures of functional unit performance will be used to evaluate the unit and be rolled up into measures of major system performance.

There will be appropriate positive (or negative) consequences for high (or low) unit performance.

Though functional unit accountability is the responsibility of the superintendent, the superintendent will annually report to the board on the structure and effectiveness of the functional unit accountability system.

Individual Accountability

The board directs the superintendent to bring to the board within the next four months a plan and policy recommendations for increasing professional employee accountability via human resources management and evaluation. These policies should be aligned with school accountability and should link the evaluation of professional employees to student performance.

Implementation

The board directs the superintendent to create an *ACME Accountability Manual* that fully describes this policy, the management structure and systems required to effectuate it, and the timelines, practices, and procedures by which it will be operated. This manual will be a comprehensive and fully sufficient document for all involved in implementing or seeking to understand the accountability policy.

The board also directs the superintendent to create an effective communication plan for educating employees, students, parents, community leaders, and the community regarding the main features, purposes, and major operational principles of the ACME Accountability System.

The superintendent will determine a suitable method for having school performance ratings for the current year prominently displayed on campuses. The superintendent will also provide for the wide dissemination of school performance ratings in the media, in district publications, and

REFORM GOVERNANCESM IN ACTION

through other communication channels. Also, the superintendent will use appropriate methods to recognize high performing schools and school leaders

ACME operates several schools for children with special needs. Where the superintendent determines that these schools cannot be placed within the district accountability system, he/she will develop alternative methods for measuring and reporting on performance.

The superintendent will report quarterly for the first year on implementation steps and milestones and thereafter annually on major issues relation to the operation of the accountability system.

Evaluation

After two years, and annually thereafter, the superintendent will provide the board with an evaluation of the effectiveness of the accountability system, which will include an analysis of school performance for the five years before the establishment of the accountability system, as if it had been in place, and actual school performance for each year following full implementation. This will enable the board to evaluate whether or not the accountability system is contributing to increased percentages of district schools rated as exemplary.