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Changing the Culture of Urban Education

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I. INTRODUCTION: It's very easy when you are 750 miles away from the 1.1 million school kids that you serve to get so caught up in theories that you forget what you're really talking about. So I want to begin my remarks today by telling you about a simple situation we had in one of New York City's 1,400 schools a few years ago. And I want to come back to this story later on, as both a metaphor for the problems I see with most modern public-sector reform efforts and as a clear-cut, on-the-ground example of what absolutely has to change if we are going to revolutionize the way we deliver public education to all of our students.

This school is located in Washington Heights, in Manhattan, not far from the George Washington Bridge. Built decades ago, the school building had a leaky roof over the auditorium. Every time it rained, the water dripped its way onto the wood floor below, and, over time, caused the floor to buckle.

Work orders were processed to fix the leaky roof and redo the floor. Requests for both projects wound their way through the system and were placed on centralized work lists. One day, the floor contractor showed up to replace the floor, even though the leaky roof hadn't yet been fixed. The principal at the school was concerned about what was happening, but the floor guys said they were just following orders. The principal made a few phone calls up the chain of command, but no one seemed to know who was in charge of floors and who was in charge of roofs. There was one guy who knew, but he wasn't returning his messages. No one seemed to be able to say with certainty when the leaky roof would be fixed.

You can probably guess where I am going with this. The buckling floor was replaced with a brand new one and a year later, the roof still leaked and the new floor was buckling and needed to be replaced again.

So what does a school with a leaky roof have to do with reforming major public sector systems like urban school districts? Ever since a 1983 federal commission unveiled a report called *A Nation At Risk*, which warned that our public education system had become mired in a "rising tide of mediocrity," public school systems have been in

constant reform-mode. But, while the tide of mediocrity continues to rise, we've really just been trying out different flooring materials under a leaky roof. We've tried to reform curriculum, teacher certification, pre-school, after school, lunch programs, and just about everything else in the system. Rick Hess at AEI refers to it as the "spinning wheels" of education reform and Professor Charles Payne at Duke called it "So Much Reform, So Little Change." When you get right down to it, in many ways we have tried to reform just about everything but the essence, or the culture, of the system itself.

And it hasn't worked. Despite all this reform, today, throughout our nation, Latino and African American high school students are four years behind their white and Asian peers, in my city, only one in four of our African American and Latino students receive a Regents Diploma, the only diploma endorsed by our state, and American students overall, including our highest performing students, rank far below many of their international peers in math and reading.

We need a different approach.

If we really want the new floor to matter for our students, we obviously need to protect it by fixing the leaky roof. Fixing the roof in the context of education reform involves changing a culture that has inhabited our school systems for decades. It is a culture that claims to be in the business of educating children but puts schools, and the people who work in them, at the bottom of the organizational chart. It is a culture that stifles innovation. It is a culture that seeks to preserve the existing arrangements for the adults who work in the system, and, all too often, it does so at the expense of the kids who most need our schools to work for them.

In my view, we must reverse these self-defeating approaches. In short, if school reform is to succeed, we'll need to go through three major cultural shifts. We will have to evolve from a culture of excuses to a culture of accountability, from a culture of compliance to a culture of performance, and from a culture of uniformity to a culture of differentiation.

Before I turn to the specifics, let me make a broader point that places my remarks in a context that I hope will resonate in an audience like this: What we are doing in New York is about more than a test of whether we can reform our schools. It's a test of our ability to make government work. Most Americans, whatever their political party, will tell you that government has a limited but important role in securing our liberties. Government is responsible for giving every child a decent shot through education, but also protecting people's lives and helping those who are unable to help themselves. Americans believe in a role for government—but they also believe that government too often wastes their money, puts special interests ahead of their interests, and just doesn't do its job well.

I can tell you—having now spent more than a decade in government service—there is much truth to these generalized concerns. But it doesn't have to be this way. The public sector is full of people working hard to do the right thing. What they need is a structure that brings out their best—that liberates their talents and at the same time creates powerful incentives for excellence and consequences for failure. In your world, in

business, the marketplace supplies that structure without anyone trying. That's why they call it the invisible hand. But in government, that organizing force is essentially absent today. And that is why government require leadership. And that is what Mayor Michael Bloomberg, a career entrepreneur and businessman, is bringing to government generally—and in education reform specifically—in New York City.

II. CONTEXT: In order to appreciate the magnitude of what we are doing in the nation's largest school system, you have to understand the way things were just a few years ago.

We had a system with 32 community school districts with 32 community school boards and 32 superintendents and so forth. Above them we had a seven-member Board of Education whose members weren't elected by anyone, but rather were appointed by each of our five borough presidents and the mayor. The Board, in turn, would appoint the chancellor. When something went wrong, the local school board would blame the board of education, the board of education would blame the state, the mayor would blame the chancellor, and so on, and so on. We had local school districts that used every reading and math curriculum under the sun. We had 32 budget specialists and 32 reading specialists, and 32 attendance clerks, and so forth. We had a wasteful and duplicative system that was practically designed to make sure no one was held accountable for anything. And the results were not surprising. Test scores were awful; graduation rates were even worse. Year after year, school kids were simply moved along from grade-to-grade, often unable to perform basic academic tasks, and therefore not remotely prepared for the world of adult work.

Mayor Bloomberg did something that is extremely rare in the risk-averse world of modern politics, and in doing so, he began the process of changing the culture of our system. In the months immediately after he was elected mayor in 2001, he asked our state legislature to make him accountable for a school system that didn't know what accountability was. Mayor Bloomberg said the schools would serve the students of the city, rather than serving appointed and elected government and school board officials or the employees of the school system.

So the mayor stuck his neck out there and said: "I want to be held accountable for this sprawling, incoherent system. Give me the tools to make change, but evaluate me based on what I accomplish for the city's school kids and hold me accountable for the same." This was a major step in terms of identifying both what was wrong with the old system and what was going to be necessary to produce radical, meaningful change.

Given the chaotic and dysfunctional organizational structure we inherited, our first task was to lock the system down, establish some control, and bring coherence to the system. So, in place of the politically dominated district-driven free-for-all, we established 10 operating regions, each with a sharp focus on instructional leadership. First, we got everyone on the same page in terms of how we were going to instruct students in key subject areas. We adopted a core curriculum in English and math, invested heavily in professional development, set meaningful promotion standards, put literacy and math coaches as well as parent coordinators in every school, paid for many of these changes

with substantial cuts to the bureaucracy, and immediately set our sights on making important changes to our labor agreements and improving the conditions that would be necessary for further reform.

This first step, often referred to as “managed instruction,” was something that we have seen in many reform efforts across the country. It involves things like setting standards, creating curriculums, and instituting central testing and assessment programs.

This work, while not sufficient, is absolutely necessary. To go back to the analogy of our leaky roof school: we needed to put the scaffolding in place first so that no one got hurt when it came time to do the roofing.

But this initial step was by no means the last step. History has taught us that you cannot regulate complex organizations into success through centralized mandates. You must first give organizations and personnel the stability and structure that are prerequisites for success, but that is not enough. Sure, as in business, there will always be governance rules and appropriate internal controls, but successful reformers must free organizations and personnel from needless, rigid rules and regulations, opening the door to accountability, performance, differentiation, and, by extension, excellence.

This second step is much more difficult to pull off, but it’s also much more powerful. It involves unleashing the tremendous potential of the schools in our system by reordering the priorities and changing the culture. When you really get down to it, reform is about finally allowing our school leaders to lead and to be held accountable.

But to do that, leaders must be carefully selected, properly trained, and fully supported. So, early on we created a Leadership Academy, to continually develop and add to the supply of change-agent school leaders to carry out the kind of cultural shift that we are seeking. We raised more than \$70 million in private funding provide extensive, real-world training and support for our principals. I believe the work our Leadership Academy has been doing over the past three years is both ground-breaking and essential for effective long-term, sustainable reform. If it doesn’t happen at the school, it doesn’t matter, and it won’t happen at the school without strong leadership.

At the same time, as we prepared to take our reforms to the next level, we began experimenting with a small pilot program that we called the “autonomy zone,” which vastly increased the autonomy of principals who were ready for the added responsibility of running their own show. We gave them significantly more authority along with clearly defined accountabilities, and they got results. In short, the experiment was successful, and now we are expanding it.

As we do so, a new challenge that we face is to convince the people in our bureaucracy that we must all help to create a climate in which the bulk of the administrative functions of our school system must begin to truly serve our schools. Remember, we’re talking about a bureaucracy that, for as long as anyone can remember, told schools what to do. We are asking the school system to play a very different, service-oriented role.

III. CULTURE SHIFT: This is where we find ourselves today, attempting to do something that no major urban school system in America has managed to accomplish. Our reform strategy, which we call “Children First,” is premised on the core belief that strong school-level leadership, empowered to build and support teams, to make instructional and managerial decisions, and prepared to be held accountable for student performance, will result in high-functioning schools. Our aim is to accomplish three fundamental cultural shifts:

1. To move from a culture of excuses to a culture of accountability.
2. To move from a culture of compliance to a culture of performance.
3. To move from a culture of uniformity to a culture of differentiation.

What do I mean when I talk about these key shifts in our school system culture?

First, moving from a culture of excuses—where we blame our failure on the kids, their parents, or a lack of resources—to a culture of accountability, where we take responsibility for the work we were hired to do: educate all children in our charge. Accountability starts at the top, with the mayor and me. In many ways, placing the ultimate accountability at the top was a necessary first step toward building an entire system that becomes infused with accountability. Lots of school systems have figured out how to hold students accountable, but we are showing the importance of holding everyone in the system accountable for student learning.

For me, this is the great strength of No child Left Behind, the national law that currently governs public education. It began replacing the culture of excuse with one of accountability by establishing clear metrics for success tied to standardized tests. But the NCLB accountability system still needs significant refinement if it is to be fully effective. That is why, beginning this September, all schools in our system will receive an annual progress report with a grade of A, B, C, D, or F based on student progress as well as absolute achievement. In addition, all of our schools will receive a qualitative review, during which independent reviewers will examine a full range of school processes and activities, but specifically focusing on schools’ use of data to improve student achievement. Based on how well a school does on these evaluations, we will make tough-minded decisions about both replacing principals and closing schools.

Let me be clear: test scores are important but this is about a lot more than test scores. We’re talking about creating tools to track individual student performance to enable real data-driven decision-making, in the classroom and out. We want to be able to measure how every part of the organization does or does not affect student achievement. So while performance management is obviously crucial for us in our schools and classrooms right now, it also must extend beyond the schools to include the entire support structure of the school system.

Second, moving from a culture of compliance to a culture of performance: Building on the autonomy zone work I mentioned earlier, we recently had a group of 321 of our

principals voluntarily sign documents that show that we are very much in the thick of this culture overhaul. Three hundred twenty one, which is almost 25% of our schools, signed even though their own union told them not to. These principals accepted the challenge and signed performance agreements, explicitly taking responsibility for student performance outcomes. But unlike in the past, we are not talking about principal accountability without also giving them the real discretion and flexibility to achieve results on their own terms. So, this agreement also specifically spells out the ways we will leave them alone to do their work. This is crucial. These principals are committing to putting their tails on the line for their students, and they now have a document that they can waive at us anytime regulatory creep sets in and we are breathing down their necks more than we should.

Recognizing that real empowerment for school leaders involves providing them with real resources and the authority to spend them as they see fit, we are putting our money where our mouth is. If you follow the money here, you can see how this empowerment really plays out. Each empowerment school has received for the upcoming school year an average of \$250,000 more in discretionary spending than it would have under the prior system. Of that amount, \$150,000 came from significant cuts to the bureaucracy and \$100,000 represents money that used to be tied to mandated programs and services. It used to be that “the system” decided what schools needed. Those needs didn’t necessarily coincide with what schools were asking for. Now, rather than giving them these services “in-kind,” or giving them money with all sorts of rules and regulations attached, we’re giving them money and letting them decide precisely where they need support to get the job done for their kids.

A major problem with the existing framework and culture is that there isn’t a whole lot of cost-benefit analysis going on. We’re now looking for our principals to make decisions about how they will get the best bang for the buck. With the additional money for their school budgets, principals are able to decide which goods and services they want to purchase—either from the school system itself or from outside vendors. Whether it is for fixing up the school or for buying professional development services, these decisions will no longer be made in a cubicle at the central or regional office, but at the site where our students will benefit from this new way of supporting and investing in their education. This is an extremely powerful change with tremendous potential in terms of shifting the culture of our school system: By acting as consumers of school system services, our principals will be shining a light on which services provided by the system are considered valuable and which ones are not.

In addition, our principals for the first time will be asked to evaluate the services they receive from the school system. I can’t emphasize it enough: the schools need to be where the action is, not the central or regional offices.

In return, of course, our empowerment principals will be held to demanding accountability standards, which are spelled out in their performance agreements. We will carefully monitor what’s going on at their schools—both in terms of quantitative results and qualitative assessments—and take action where necessary to be successful. The

journey from a culture of compliance to one of performance requires that empowerment and accountability work hand-in-hand—or otherwise, you risk getting little more than chaos.

Third, moving from a culture of uniformity to a culture of differentiation: We cannot continue to treat our employees as if they were all the same. We need to start differentiating based on employee talent and organizational need, just like other successful organizations do. This will not be easy.

The civil service system that forms the basis of public employment is deeply entrenched and resistant to change. The basic pillars of that system—life tenure, lock-step pay, and seniority—essentially mean that, whether you are good or bad or whether you work in a more challenging or less challenging school or whether you are qualified to teach in a hard-to-fill position like math or science or a not-so-hard to fill position you get paid the same, with differentiation based on your length of service. This structure not only undermines the meritocracy that we need to create and support in public education, it also means that talent tends to gravitate toward the higher-performing schools and away from the more challenging ones. If you get paid the same, why take on the harder challenge?. The resulting maldistribution of human resources has real consequences for our students in high-needs communities.

Fortunately, we are beginning to change the culture of employee uniformity in New York City. Our most recent agreement with the teachers' union, the United Federation of Teachers, puts an end to the unfortunate practice of teachers being able to insist on transferring from one school to another based solely on their seniority. In our system, more than 2,500 teachers would invoke such transfers each year and neither the principal nor anyone else at the receiving school could say anything about it. Now, we've created a free market in teacher transfer and only those that the school wants to have join them will be hired.

In addition, we have begun the process of using pay to differentiate our employees based on need and talent. We have a bonus program for principals and assistant principals based on student performance. And now, for the first time, we are able to offer generous signing bonuses for experienced math, science, and special education teachers—traditionally our hardest spots to fill. In September, more than 100 of these teachers will start in our schools. We are also now able to hire “lead teachers.” That means taking our very best teachers and giving them a \$10,000 a year pay hike to help mentor and support other teachers in our high-need schools. We will have 150 lead teachers in our most challenging schools come this September.

These are important first steps toward work-force differentiation and I believe that they will bear fruit. But make no mistake about it: we have a long road ahead of us. We need to create a real meritocracy to replace the current civil-service culture of uniformity in public education. We need substantial merit pay, based on student performance, and a system that enables us to remove unsatisfactory employees in a fair but reasonable way. This will take hard work and time but the path forward is clear and necessary.

IV. CONCLUSION: The reforms I've described this evening are not about initiatives and programs, curriculums and class-size reductions—the usual things that school districts consider “reform.” Those things are important, and I don't mean to suggest otherwise, but to me real reform requires us to turn district-school relationships upside down, so that schools regain their footing as the focal point and the key cultures of accountability, performance, and differentiation can thrive.

New York City has always been considered a city of opportunity. Nevertheless, while we have long boasted some of the best public schools in America, schools like Stuyvesant, Bronx Science, Brooklyn Tech, and others, the truth is that for many years our system has not provided the kinds of opportunities our students need and deserve. The structures we are putting in place right now, and the culture changes that are well under way, will, I believe, unleash the power and potential of our public education system so that ALL of our children will benefit.

Thank you very much.