DOCUMENT RESUME

ED 443 912 UD 033 694

AUTHOR	Bloomfield, David C.; Cooper, Bruce S.
TITLE	Recentralization or Strategic Management? A New Governance Model for the New York City Public Schools. Occasional Paper No. 1.
INSTITUTION	Columbia Univ., New York, NY. Teachers College.
PUB DATE	1998-01-00
NOTE	13p.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Decentralization; *Educational Administration; Elementary Secondary Education; State Legislation; *Strategic Planning; *Superintendents
IDENTIFIERS	*New York City Board of Education

ABSTRACT

In 1996, the New York State legislature passed a new statute that significantly alters the organization and governance of the New York City Public Schools. The Act weakens the authority of the (decentralized) community school boards, giving the chief executive officer, the schools' Chancellor, more latitude and responsibility for hiring, evaluating, training, transferring, and firing community superintendents and the authority to remove or supersede elected community school boards or individual board members. This paper explores whether this is just a swing in the pendulum from decentralized to recentralized, or whether something more profound, the introduction of strategic management, has happened, making the system more flexible and performance-driven. Closely examining the provisions of the statute, the paper suggests that the new powers of the Chancellor introduce a shift from procedural controls to the key elements of strategic management, constituting a change in urban school governance. The new statute grants the Chancellor and others throughout the system the discretionary authority and resources to attain qualitative outcomes. The Act should be regarded as a blueprint for system-wide empowerment, rather than the establishment of a benevolent dictatorship. (Contains 20 references.) (SLD)

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OCCASIONAL PAPER N°1

RE-CENTRALIZATION OR STRATEGIC MANAGEMENT?

A New Governance Model for the New York City Public Schools

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OCCASIONAL PAPER SERIES
The Center for Educational Outreach & Innovation
Teachers College, Columbia University
525 West 120th Street, Box 132
New York, NY 10027
(212) 678-3987

January, 1998

RE-CENTRALIZATION OR STRATEGIC MANAGEMENT?

A New Governance Model for the New York City Public Schools

When Americans grow dissatisfied with public schools, they tend to blame the way they are governed. There is too much democracy, or too little, critics insist, too much centralization or too little, too many actors in the policy formulation or too few. Although Americans have recurrently demonstrated a profound distrust of government (Farnham, 1963), they have also asserted a utopian faith that once Americans found the right pattern of school governance, education would thrive. (Tyack, 1993, p. 1).

INTRODUCTION

At first glance, it appears that urban historian David B. Tyack's statement above applies to New York State. For, on December 17, 1996, the New York State Legislature in an Extraordinary Session passed a new statute (the Act) significantly altering the organization and governance of the nation's largest urban school system, the New York City Public Schools. The Act considerably weakens the authority of the (decentralized) community school boards, instead giving the chief executive officer, the schools Chancellor, much greater latitude and responsibility to hire, evaluate, train, transfer and fire community superintendents and to remove or supersede elected community school boards or individual board members. Was this just another swing in the pendulum, a change from a decentralized to a re-centralized system, or was something more profound and important happening—the introduction of strategic management, making the system more flexible and performance-driven?

The see-saw between centralization and decentralization has a long history. We know, for example, that the 1996 Act was not the first time that the State Legislature had changed the governance arrangements in the New York City schools. As summarized in *Governing for Results: Decentralization with Accountability* (Marchi Commission, April 1991), until the late 19th century, most big city school systems were decentralized according to wards and other political subdivisions. Even after the consolidation of New York City in 1898, each borough had its own school board and its own superintendent of schools. Only in 1902, with the appointment of William Henry Maxwell as the City's first school superintendent, was a single system created with a standardized curriculum throughout the City (Marchi, 1991, p. 58).

Since then, lawmakers have continued to tinker with this centralization-decentralization paradigm to create what Tyack calls "the one best system" (1978). In 1969, the New York State Legislature devolved power to its 32 regional community school districts under the New York City Decentralization Law (Chapter 330 of the Laws of 1969) to meet activists' demands for "community control"; and then later an effort was made to decentralize still further—to school-site governance—under former State Commissioner Thomas Sobol's directive, *A New Compact for Learning* (1990). (See Ravitch, 1983; Hannaway & Carnoy, 1993).

The 1996 Act might appear to be just another round in the centralization-decentralization effort, vesting new control in the office of the schools Chancellor, Dr. Rudolph Crew. The image often used is that of a pendulum, swinging between lesser and greater centrism and decentrism, of more central bureaucracy versus more local autonomy (see Wohlstetter, 1995; Sharpe, 1979).

Richard Elmore (1993) explains that shifts from centralization to decentralization and back again are virtually meaningless because these reforms focus more on changing the status quo than on the best organizational structures for school improvement. Elmore writes:

> In any specific case, decentralizing reforms seem, at least on the surface, to provide very plausible answers to the ills of public education. In general, however, repeated cycles of centralizing and decentralizing reforms in education have little discernible effect on the efficiency, accountability or effectiveness of public schools. . . .
> A debate ensues about the merits of centralization and decentralization. At any given point in the debate, the 'correct' or 'enlightened" position is usually clear. it is the *opposite* of whatever was previously correct. Each doctrine is well developed, to the point where it can be recited more or less as a mantra by reformers and practitioners. (Elmore, 1993, p. 34).

Even though the pendulum metaphor has a certain appeal and fits our notions of "history repeating itself" in dynamic cycles, we shall argue in this paper that, for- the 1996 Act, this image is both incorrect and misleading: that the new powers of the Chancellor introduce a shift from procedural controls to the key elements of strategic management, constituting a sea change in urban school governance (see Osborne & Gaebler, 1992). Instead of changes along the centralization-decentralization continuum, the New York State statute grants the Chancellor and others *throughout* the system the discretionary authority and resources to attain qualitative outcomes, not merely to engage in mandated protocols geared to achieving regulatory compliance.

STRATEGIC MANAGEMENT, NOT JUST RE-CENTRALIZATION

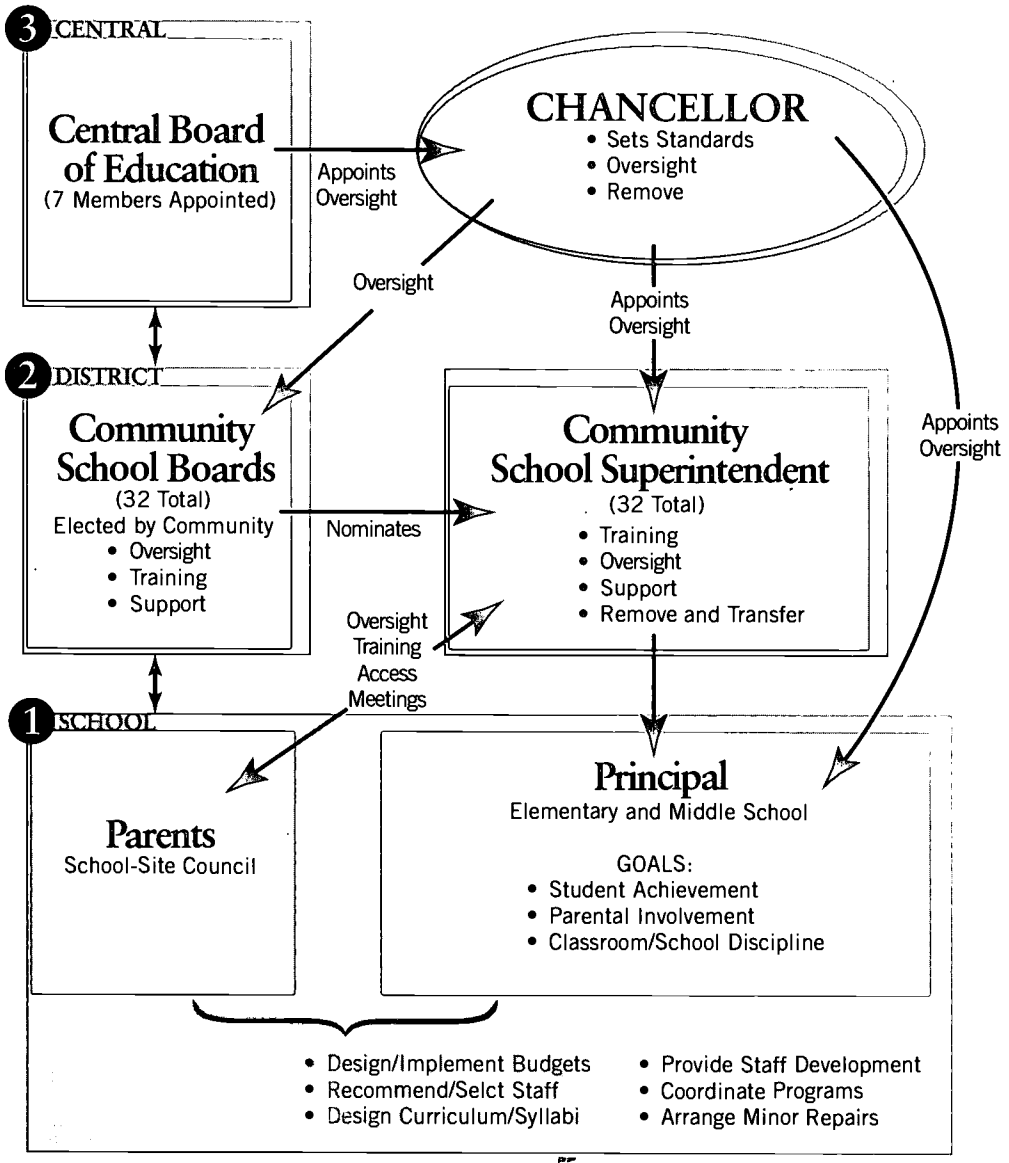
The corporate model of strategic management differs from "recentralization" in three key ways: (1) as a zero-sum game, (2) as dynamic, interactive model, and (3) as a reactive and proactive process.

First, traditional views of centralization and decentralization tend to treat political power as a *zero-sum game:* that is, when authority is increased at one level or for one party, say the superintendent, then subordinates (e.g., school principals and teachers) lose a concomitant amount of their control. This bifurcated thinking ignores the possibility that greater central activity and authority—when directed at standards and enforcement and recognition of quality—may in fact empower and enliven local decision-makers and improve classroom performance.

Instead of treating the new New York City schools structure as an "either-or" proposition (either one party or the other has increased power), we see the change as a kind of 'both-and" situation, where both the Chancellor and school-site leadership now have control over resources, but at different levels. Thus, the Act ingeniously maintains the same basic structure (community boards, superintendents, and school-site management) but alters the role and relations among these levels (see Figure 1).

Interestingly, Fuhrman and Elmore (1990) likewise have considered and then rejected the zero-sum game in their

Figure 1



major study of 'the balance between state government and local school districts" (p. 82)—relationships analogous to this study of school board and school site interactions. Fuhrman and Elmore explain:

> The concept of state-local relationships as a zero-sum game simply does not fit the facts, Such a model cannot account for the strong impact of a number of state policies in the absence of' significant state efforts to enforce or monitor those polices: it does not explain why locals comply in the absence of such enforcement or clear directives; and it cannot accommodate evidence of increased local activity coinciding with increased state activity" (1990, p. 89)

Zero-sum game theory also promotes the notion of a "win-lose" environment, since those receiving power do so at the expense of others. While Fuhrman and Elmore fail to discuss this trade-off, we explore the potential of strategic management as a means to convert winners and losers into a "win-win" situation. That is, the more that top management (the "centralized" part of the relationship) gives guidance, holds districts and schools accountable, provides constant evaluations and necessary training opportunities, then rewards successes, and deals aggressively with pupil failure, the better everyone makes out. In a zero-sum or win-lose context, strategic management cannot readily work. Instead, as suggested by Fuhrman and Elmore, "mutual involvement" is a more accurate depiction of intra-governmental relations than the zero-sum game.

Second, through the allocation of these new powers, the state law creates a dynamic, interactive model of strategic management among central administration, community school district, superintendent, and school principals, so that education decisions are in the first instance the responsibility of school-level leadership, with the central staff monitoring and evaluating these decisions to ensure that schools meet education benchmarks. Strategic management then, is leadership directed at stated goals, shared activities, and improved performance at all levels of the organization.

This is a very different model from the typical governance statute, one that allocates powers among the actors but fundamentally ignores their interaction, leaving that process to politics and the courts. John Anderson, President of the New American Schools Development Corporation, puts it this way: 'A growing body of evidence demonstrates that neither top-down system changes nor bottom up school changes alone can lead to improvements in student achievement What is needed is system change specifically targeted to support the improvement of classroom practice.... both kinds of action are necessary but not sufficient" (1997, p. 48).

Third, strategic management is both reactive and proactive—that is, leaders often combine a role of overseeing local school affairs with a strong, long-term mission, specific objectives for carrying out the mission, and means of motivating and measuring the results. This combination of roles contrasts with the rudimentary weapons available under the centralization-decentralization model, where schools are held in check in only two ways:

(a) either by imposing standards and procedures and taking action against the most egregious laggards and outliers; or

(b) through active devolution of authority (i.e., decentralization), assuming somehow that those closest to the students (parents, teachers, and building administrators) "freed from state and district prescriptions," to quote Hannaway (1993, p.137) "would focus their efforts on ways that would lead to greater student achievement."

Thus, this dichotomous view—local is good, central is bad, or visa versa—ignores the unique and important contribution of both top managers and local educators and the synergistic, dynamic, and self-reinforcing relationship that can occur between the top and the bottom of the organization.

The former, in a strategic management context, holds the "big picture," the benchmarks across settings, access to external resources, and the authority to intervene when things go wrong. Strategically, top management can make a conscious effort to forge ties with local school leaders, to engage in a highly inactive process, and to motivate schools to improve. Meanwhile, the delivery units (schools and classrooms)—having the close-up picture and the best knowledge of students and families in their schools—are free to determine means and proximate ends, leaving final, summative assessment to those at the top of the system.

And when the decentralized units (schools) go afoul of the rules, laws, or basic tenets of quality education, they need city-wide leadership to keep them on track. Thus, as Anderson found, school district leaders "set the direction for the schools and run the accountability system, while at the same time freeing up the schools to do the hands-on work to accomplish their performance goals" (1997, P. 34).

THE NEW LAW

By re-allocating powers throughout the system, the Act has created a dynamic, interactive model of strategic management between "central board," community school districts, community superintendents, and school principals and teachers, so that education decisions are in the first instance the responsibility of school-level leadership consistent with state and local standards. The central staff monitors and evaluates these decisions to ensure that schools meet education benchmarks.

What created the necessary political, legal, and education alignments needed for this revolution? The New York City School Reform Act of 1996, passed during a special legislative session convened specifically to restructure the ailing NYC public schools, was spurred by a crisis of public confidence in the several of the 32 decentralized community school boards. That community school board corruption was an issue, and not the actions of top administrators at the Central Board of Education, located at 110 Livingston Street (see Rogers, 1967) in Brooklyn, is an indication of the political astuteness of the schools Chancellor, Dr. Rudolph F. Crew.

Throughout the fall of 1995 and during 1996, Crew had hammered at the community boards which had jurisdiction over kindergarten through eighth grades in their 32 respective school districts. That these community boards had power neither to hire teachers nor to decide school budgets was rarely mentioned. Rather, their long history of hiring politically-connected superintendents, principals, and aides (paraprofessionals)—and the measurable lack of student academic successes in the most corrupt districts—received Crew's constant attention and condemnation.

The need for a legislative response was apparent from Crew's seeming inability to make his corrective actions stick with recalcitrant local boards. These community school boards were held by New York State's highest court to have the ultimate power to appoint the community superintendents, despite broad authority of the Chancellor to regulate the process (see *Board of Education of Community School District 29* v. *Fernandez,* 81 NY2d 508(1993)). Another problem was the lack of clarity of Section 2590-1 of the State Education Law regarding the Chancellor's powers of intervention and the qualitative standards upon which intervention could be based.

This legal ambiguity and other provisions of the 1969 decentralization law guaranteeing a degree of community board sovereignty and minority representation were subsequently applied to overrule Crew's attempted ouster of three clearly corrupt Community School Boards, Bronx Boards 7, 9, and 12 (see, e.g., *Maldonado* v. *Crew,* NYLJ, Sept. 13, 1996 at 22, (Sup.Ct Bronx Co.), aff'd NYLJ, February 27, 1997 at 26 (Ist Dept.); *Community School Board No. 9* v. *Crew,* (Sup.Ct. Bronx Co.), April 22, 1996; *Community School Board No. 9* v. *Crew,* (Sup.Ct. Bronx Co., Crispino, J., April 30,1996, rev'd 648 NYS2d 81 (Ist Dep't, 1996)).

Even the federal government seemed to obstruct Crew's reform efforts, giving him greater impetus to seek State legislative action. In a letter dated November 15, 1996, then-Assistant Attorney General for Civil Rights, Deval Patrick, informed the New York City Board of Education that Crew's suspension of the Community School District #12's elected Board violated Section 5 of the Voting Rights Act 42 USC Sec. 1773c. The action was particularly ironic. According to the US Department of Justice's Civil Rights Division, the government's review of the suspension arose only because of previous New York State legislation passed at Crew's urging six months earlier. Succumbing to that earlier pressure by Chancellor Crew, the State had passed and sent to the Justice Department for Voting Rights 'pre-clearance,' legislation aimed at maintaining Crew's earlier- suspensions of Boards 7 and 9. That pre-clearance awakened the sleeping giant of federal review of *all* community school board suspensions and supercessions by the Chancellor.

Deval Patrick's ruling seemed a trifle absurd: he found that the Chancellor—who was appointed by the Central School Board representing all citzens of New York City (of whom 56 percent are minorities and people of color)—cannot override the Community School Boards in heavily minority districts because the Boards represent a greater percentage of minorities. In effect, the Assistant Attorney General ruled that a City-wide official is discriminating against an allegedly corrupt, locally elected body because of the racial make-up of the constituencies represented by each. This problem was resolved when Chancellor Crew agreed to the cosmetic device of appointing a more heavily minority "nominating committee"— representing the racial and ethnic balance of the Community School Boards involved—to propose candidates for these community school superintendencies.

As a result of these legal setbacks, however, Crew found himself in the late fall of 1996 in a strangely powerful political position. Blocked by both the state courts *and* the federal government (U.S. Department of Justice) from proceeding against the apparently corrupt community school boards, Crew literally took to the schoolhouse steps in a moment oddly reminiscent of Alabama Governor George Wallace's inveighing against the judiciary and Washington's intervention into "states rights.' Crew argued persuasively that only further, more comprehensive state legislation could sufficiently constrain the personnel appointment powers of community school boards and extend his own executive controls over removal—thus enabling the Chancellor to rescue students in schools run by local school boards from the grip of patronage and corruption. Crew also argued for greater clarification of his authority to intervene in low-performing schools and districts.

Restoring public confidence in the public schools thus became a legislative and gubernatorial priority in December 1996. In the previous May, largely as a result of Chancellor Crew's steady criticism of community boards, voter turnout in the election of new board members was the lowest in the 26 year history of the decentralization law (1969). And as if to make Crew's point for him even more starkly, corrupt board members in Districts #7 and #9 were nonetheless reelected, perpetuating the ineffectiveness of earlier forms of 'decentralization.'

These results added credence to the belief that nothing short of legislative transformation would work to "clean up' the corruption in local community districts. The teachers' union, business community, bar association, and Special Commissioner of Investigation for the public schools—all long active in school reform efforts—increased their public calls for change. But, clearly, the crucial actor was the Chancellor who assigned his lobbyists and public relations personnel to thump for comprehensive rather than incremental approaches often advocated by previous chief executives.

STRATEGIC ACTION TO MEET PERFORMANCE BENCHMARKS

The 1996 state law reflects Chancellor Crew's background as an advocate for applying private sector management techniques to public education, and the new focus on national, state, and local educational standards. Rather

than relying on procedural norms so long associated with "recentralization-style" thinking, the new law focused on the *application of performance benchmarks* to individual principals and community superintendents, a striking and revolutionary statutory concept [see, for example, Education Law § 2590-h(8)]. See Figure I for a depiction of the new governance model.

The law required the Chancellor to "promulgate minimum *clear educational standards, curriculum requirements and frameworks, and mandatory education objectives applying to* all schools and programs throughout the City districts, and examine and evaluate periodically all such schools and programs with respect to *compliance with* [replacing "maintenance of"] such education standards and *other* requirements."

Thus, the first step in strategic management is setting the goals clearly for all divisions, schools, programs, and locations, which must then be evaluated. While this sounds like "good-old" centralization speaking, the means for reaching goals are very much strategic and information-dependent if units are to improve. The Act makes possible mutual, highly interactive activities, multiple levels of accountability, sanctions for poor school performance, and the identification of responsible, accountable parties. This synergy is a clear departure from traditional top-down public administration where the game is zero-sum, and the conditions favor a win-lose outcome.

School Principal Accountability

This performance-driven formulation creates rich, interactive relationships among the system's actors, hardly zero-sum thinking and quite apart from the Chancelloes authority. For example, the Act at § 2590-f(5) requires the 32 community superintendents to evaluate principals annually to determine their 'educational effectiveness and school performance, including the effectiveness of promoting student achievement and parental involvement, and maintaining school discipline." Thus, in a single legislative stroke, the law ties together students, parents, principals, and superintendents in a critical evaluative relationship unique in American education law.

The importance of § 2590-f(5) and similar provisions of the law (see infra) is that beyond mere words, the statute has teeth. Principals are not only annually evaluated by superintendents, according to the foregoing criteria, but these building administrators are also directly appointed by superintendents—with input from parents, teachers, and support personnel—and with final review and possible rejection (for cause) by the Chancellor as spelled out in Education Law §§ 1590-f(l)(d) and 2590-i(2)(c).

In a clear break with the earlier propensity of some community school boards to mete out patronage through principal appointments ($5,000 was rumored to be the "going rate" to buy a position), community school board members are now banned from any role in the appointment of staff other than a limited one in hiring community school board superintendents.

In fact, community school board members are subject to removal "for willful, intentional, or knowing involvement in the hiring, appointment, or assignment of employees other than as specifically authorized" by statute [(Education Law §§ 2590-e(4); 2590-1(2-a)]. While such actions are "central-like," they mainly empower subordinate community superintendents, not the Chancellor. These provisions also "clean up" the graft and corruption in local districts and make it more likely that teaching and learning will be a priority.

Sanctions for Persistent Educational Failure

The State Legislature deemed the strategic reorganization of failing schools to be so important that the Act permits the Chancellor to declare "marshal law' and take over schools that exhibit "persistent educational failure" and combine them into a free-standing "Chancellor's District' under his direct authority [Education Law §2590-h(31)].

Principals may also be " . . . removed or transferred by the superintendent or by the Chancellor for persistent educational failure of the schools or other causes. . . . Persistent educational failure of the schools shall be defined in regulations of the Chancellor to include a pattern of poor or declining achievement; a pattern of poor or declining attendance; disruption or violence; and continuing failure to meet the Chancellor's performance standards or other standards" [Education Law § 2590-i(2)(a)]. Principals may also be ordered "by the Chancellor or the superintendent to participate in training or other forms of staff development or to address identified areas of educational need and promote student achievement and school performance" [Education Law § 2590-i(2)(b)].

The Chancellor and community superintendents thus have clear authority to hold principals accountable in a strategic manner to promote school performance. This "cradle-to-grave" authority to hire, review, stipulate training, evaluate and remove, though perhaps intuitive, has never before existed so explicitly in the NYC schools. Appointment, mandated evaluation according to explicit criteria, and potential required re-training, transfer or termination are heavy weapons in the arsenal of any school administrator. Through the new governance statute, these armaments are for the first time available in NYC: not just with "top"or "central" management (e.g., the Chancellor) but spread throughout the system among the 32 local district superintendents and four borough-based high school districts—middle or unit managers in the system.

Schools identified as "persistent failures,' therefore, are subject to drastic action. With the cooperation of the teachers' and administrators' unions (the United Federation of Teachers and the Council of Supervisors and Administrators), the Chancellor can transfer teachers and administrators to other settings and replace them with new staff. Such actions were previously difficult since administrators were not held accountable for school performance and radical reorganization was constrained by notions of seniority and school-specific tenure.

Superintendent Accountability

Chancellor Crew has the perfect opportunity to shape the actions and behaviors of over a dozen new community school district superintendents, given the early retirement of nearly one-third of the district superintendents. Each superintendent is now required to submit to the Chancellor a comprehensive strategic plan for identifying and solving their district's problems and improving performance. The strategic plan is linked to each superintendent's contract through performance standards which are periodically evaluated and used in determining contract renewal.

The Act is thus strategically proactive: it pushes superintendents to use these new powers fully and consistently. An argument could be made that such actions were long available to "creative" superintendents. Implied power, however, only works when leaders have the initiative and courage to use it. Bureaucratic inertia created by the earlier (1969) law and its resulting local school board politics dampened rather than stimulated such initiative. Why should a community superintendent, under the watchful eye of the community board, take the risk of evaluating and replacing weak school principals, when these actions were not required?

The Act mandates that superintendents take action against failing principals or else face their own termination or other sanctions at the hands of the Chancellor. The new statute requires that the Chancellor establish an inclusive, public process for the recruitment, screening, selection and review of candidates for district superintendent, and further to:

- "Select community superintendents from a list of candidates recommended by community boards and consistent with regulations and a model contract developed by the Chancellor;" and
- "Remove a community superintendent who fails to comply with". . . all applicable laws, explicitly including "performance standards addressed by administration and educational effectiveness, and any requirements for continuing training and education" [Education Law § 2590-h(28-30-a), incorporating by reference Education Law §2590-f(2)].

School-Level Authority

Rather than a top-down or bottom-up pyramidal structure, the Act is careful to allocate sovereignty in various arenas, among different educational actors and groups. Thus, while the Chancellor and superintendents have monitoring roles, their focus is on performance, not procedure, which effectively lies at the discretion of school-based stakeholders: students, parents, staff, and principals. In this context, the new law is noteworthy in addressing the powers of superintendents *beginning* with the qualification of these powers, thus explicitly devolving district authority to principals and schools. (See Education Law § 2590-f(l).

Among the important powers reserved to schools (i.e., usually the principal, in consultation with parents and staff) consistent with central and district policies is the authority to:

1. Design and implement budgets, in keeping with Chancellors regulations (Education Law § 2590-r);
2. Make recommendations for staff selection (Education Law § 2590-1(1)(c);
3. Develop school-based curricula and syllabi (Education Law § 2590-i(d);
4. "Enhance teacher and staff development relevant to increasing pupil achievement, support extended day programs, school reform programs, and public support services" [Education Law § 2590-i(e)];
5. "Coordinate programs related to public support services" (Education Law § 2590-i(f);
6. "Make or arrange for minor building repairs" (Education Law § 2590-i(g));
7. "Identify and purchase equipment and supplies "that can be purchased for less than if purchased through purchasing arrangement entered into through the City board, the Chancellor, or the Superintendent" [Education Law § 2590-i(h)].

While not going as far as to give principals appointment authority or the ability to contract out services (rather than goods), this new statutory constellation goes a long way toward putting principals in the driver's seat when it comes to school performance, rather than isolating them in their former "middle management" positions, which largely required them to respond to district or central orders—rather than to initiate action.

Parent Power

Parents have largely been absent from the power formulations of procedurally-intensive governance laws. Parents were required to send their children to school and, except in special education or long-term suspensions, any further involvement was largely a matter of administrative discretion and parent organization.

The Act contains a number of explicit, innovative provisions making parent powers yet another key force in holding educators accountable and in motivating them to act. In addition, parents have roles in the selection of superintendents and principals. And parent involvement is one of three major criteria for evaluating principal's performance: student achievement and school discipline being the other two [Education Law § 2590-f(l)(f)].

The Chancellor is also required to prepare an annually updated parent training program [Educafion Law § 2590-h(14)]. School-bascd management "which balances participation by parents with participation by school personnel in advising in the decisions regarding powers delegated to schools" is also required, with the appropriate training "to any parent and school personnel who participate in the school-based management and share decision-making' [Education Law § 2590-h(15)(b)(i)]. Uniquely, the new law also requires the Chancellor to promulgate a "parental bill of rights" which, at a minimum, must provide for the following:

(i) Reasonable access by parents, persons in parental relations and guardians to schools, classrooms, and academic records of their children;

(ii) The rights of parents..... to take legal action and appeal the decisions of school administration;

(iii) The right of parents.... to have information on their own child's educational materials;

(iv) Access to and information about all public meetings, hearings of the Chancellor, the city board, the community superintendents, the community boards, and the schools; and

(v) Access to information regarding programs that allow students to apply for admission where appropriate outside the student's own attendance zones' [Education Law § 2590h(15)(c)].

Limited Powers of Central and Community School Boards

Limitations on community board powers under the new law have received much attention as a result of the corruption that catalyzed the reform. Lost in this discussion, however, but of great importance to the strategic nature of the new law, is the similar loss of power by the Central Board of Education—a seven member group appointed by the mayor (two appointees) and the five borough presidents (one each).

In parallel language, the community school boards "shall have no executive or administrative powers or functions" (Education Law § 2590-e), and the Central Board "shall exercise no executive power and perform no executive or administrative functions" except as otherwise provided by the law (Education Law § 2590-g). Whether these bodies are willing to acknowledge and comply with their newly constrained powers is a matter for speculation. The statute clearly contemplates an end to the politicization of appointments and contracts at the Central level, in an identical manner to its strictures on this kind of activity by the local community boards.

PUTTING IT ALL TOGETHER

When read as a series of regulations, we may fail to see the overall combined effect of the Act's provisions. But when the parts are read together, several principles emerge:

1. Power is specifled and shared: The net effect of this new law is to enable each power center to work with other units while specifying where accountability begins and ends. The Chancellor now has authority to ensure that community boards, superintendents, principals, and schools are working effectively together.
2. Policies are both proactive and reactive: The new law makes each level both reactive (to educational standards and avoiding "persistent educational failure") and proactive, anticipating problems and providing training, for example, to stop difficulties before they happen.
3. Leaders work alone and with others: The new law gives certain key actors major new responsibilities, while requiring group process and engagement as well. Thus, the net effect of the Act could be to empower the Chancellor, boards, and superintendents to do their jobs, while also engaging groups at the central, district, and school levels to work together.
4. Policies treat both means and ends: The law looks at both the "ends" (performance standards, tests, and results) and the "means," of getting there, leaving the process to those closest to the teaching/learning actions (school principals, teachers and parents).

THE FUTURE

It is too early to tell how well this strategic management process will work in a system of this size. But, it is obvious that the new role of Chancellor calls for imaginative, bold, and fearless leadership, if the positive multiplicative effect of the strategic process is to work. Specialized competencies in planning and intervention are required 'f leaders are to meet the challenge of the Act.

Were, however, the system led by a less imaginative, energetic Chancellor, we might see the effects of negative multipliers such as: an over-reliance on rules and regulations, rigidity, fear of replacing weak or incompetent board members and/or superintendents, and—as we would predict—a return to status quo ante and a zero-sum game. The more tightly coupled system, under the Act, is thus susceptible to improved leadership or weak or poor executives. In a few years, perhaps, the new management process may become sufficiently institutionalized, and thus become less susceptible to backsliding because of changes in leadership.

Currently, with the law less than a year old, the effects are only now being felt. The resignation of at least 12 of the 32 community school district superintendents (many taking early retirement incentives) has opened the way for the selection of new strategic managers, who will help the Chancellor to shape the system around improved performance.

A RECENT CASE IN POINT

But the transition to strategic management will not always be easy. For example, in a recent exercise of only his second district superintendent review under the 1996 Act, Chancellor Rudolph F. Crew initially rejected Claire McIntee, the choice of Community School District 26, the district with New York City's best test scores. The Chancellor then had to reverse his decision under pressure from politicians, community representatives, and members of the district board. In fact, the final hiring of Ms McIntee was unusual: 'In a meeting last Thursday (July 3, 1997) with the Chancellor, the School District 26 board proposed a compromise: rather than the standard three-year contract," the *New York Times* explained, "the school system would give a one-year deal to Ms. McIntee, 57, at the end of which Dr. Crew would evaluate her performance' (Sengupta, July 8, 1997, p. A- 1).

At first, as the *New York Times* reported: "Dr. Crew said the candidate, Claire McIntee, who is principal of Public School 94, with an enrollment of 340, did not have *sufficient administrative experience* to run District 26, which comprises 25 schools and 16,000 students. But board members in the district in northeastern Queens, denounced the decision, saying their candidate was highly qualified and well respected' (Sengupta, 1997, p. B-1). The political pressures to appoint Ms. McIntee were intense and rained in from all sides.

First, the Mayor's office was concerned about the District 26 controversy: that section of Queens was solidly Rudolph Giuliani territory, having delivered 80 percent of its vote for the Mayor in the last election—and was critical in the coming election. Coleman Genn, a senior fellow at the Center for Education Innovation, stated that "I think he [Dr. Crew] underestimated the political might of that part of Queens. It became a political hot potato and he wisely took a half step back."

Second, several key political leaders from across New York City joined in support of McIntee, including State Senator Frank Padavan, the Republican sponsor of the Act empowering the Chancellor; City Comptroller Alan G. Hevesi who contacted Deputy Mayor Randy M. Mastro; Queens Borough President, Claire Shulman appealed to Crew directly; and State Assembly Education Committee chair, Steven Sanders, likewise spoke to the Chancellor on McIntee's behalf. This case is particularly interesting since the State legislature in 1969 had empowered the Chancellor to combat "corruption, incompetence, and chronically sagging scores," while District 26 is suffering from none of these problems. As the newspapers recalled, "Before the law was enacted last year, hiring authority rested solely with the local school boards, and the Chancellor's power to remove superintendents was limited to cases in which they were accused of egregious misconduct' (Sengupta, 1997, p. B-1). No longer true, as in District 26.

Now, the Chancellor can refuse to approve a nominee for superintendent based on professional or strategic managerial reasons. Local reaction was immediate. The District 26 School Board President Jack Friedman, said that 'Everything we argued against the legislation, this just proves. He [the Chancellor] has alienated and completely ignored the wishes of the entire community." For District 26 cannot be attacked for poor performance: 88 percent of the students read above grade level and 98 percent score at grade level in mathematics.

The irony of this refusal was not lost on a state assemblyman who reminded the Chancellor that he had been superintendent of Tacoma, WA, hardly a major metropolis, before becoming Chancellor of the nation's largest school system, New York City. But the Chancellor can accept or reject a candidate, granting the chief executive wide discretion in selecting top management The author of the law, Assemblyman Steve Sanders, said that "we wanted the Chancellor to be able to have the authority to insure that we got the very best people to be superintendent" (Sengupta, 1997, p. B-6).

It was as though District 26 school board president Friedman and Chancellor Crew were speaking two different languages or were from different planets. Jack Friedman was locked into a time warp, where rights, regulations, and process were the main criteria for personnel decisions. Friedman stressed that the job search for the District 26 superintendent was "clean as a whistle": no graft, corruption, bribery, payola, nepotism, or cronyism. The position had been duly advertised and the process of board interviews of candidates followed. Regulations were met.

Dr. Crew, however, was acting from a new mind-set as written into the 1996 law: i.e., selection was based on qualifications, experience, and a proven record of effectiveness as a school district administator—a strategic, corporate perspective. It is quite obvious from this case that a new regime has arrived-no pendulum swing back to an earlier status quo. Instead, the state law and policies were a leap into another era, a new model, a different organizational culture.

Perhaps, like many CEOs, Dr. Crew wanted like-minded people in key spots, an example of private, corporate-style management over the civil service mentality where procedural fidelity and candidate's familiarity are key criteria. Yet, in the end, even the Chancellor could not totally ignore the "political realities" that infuse city politics: he conceded and appointed this candidate—but for only one year and with the proviso that her performance be assessed after this trial period. And although he took a "half step" backward, the Chancellor did signal to all concerned that candidates for jobs should have proven records and experience, not just potential and high levels of comfort with appointing groups like the District 26 Board.

LESSONS LEARNED

Thus, to insure that the 1996 statute and concomitant strategic management work in New York City and in similar large cities, the Chancellor and other key policy makers should:

1. Be aware that strategic management is an unfamiliar framework and language in public education, which has long operated within a civil service environment. Such management is indeed a shock to a system long fed on regulations, controls and the need to prove malfeasance before taking corrective actions;
2. Provide time and training to give community boards, superintendents, principals and others a chance to learn and adjust to working proactively in a system managed strategically, not primarily by regulation;
3. Start a critical process that sets standards, builds expectations and benchmarks, and aligns schools, districts, and school boards around New York City's great educational strengths, problems, and future. Strategic management is thus mostly about alignment of structures, goals, and activities through leadership.
4. Be prepared to manage the consequences of past history and political arrangements. For running counter to strategic management is political reality, as the case of the Queens superintendent illustrates. A willingness to specify criteria and to compromise are always important in urban school governance.
5. Avoid the allure of re-centralizing. Read the Act instead as a blueprint for system-wide empowerment, not the establishment of a benevolent dictatorship. The research of William L. Boyd (1988) stresses that productive school systems are neither centralized nor decentralized, but are combinations of "loose-tight properties" whereby standards, norms and information are free to flow up and down the organization. Everyone becomes a key player in making schools better.

Perhaps John Anderson captured the spirit of this new era best when he stated what he's learned from the New American Schools project that we can apply to the City of New York: "Lessons . . . about how to align systemic changes with meaningful school-by-school transformation represent the most significant contribution we can make to the wholesale improvement of our nation's schools." (1997, p. 34).

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