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AUTHOR Center, David B.; Blackburn, J. M.  
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ABSTRACT

Public schools and their problems are discussed in this paper. It is argued that public schools suffer from the effects of a bureaucracy based on a paradigm inappropriate for the task entrusted to them. Further, the monopolistic nature of the educational bureaucracy has insulated it from virtually all relevant sources of feedback and pressures for meaningful change and reform. Proposed solutions include repealing compulsory education laws, decentralizing education, creating an incentive-based feedback loop between educators and consumers, and radically changing the funding of public schools. The funding proposal is based on the creation of a state-level education fund to pay for all or most of each citizen's education. Implementation of such a system would result in improved pay, benefits, and working conditions for educators; the professionalization of teaching; improved school administration; diverse programming; increased parent involvement; and changes in teacher preparation programs. A conclusion is that public schools must undergo radical reform or become extinct, or at best, irrelevant. (Contains 24 references.) (LMI)

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**MONOPOLISTIC EDUCATIONAL BUREAUCRACY (MEB):  
THE DIS-EASE DESTROYING PUBLIC EDUCATION**

David B. Center

Georgia State University

J. M. Blackburn

The University of Mississippi

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**Abstract**

The authors, based on their experience as students, teachers, teacher educators, and parents, discuss public schools and their problems. They think public schools are suffering from the effects of a bureaucracy based on a paradigm inappropriate for the task entrusted to them. Further, the authors think the monopolistic nature of the educational bureaucracy has insulated it from virtually all relevant sources of feedback and pressures for meaningful change and reform. The authors argue for radical changes in the way public schools are funded as a means of breaking the monopoly power of the bureaucracy, forcing it to adopt a different paradigm, and facilitating meaningful changes in publicly supported education. The authors assert that either public schools must undergo radical reform or become extinct or at best irrelevant.

**MONOPOLISTIC EDUCATIONAL BUREAUCRACY (MEB):  
THE DIS-EASE DESTROYING PUBLIC EDUCATION**

By definition a monopoly is a commodity controlled by one individual or organization. Education is not a tangible commodity like corn or wheat. It is, however, intangible property with monetary value according to the U.S. Supreme Court (Wood v. Strickland, 1975). A bureaucracy is a group of professional administrators and their employees following fixed rules and a hierarchy of authority. Thus, a monopolistic educational bureaucracy (MEB) is a group of professional administrators that have, for all practical purposes, exclusive control over education.

Locally, the MEB controlling education usually includes teachers, principals, a superintendent and staff, and a school board. The educational bureaucracy, however, reaches beyond the local level. It also includes state Department of Education personnel, state school superintendent, state school board and U. S. Department of Education personnel.

The educational bureaucracy has some elected officials in it. However, most officials in education

that are in elected positions come from within the bureaucracy. A few of the elected members of the bureaucracy have no prior association with education. Even these individuals are usually indebted to the MEB for their election. Such officials are often either willing or unwitting tools of the bureaucracy. Even if an elected official has a constructive and innovative agenda, the MEB usually prevents him or her from having any real impact.

The MEB is destroying public education through its mindless creation and administration of programs. Programs that function independent of any significant feedback or control from students and their parents (Glassman, 1973; Skirtic, 1988, 1991; Weick, 1982, 1985). Public education in America is not unlike planned and bankrupt economies in formerly communist countries. In such economies, professional administrators decide what products consumers need and how much product to produce. They also control production, distribution and price of the products.

Centrally planned economies follow the industrial model. In this model the most effective and efficient

way to produce products is on a large scale employing standardized methods and materials. According to Davidson and Rees-Mogg (1991, pp. 161-162), the centrally planned economies of the communist block countries failed because they were not adaptive. When they failed, they also brought down the governments supported by them. They failed because they couldn't adapt to a paradigm shift in the modern world. This shift is due to a revolution in technology, particularly microtechnology. This revolution is making economies of small scale increasingly efficient and effective. Economies of small scale enhance flexibility and responsiveness to variation in the needs and preferences of consumers.

Public education in the United States employs practices similar to those used in centrally planned economies. Public schools are much like assembly line manufacturing plants. They have, for all practical purposes, standardized curricula, teaching materials and instructional methods. A student must fit the system or be rejected in one manner or another as defective. For example, the MEB may label a student as socially maladjusted and use this "defect" to justify expulsion.

It may label a student as learning disabled and use this "defect" as justification for removing the student from the "assembly line." That is, remove the student from the regular class program and place him or her in a special education program. In most cases, however, the MEB is content to simply frustrate and alienate "defective" students until they remove themselves by dropping out of school.

Public education, like centrally planned economies, is failing to adapt to the paradigm shift taking place in the modern world. One consistent feature of public schools, across time, is their failure to incorporate new information and practices that could enhance education (House, 1974, 1979). Instead of adapting, they persists in the belief that fine-tuning is all that is needed (House, 1979). That is, the solution is more careful-sequencing of tasks, better standardization of processes and outcomes, increased specialization and preparation of educators, elaboration of rules and regulations, and closer supervision. Public schools must adapt and become responsive to the individual needs of students. They must prepare students for the varied

environments in which they will live and work or go the way of the dinosaurs.

According to Deming (1982), central planning not only fails to produce high quality, it actually inhibits the development of high quality programs. Rhodes (1990a, 1990b) shows how public schools can use the Deming method of quality control to produce high quality educational programs. Failure to adopt this or similar practices are the result of bureaucratic inertia (Payne, Blackburn, Cox, Baum, Kritsonis, & O'Neill, 1992) and lack of incentive for change.

Consumers aren't buying the centrally planned product offered by the MEB. Evidence for this is obvious in the following points:

1. About 25% of public school students drop-out of public education before finishing.
2. Many of those who do complete public school programs are neither functionally literate, nor employable.
3. The pervasive criticism of public education from groups representing both citizens and employers.
4. The low opinion of teachers held by the public.
5. The shortage of young people choosing education as a career.



6. The fact that many who stay in the public schools do so because they have no alternative.

Only a radical solution that goes to the root of the problem has any hope of restoring public education to a productive role in society. The source of the problem is the almost total insulation of the consumer from the educational process. The remedy is to strip away the insulating layers of bureaucracy and make the educational system responsive to consumers.

#### **A Solution**

The solution begins with repeal of compulsory education laws and the end of involuntary schooling (Rothbard, 1973). Such laws don't compel education but school attendance. What they guarantee is fodder for the educational bureaucracy, not an informed and literate population. One need look no further than adult literacy statistics to see the failure of compulsory education.

One must want and actively seek education to benefit fully from instruction. Forcing a student to attend math classes will not produce a mathematician. It may not even produce someone who is numerically

literate. If the consequences of education aren't incentive enough, coercion will not improve the situation. Coercion will promote both active and passive resistance to the educational process (Center, 1992; Glasser, 1990; Sidman, 1989). Very few value something that is forced on them.

The solution must provide educators (teachers and building administrators) with direct feedback about consumer satisfaction with their product and performance. This feedback must come from consumers in a way that has real and direct effects on educators. In short, parents and students need the power to make themselves heard and to affect change in educational curricula and teaching practices. One way of doing this is to put parents and students in direct control of the financial resources schools depend upon for their operation (McClaghry, 1984; Rooney, 1992).

The solution requires an education fund, at the state level, to pay for all or most of each citizen's education. Each state government needs to create a fund based on a state-wide, tax structure. The fund should replace the various means now used to pay for public education. The system should provide an adequate level

of funding for the education of every school-age child in the state. Any outside resources, such as federal money to support education for the disabled or disadvantaged, should also go into a state's education fund.

This funding proposal assumes that society has a vested interest in providing every child equal access to education. It is in the interest of society to develop all of its available human resources. Only through investment in its people can a society be productive and competitive. Therefore, we must invest public resources in education. Otherwise, we will limit our resource pool to those children who come from affluent families that can afford good schools for their children.

Each school-age resident of a state should have an individual educational account (IEA). All money in a state's education fund would go into IEAs. Each student would receive a proportional share of the fund. The proportional allocation could vary to accommodate differences in the costs of educating some students, for example, the disabled. It could also vary to

accommodate differences in financial need. A parent or other responsible adult such as a guardian would authorize a school to debit a child's IEA account for educational services.

Public schools should generate all or most of their budgets from IEA payments. Any accredited school, public or private, would be eligible to contract with a student to provide educational services. Contracts should be binding for no more than a quarter at a time. Each contract should specify services, outcomes, responsibilities, fees, and perhaps even penalties.

Consumers should be free to contract for specific academic, vocational, and enrichment courses and special services. These courses could include anything from reading to particle physics, hair styling to computer programming, and piano to drawing. Special services could range from transportation or supervised recreation to remedial help or athletic programs.

Schools should be free to negotiate whatever fees they think appropriate for each course, service or program offered. The funds generated would provide the budget for all current expenses and projected future expenses. As part of this system, schools should also

be free to negotiate salaries, benefits, and other issues with each faculty and staff member.

Under this system parents should be free to place a student in any accredited school provided they can negotiate an agreeable contract with the school. Parents could contract for individual course offerings, services and programs. If what a parent wants is not available in the community, he or she will be free to go elsewhere. Any accredited school in the state, perhaps even outside the state, will be available. Thus, parents and students will control education.

The ability to control a child's program allows a parent to assign resources according to the parent's perception of a child's needs. For example, if transportation services aren't necessary, a parent can use the money for an enrichment course like music or a program like supervised recreation. If a parent wants the best academic instruction available, all funds can go toward that goal. If a parent can't decide what a child needs, some of the IEA funds should be available for professional consultation.

Under the proposed system, schools, programs, and

teachers would have to compete for the available funds. This would cause educators to adopt an attitude toward students and their parents different from what is typical in the MEB. Such a change in attitude would go a long way toward motivating interest in programs such as Total Quality Management (Deming, 1982; Rhodes, 1990a, 1990b). Total Quality Management would help meet two needs in education, consumer feedback and meeting consumer expectations.

Funds in an IEA account should also be cumulative. Thus, a positive balance at the end of a year would carry over and increase the total available in the next year. Positive balances in an IEA should be available, for educational purposes, indefinitely or at least well into adulthood. Under such a system parents and students would have an incentive to use funds judiciously and to conserve them.

Today education has various social agendas that society has charged it with meeting. These can be taken into account in the proposed process. Two prominent social goals are integration of minority and disabled students into the mainstream. Now, such integration depends largely on legal coercion and has

been something less than a success.

Another way to accomplish these or other similar goals is through premiums. A state should put incentive funds into the IEAs for students from targeted groups. Any school serving a student from one of the target groups would be eligible to receive a supplemental payment for that service. To get the premium a school would have to prove that its services to a student meet the social goal. The state would set criteria for determining compliance with the social goal. This might be done through a citizen committee that includes members of the targeted group or their parents.

One could argue that the proposed system would permit schools to refuse to serve minority or disabled students. Civil rights legislation exists that prohibits such discrimination and provides for legal remedies when it occurs. A school could refuse to serve a student if it could not negotiate an acceptable contract for its services. However, no school receiving tax moneys should be able to arbitrarily discriminate against a student.

Under the proposed solution, a state Department of

Education (SDE) would have its own budget separate from the education fund. It would use this budget to manage, for students, the state education fund. A SDE would have five major functions.

1. To maintain IEAs and disburse funds from them.
2. To monitor schools' eligibility to receive payments from IEAs.
3. To set and monitor criteria for extra allocations for and payment of premiums from IEAs.
4. To accredit schools meeting minimum standards for physical facilities, equipment, materials, and staff that can't get accredited by independent agencies.
5. To operate professional license boards.

The role of license boards deserves further comment. Professional license boards will help professionalize teaching and give teachers a voice in their profession. A SDE could manage these boards, but active members of the profession (teachers and administrators) would control certification. Board members would determine the standards for getting a license to teach in a given area. Each board would apply the standards agreed upon to applicants for a license. Such a process would remove control of



licensing from bureaucrats, legislators, and others not directly involved in educating students (Horine, 1992).

#### Possible Outcomes

One result of the proposed system should be an improvement in pay, benefits and working conditions for educators. The distribution of public funds to schools through IEAs should increase the funds available. Use of IEAs would end much of the waste that characterizes the MEB. With IEA funding, educators who can maintain the patronage of parents and students can negotiate better pay, benefits and working conditions for themselves.

A second result of the proposed system should be to make teaching a real profession. That is, make teaching an endeavor that rewards independent judgment, initiative, innovation, and problem solving. This would increase the number of people interested in teaching and make education appealing to some of our most able students. The system should also reduce teacher shortages in critical areas like math, science, and special education. The end result would be improved instruction in all areas.

A third result would be improvement in the administration of schools. A capable administrator will lead a school in creating offerings that meet the needs of consumers. He or she will also recruit and retain capable teachers and other personnel to deliver those offerings. Administrators who can accomplish the above tasks will thrive. Those who cannot effectively manage a school will soon become apparent through the defection of teachers and students.

The same market forces that have long governed the private sector will come into play and soon change the working atmosphere in the MEB. The atmosphere in the MEB now promotes inefficient, rigid and ineffective leadership in our public schools. Under the proposed system, inadequate administrators and teachers who thrived in the MEB, with little or no effort, will have to adapt or stand aside.

A fourth result of the proposed system would be diversity in programming both within and among schools. Each school will have to attract enough students to maintain the school financially. How much diversity within a school is necessary will largely depend upon its size. The larger the school the larger the

enrollment required to support it. The larger the enrollment the more diversity required to generate adequate financial support. Diversity in large schools may come about through an organization not unlike the college organization in universities. Small schools may seek-out a specialized niche in the educational market since they will not need a large enrollment to support themselves.

Some of these small schools will probably develop in response to the needs of special populations, for example, severely retarded students. However, when the unique needs of students are met through diverse programs, there will be less need for services like special education. The current move toward full inclusion of disabled students into regular education is likely to fail. Inclusion will only be successful if there is reform in regular education that makes it more adaptive to the needs of all students. This is already evident in the inability of the MEB to meet the needs of and retain large numbers of regular education students. If the MEB can't successfully serve students, in regular programs, who vary only marginally from the norm, how

can it be successful with students who significantly deviate from the norm?

The fifth result of the proposed system will be a more active interest and involvement of parents in the educational process. In the current atmosphere, parents feel powerless and withdraw from involvement with the schools. Parent apathy is not due to a lack of interest in education but to the oppressive atmosphere created by the MEB (Center, 1992). Empower parents and students and educators will find that parents are not inherently apathetic. They will also find that they are not all happy with the educational status quo.

What changes parents and students will make are difficult to predict with any certainty. However, they will almost certainly include much more attention to the needs of students who are not college bound. These students are in the majority, yet public school curricula hardly address their needs at all (William T. Grant Foundation, 1988). There may also be changes in the role of enrichment activities like art and music and in extracurricular programs like athletics. Changes will probably also include more flexibility in the educational structure. This may mean changing the

conventional notion of what constitutes a class, the role of a teacher, and the teacher/student relationship. It may also result in changes in the age-grade system, the definition of a school-day, and graduation requirements.

Finally, the preparation of academic teachers will probably change. Limiting the responsibilities of SDEs to those discussed earlier would give colleges of education (COEs) a freer hand to prepare teachers. Colleges of education would no longer have their programs and curricula largely dictated by SDE bureaucrats and by politicians. Instead, practicing professionals would influence the preparation of teachers through the professional license boards and professional organizations. This would help COEs become true professional schools.

It is also likely that professional education for academic teachers would become a graduate level program. This would make education more like other professional schools, for example, law or medicine. Undergraduate preparation would probably be a degree in Arts and Sciences. After receiving an undergraduate degree, a

student would enter a professional college of education to prepare to teach. Such a program might include not only classes but also extensive, supervised field experiences and an extended internship or mentorship under a "master teacher." Graduation with a professional degree in education would be the prerequisite for applying for a license to teach.

Under this system COEs would be freer to structure their programs and curricula according to their professional judgment of what their students need. Students who are successful in getting licenses and who succeed as teachers, will validate the training and attract new students to the program. If a COE's students are not successful, the COE will either adapt or fall by the wayside. Post-professional education in COEs will probably exist only to prepare teacher educators and provide continuing education programs.

Under the current approach to education, most instructors teach academic subjects. With the anticipated diversity in curricula that consumer demand will create, the number of non-academic teachers will increase. It is likely that many of these teachers will provide vocational and technical instruction. The

licensing and training of these teachers may follow a somewhat different course than the one for academic teachers. It should, however, evolve in response to the decisions of professional license boards about the requirements for a license.

In summary, the first step is to take away the captive population of students available to both public and private schools. This means doing away with compulsory school laws. Second, we must decentralize education by placing control in the hands of parents, students and teachers. Second, we must create an incentive based feedback loop between educators and consumers. Finally, adequate funding for each student's educational needs must be available and where necessary independent of family income.

#### Conclusion

The authors doubt they will ever see a system like the one proposed in this paper. However, some major restructuring of public education must occur. Without significant change, the quality of education will continue to deteriorate. Failure to act will further accelerate the already increasing exodus from the public

schools (Toch, 1991). This exodus produced an increase of more than 30% in the number of private schools since 1980. There has also been a sharp increase in the number of students educated at home. The number of students educated at home went from 10,000 in 1970 to more than 300,000 in 1991.

At some point, corporations may choose to provide educational services directly or indirectly. This is already done by some foreign corporations operating in the United States. Such services are offered to their nationals as an enticement to get them to accept positions with the corporation in the United States. In part this is done because of language and cultural factors but also because many of these corporate transplants have a poor opinion of American public schools. American corporations may also decide that to have an educated and productive labor force they must provide educational services. Corporate involvement in education could also prove to be an effective way to attract and keep employees.

There are already significant attempts by the private sector to move into education. In fact, some investment advisors are predicting that private



education companies will be one of the major growth areas for investors in the next decade. Two private efforts of note are those of Whittle Communications, Inc. and Educational Alternatives, Inc. (Freadhoff, 1992). The former plans to build a chain of private schools while the latter offers contract services to privately manage public schools. It is only one additional step for one of these companies or another to begin contracting with businesses to provide educational services for their employees and their families. The threat to traditional, business as usual public schools seems obvious but the MEB is blind to it.

In the future, educational services could become a benefit of employment much like health insurance and retirement plans. Many children could have access to quality educational services as a condition of their parents' employment. Without radical reform, public education may become schools for the unemployed and working poor. In short, public school students may be only those who have no other choice (Williams, 1992).

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