

The System

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The institutions that make up the American education system are such familiar elements of this country's public landscape that most people take them for granted. Indeed, even as education has become the American public's number one concern, the public debate about improving education has focused largely on the schools within the system and not on the system itself.¹ School reform is a concept with which most people are familiar. Systemic reform is a concept near and dear mostly to policy "wonks." Although there is no shortage of ideas for changing America's schools, there is considerably less thought about how to improve the institutions that run the schools—local school districts, boards of education, school superintendents, and district offices.

Thinking, however, has begun to shift. During the 1980s a small number of reformers began to ask whether the system might be part of the schools' problem. The system, they suggested, tended to get bogged down in highly politicized issues such as sex education and busing and make little headway on more fundamental issues such as raising student achievement. School politics, they

1. According to a Gallup Poll of 1,004 adults interviewed April 3–9, 2000, 89 percent view education as "extremely" or "very important," the highest-ranking issue in the poll. Wendy Koch, "Senate Debates Sweeping Education Changes," *USA Today*, May 2, 2000, p. 10A.

observed, were often dominated by well-organized groups, such as teachers unions, able to block systemic reforms that the general public strongly endorsed—for example, competency tests and merit pay for teachers. The system also tended to be bound by an inordinate number of rules and regulations—call it bureaucracy—which teachers and principals complained made it difficult to provide quality education. Finally, the 1980s had seen a great deal of conventional school reform, such as more funding, smaller class sizes, and tougher graduation requirements, without dramatic effects on student achievement.²

During the 1990s criticism of the system began to produce changes. States, in particular, began to apply serious pressure to local school systems. These pressures came in two forms. First, states began to adopt academic standards and administer tests to hold schools and school districts accountable for student performance.³ Second, states began to provide families with ways out of the schools offered by local systems and with new sources of public education. Many states approved the operation of charter schools, which are free, open-admission public schools not controlled by local boards of education.⁴ A few states authorized

2. The leading reformers from this period include two Republican U.S. secretaries of education, William Bennett and Lamar Alexander, a number of governors from both political parties, a few maverick urban legislators such as Democratic state representative Polly Williams of Milwaukee, Wisconsin, and a number of scholars. The most critical reform literature of the 1980s and early 1990s includes Chester E. Finn Jr., *We Must Take Charge* (New York: Free Press, 1991); John E. Chubb and Terry M. Moe, *Politics, Markets and America's Schools* (Washington, D.C.: Brookings, 1990); Diane Ravitch, *The Troubled Crusade, American Education, 1945–1980* (New York: Basic Books, 1983); National Commission on Excellence in Education (NCEE), *A Nation at Risk* (Washington, D.C.: NCEE, 1983); and Denis P. Doyle and David T. Kearns, *Winning the Brain Race* (San Francisco: Institute for Contemporary Studies, 1988). Critics of this reform literature include Jonathan Kozol, *Savage Inequalities: Children in America's Schools* (Crown Publishers, 1991) and Edith Rasell and Richard Rothstein, eds., *School Choice* (Washington, D.C.: Economic Policy Institute, 1993).

3. On the standards movement, see especially Diane Ravitch, *National Standards in American Education* (Washington, D.C.: Brookings, 1995); and Grant P. Wiggins, *Assessing Student Performance* (San Francisco: Jossey-Bass, 1993).

4. See Chester E. Finn Jr., Bruno V. Manno, and Gregg Vanourek, *Charter Schools in Action* (Princeton: Princeton University Press, 2000); and Nina Shok-

vouchers to enable disadvantaged families or families in failing schools to attend any public or *private* school of their choosing.⁵ A number of communities, with the encouragement or blessing of states, contracted with for-profit firms to provide alternative schools.⁶ These schools-of-choice initiatives represent a more fundamental challenge to the traditional educational system than the imposition of standards and testing, even though both types of challenges are important. The choice programs look to the forces of the market place—the demand for schools from parents and the supply of schools from a potentially wide range of sources: universities, teachers, community groups, churches, businesses—instead of the traditional forces of politics, to provide the country better schools.

The importance of considering market forces, as the country looks to improve education markedly, cannot be overestimated. The United States has relied on essentially the same system for providing public education since the mid-1800s. For all the variation that this system may seem to exhibit—over time, from one community to the next, and across fifty different states—the system works in predictably regular ways. The system is governed by politics and all that politics implies—good, bad, and indifferent. Markets work in predictable ways also. They do an unmatched job of producing goods and services that are well suited to a market economy, what economists call private goods, and they are unrivaled in raising standards of living. Markets also have limitations; if they are left strictly in private hands, they do not do a good job of producing public goods—for example, clean air or

rai Rees, *School Choice 2000: What's Happening in the States* (Washington, D.C.: Heritage Foundation, 2000), pp. xvi–xvii.

5. For highlights of the controversy surrounding the effects of private voucher programs, see Jay P. Greene, Paul E. Peterson, and Jiangtao Du, “School Choice in Milwaukee: A Randomized Experiment,” in Paul E. Peterson and Bryan Hassel, eds., *Learning from School Choice* (Washington, D.C.: Brookings, 1998); and Cecilia E. Rouse, “Private School Vouchers and Student Achievement: An Evaluation of the Milwaukee Parental Choice Program,” Department of Economics, Princeton University, 1996.

6. On for-profit schools, see John E. Chubb, “Lessons in School Reform from the Edison Project,” in Diane Ravitch and Joseph P. Viteritti, eds. *New Schools for a New Century* (New Haven: Yale University Press, 1997), ch. 4.

ample highways—or of ensuring much equality in social outcomes.⁷ Education has certain of the features of an economist's public good: in particular, the public has an interest in the education of all children; the private interest of the family should not be the sole determinant of how American children are educated. But education could be restructured to take advantage of market forces while remaining ultimately public. This is what initiatives such as charter schools, vouchers, and for-profit schools aim to do. They aim to improve public schools by changing the basic ways the system that produces the schools operates.

Whether the United States looks more to market forces to promote better schools, or seeks improvement within the existing system, the system must be well understood. Efforts to improve schools within the system must work through the institutions that govern and control the schools and negotiate the politics and bureaucracy that make change anything but straightforward. Similarly, efforts to inject competition into the system must succeed within a marketplace created by the democratic process and geared to accomplish public goals—not within a classic private market. Let us consider, then, the workings of the venerable system, first on the system's own terms and then subject to the pressures that market-oriented reforms might create.

IGNORANCE IS BLISS

Education, we are reminded time and again, must get stronger. Children today must be prepared to compete in a rapidly changing world of international commerce and technological innovation. Education that may have been good enough in the twentieth century will never do in the twenty-first—and many schools in the twentieth century, particularly urban schools, were not nearly good enough even then.⁸ Whatever the merits of these reminders,

7. On the costs and benefits of the market, see the classic monograph, Arthur Okun, *Equality and Efficiency: The Big Tradeoff* (Washington, D.C.: Brookings, 1977).

8. A thorough annual summary of student achievement and school reform, state by state, is *Quality Counts*, prepared by *Education Week*. See most recently "Quality Counts 2000," *Education Week*, 19, no. 18 (January 13, 2000).

the American public clearly believes them. Throughout the 2000 presidential election campaign George W. Bush and Al Gore spent more time pitching their educational plans to the American public than addressing any other issue.

The presidential candidates are but two of the many voices calling loudly for reform. From the Congress to the state houses to far-flung boards of education, leaders are demanding improvement. Some of these demands, to be sure, come with proposals for charter schools or vouchers or other market-oriented reforms. But by and large, the demands recommend a different approach, best described as “tough love.” Give public schools more resources and hold them responsible for producing better results—or else. Reduce class sizes, hire lots of new teachers, replace dilapidated facilities, and increase access to technology. Then, set high academic standards, administer standardized tests, and insist that schools show progress against them. The public generally applauds these measures, and politicians are only too happy to offer them up.

There are some problems with these measures, however. A big one is cost. For example, if schools reduce their class sizes by just 20 percent—from, say, twenty-five students in a class to twenty—schools will require 25 percent more teachers to serve the same number of students. Teacher compensation consumes about half of the public education budget, so 25 percent more teachers could mean a 12.5 percent increase in education spending. The United States spent \$351 billion on K–12 education during the 1999–2000 school year; 12.5 percent of that could amount to nearly \$45 billion a year in new education costs.⁹ And this calculation says nothing of the cost of new facilities and additional classrooms that smaller classes necessitate. There may be a more fundamental problem, though, with the various proposals for more resources. There is little evidence that they will raise student achievement at all, let alone promote the dramatic gains that the nation seems to want. Class-size reduction is the only proposed use of new resources for which there is any empirical support.

9. National Center for Education Statistics, *Digest of Education Statistics*, (Washington, D.C.: U.S. Department of Education), table 31, p. 34.

The effects of tougher standards and assessments largely remain to be seen.¹⁰

These reforms have an important virtue, however. They fit nicely within the established education system. They promise improvement through means that are familiar and that seemingly make sense. They do not challenge any deeply held assumptions about how schools should work. They avoid tough and fractious questions about why the schools may not be measuring up. They gloss over the enormous challenges that remain. They conveniently assume that schools will hire excellent new teachers and train them to high levels of proficiency; take advantage of smaller classes to change instruction and produce better results; integrate technology into the core curriculum; and help students meet high academic standards—all things that schools have not done consistently well in the past.

In point of fact, these challenges are simply handed off to the system to meet. Schools are not left to their own devices. Congress hands off to the U.S. Department of Education and other federal agencies. State legislatures delegate implementation to their own education departments. Local boards of education rely on superintendents and district offices. From Washington to state capitals to cities and towns, the American education system supports the schools in carrying out the policies that are ultimately supposed to improve how students learn. The system, it is widely assumed, will put new resources to good use and deliver the ambitious results asked of it.

This is surely the most comfortable assumption to make. Any other assumption calls into question the venerable system itself. Politicians who ask whether the system is up to the new challenges before it risk the wrath not only of the millions of teachers and administrators with vested interests in the system but of the general public, most of whom were educated by the system and often

10. On the effects of school resources on school performance and student achievement, see Allan Odden and Carolyn Busch, *Financing Schools for High Performance* (San Francisco: Jossey-Bass, 1998); and Gary Burtless, ed., *Does Money Matter? The Effect of School Resources on Student Achievement and Adult Success* (Washington, D.C.: Brookings, 1996).

have warm feelings toward it and its most powerful symbols. Politicians who dare suggest that the system may need fundamental reform—particularly reform that would subject the system to competitive pressures from charter schools, private schools, or for-profit schools—are tarred with the brush of “destroying our public schools.” The institution of public education, the system itself, is viewed by much of the public as just as important as the results it achieves. Why the system is so revered has much to do with the hallowed principles on which it is supposed to rest.

FUNDAMENTAL PRINCIPLES

The American education system is a thoroughly public system and has been largely so for 150 years. Education is provided free of charge, at taxpayer expense, to all children and families who want it. All children must attend school (though it may also be a private school) until some time in their midteens. All public schools are run directly by government authorities of some kind. The government provides little financial support to private schools, and most of that is indirect, such as the tax relief provided to all not-for-profit entities. Direct government support for schools that the government does not run itself is still rare: scholarship programs and charter schools today enroll less than 1 percent of students nationwide.¹¹

As a public system, education is shaped primarily by politics: electoral politics, legislative politics, executive and administrative politics, judicial politics. These periodic and ongoing contests for the right to exercise legitimate democratic authority over the schools are what have shaped the education system over time and continue to shape it, even as the system seeks desperately to improve. The politics of education could take the education system almost anywhere. The political process could decide tomorrow to “blow the whole system up,” as New York mayor Rudy Giuliani suggested in 2000. The current system is not mandated by the U.S.

11. The Center for Education Reform, *Charter School Laws across the States 2000* (Washington, D.C.: Center for Education Reform, 2000); and Rees, *School Choice 2000*.

Constitution. The Constitution is silent on how children shall be educated, which means that the responsibility for education rests with the states. But this has not stopped the federal government from playing a large role in the current system or from contemplating an even larger one: note again how large a role education played in the 2000 presidential race. The Constitution is unclear on the acceptability of vouchers, but it would be no surprise if the Supreme Court some day were to endorse a voucher system that would change completely the way schools are funded and shake the current education system at its very foundation.¹²

Politics has enormous leeway to reshape the education system. But politics has historically respected certain fundamental principles about how education should be organized. These principles carry normative weight. They are part of America's democratic tradition. And they have served the interests of groups in positions to exert power in their name. Today, they are fundamental to understanding how the American education system is supposed to work—and why it is supposed to work well.

The first principle is *local control*. Public schools are governed and administered at the local level. Boards of education, elected or appointed through democratic processes, representing local communities, directly govern and administer virtually all public schools in America.¹³ This organizing principle is supposed to put education decisions in the hands of the communities closest to the children and families being educated and in the best position to know what kind of education to provide.

The second principle is *federalism*. The Constitution stipulates a sharing of powers between the national government and the states, a stipulation that silently reserves education to the states. The states have by tradition delegated much of this responsibility

12. On the prospects of an endorsement of vouchers by the U.S. Supreme Court, see Joseph P. Viteritti, *Choosing Equality* (Washington, D.C.: Brookings, 1999).

13. The only major exceptions to this rule are schools in Hawaii, which are governed by one state education system (though there are intermediary authorities serving schools on each island), and schools organized by the U.S. Department of Defense to serve American families working for the armed forces overseas.

to local communities, which should only enhance the objectives on which federalism rests. Federalism was originally meant to discourage any single faction from imposing its will nationally; over time federalism has been valued for encouraging a diversity of approaches to the needs government must meet. With fifty states and thousands of communities providing public education, federalism offers an extensive laboratory for promoting and evaluating a diversity of innovations.

The third and final principle is *professionalism*. Education is too important to be subjected to the direct influence of politics. The victors in the last election should not appoint the teachers, principals, and key administrators that deliver education. Education should be delivered by professionals, individuals who have been certified as skillful and knowledgeable and who can be trusted to make decisions objectively, consistent with education policy and the best interests of children.

PRINCIPLES IN PRACTICE

Although these principles took hold in American education as much for the particular interests they protected as for the greater good they advanced, they have been enshrined as fundamental reasons for valuing the system as it now stands. In practice, however, the system falls short of fulfilling the promise that these principles are supposed to offer.

Local Control

Local control may be the most powerful myth in public education. Among the three principles on which the education system rests, local control is certainly the most venerated symbol of what the system is supposed to be. It is surely invoked more often than the other two in political debates. In recent years the cry for local control has played an important role in slowing the push for accountability. Efforts by the federal government to establish national education standards are regularly and effectively countered by claims that such standards threaten the tradition of local con-

trol. Efforts by state governments to institute mandatory tests are resisted by communities standing up for the near-sacred principle of local control. But just as myths can hold great symbolic value, they can also be untrue. Such is the case with local control. The virtues that defenders of local control seek to protect have been eroding for quite some time.

During the Progressive Era, some one hundred years ago, reformers sought to insulate local education systems from the vicissitudes, patronage, and other unwelcome (read: immigrant) influences of politics.¹⁴ Among reforms the Progressives pursued were the separation of school governance from general local governance and the selection of school boards through nonpartisan elections, held at times other than the regular primaries or general elections. These reforms aimed to take the politics out of education. They hoped to protect schools from the political pressures of mayors, city councils, political parties, and the other institutions of local government. These reforms were widely implemented in public education during the first decades of the twentieth century.

The effects of these reforms have fallen quite short of what the Progressives sought. To be blunt, the Progressives did not end education politics at the local level but fostered politics of another, less desirable kind. Separated from the bulk of local government and the formal apparatus of political parties, school systems became political backwaters. School board elections became low-visibility affairs, typically losing the spotlight to elections of mayors and city or town councils, offices in charge of the gamut of local government services. Turnout in school board elections today is the lowest of any general election, averaging perhaps 10 percent of local voters.¹⁵ School boards have difficulty even recruiting candidates to run for office, and incumbents frequently run uncon-

14. On the impact of the Progressives on education, see especially David B. Tyack, *The One Best System: A History of American Urban Education* (Cambridge: Harvard University Press, 1974); and Lawrence A. Cremin, *The Transformation of the School: Progressivism in American Education, 1876–1957* (New York: Knopf, 1961).

15. An egregious example of poor turnout is the 1997 board election in New York City, which saw a 3 percent turnout, *New York Daily News*, December 14, 2000.

tested. Stripped of political parties, school board elections become contests among individuals and often among personalities. Voters cannot base their votes on education policy or issues unless they can discern the positions of individual candidates on these important matters. Political parties tend to simplify issue voting for the average voter by providing candidates an easily recognized identity. For example, Republicans often favor school choice while Democrats often oppose it. Even if the voter knows nothing about the specific candidates, the voter can use party affiliation to infer which candidate is mostly likely to match the voter's position on school choice. In school board elections, candidates run without party labels and often without clear identities for voters to follow. Although the causes of abysmally low turnout in school board elections are not fully understood, turnout is certainly depressed when the visibility and meaning of an election are unclear.

Not everyone stays out of school board elections, however. Groups that care intensely about school matters do get involved. No one cares more intensely about the makeup of the school board than teachers. The board is "management," determining teacher pay and working conditions. To increase their leverage with management, teachers have, during the last fifty years, increasingly organized teacher unions. The overwhelming majority of U.S. teachers now belong to unions and are represented by unions in negotiating employment agreements with local school systems. Teacher unions are in an unusually powerful position as unions go. They are able to influence the makeup of the management team with which they will be bargaining. Unions frequently recruit and endorse candidates in school board elections and contribute to election campaigns. The precise influence of these practices is difficult to calibrate. Union influence is clearly greater in the Northeast and Midwest, where unions are nearly universal, than in the South, where unions are generally not able to engage in collective bargaining. Overall, it is fair to say that school board elections, being low participation affairs for candidates as well as voters, can be easily influenced by organizations with the vast resources that unions can marshal.

Unions are not the only groups that seek to influence board

elections. There is an important difference between unions and all the others, however. Unions have a uniquely strong and enduring incentive to be involved: the livelihoods of individual teachers are constantly at stake. Others who become involved in board elections or politics have interests that are more episodic or diffuse. Parents obviously care deeply about their children, but their interests in education policy rarely provide the same spur to political action that teachers experience around their personal working conditions. Parents tend to become involved in schools directly, where they can address the needs of their own children. For example, 70 percent of elementary parents attend parent-teacher conferences to hear about their own children's progress.¹⁶ But parents rarely join interest groups to affect education policy, and their turnout rates in board elections are low. Teacher unions, organized to protect the personal welfare of teachers, are permanent organizations, funded by employee dues, with resources unrivaled by any other organized interest in the country.

To be sure, boards have been taken over by or heavily influenced by interests other than teachers. In recent years, notable victories have been won by the so-called religious right, concerned with sex and values education, and by groups advocating special education, bilingual education, and gay rights, to cite only the most prominent. But these cases also underscore the more general shortcomings of school board politics. School boards have become vulnerable to easy capture by interests with intense concerns and the ability to muster resources around them. Board elections turn on very few votes, and the general public often has little idea which way to vote, if it votes at all. School board elections do not easily reflect the broad sentiment of a community. They tend to reflect instead the interests of those who have the determination to find out what the issues are, get candidates in the race, and rustle up the votes needed to win. Teacher unions do this routinely. Other groups with intense interests do this occasionally. The general public and parents do this rarely.

The concept of local control has therefore become one that we

16. *Digest of Education Statistics*, table 25, p. 30.

honor mostly in the breach. The specter of losing local control still raises fear as political rhetoric. But the fact is, local control is not exercised effectively by parents or communities at large, the very groups that are supposed to benefit from governing America's schools at the local level. This has implications for improving America's schools. The changes that schools may need to make may not be ones that the system, as it is now influenced and controlled, is willing to make. Improving the schools may require changes in how they are governed and controlled, away from the current model of local control.

Federalism

The American education system is composed of nearly fifteen thousand local school systems.¹⁷ These systems operate nearly ninety thousand public schools.¹⁸ The schools and the systems that run them are governed by the education policies of their respective states, which are ultimately responsible for public education under the Constitution. In a country as large as the United States, the principle of federalism would seem to provide a critical means to meet the educational needs of an increasingly diverse population. Federalism would also seem to offer a valuable chance to explore educational innovations.

In important respects, federalism has fulfilled its promise. In recent years, for example, something of a consensus has developed nationwide around the desirability of academic standards and testing. The public generally supports the idea that students and schools should be responsible for meeting high standards and passing tests to demonstrate competence. There is no national consensus, however, around exactly what these standards should be or how they should be tested. During the early 1990s the Bush administration and the nation's governors agreed that standards and testing should be established by each of the fifty states. The

17. At last count, in 1996–97, the number was 14,841. *Digest of Education Statistics*, table 90, p 97.

18. At last count, in the fall 1996, the number was 88,585. *Ibid.*

federal government would sponsor efforts to draft model national standards, but each state would decide for itself what standards it would follow, if any. Ten years later, every state but one has developed and implemented academic standards, and all but a handful have mandated standardized tests. If the federal government's effort is any indication, standards would not be a reality today had the responsibility not been delegated to the states. Efforts to reach consensus at the national level often became embroiled in controversy.¹⁹ But at the state level, although the issues are often difficult, they are narrower in scope and more manageable.

Federalism has enabled the country to tailor other education policies to reflect local needs and values. Bilingual education is provided differently from state to state, as the views of nonnative and native English speakers vary widely. Special education and gifted and talented programs vary, too. States have long differed in the curriculum frameworks they provide and in the texts that they approve for instruction. States vary in the funding they provide their schools, depending on much more than the wealth of the state. Critics, from both the liberal and the conservative perspective, have often criticized this interstate variation. Liberals, for example, cannot abide the stingy and inequitable funding that they believe some states provide their schools. Conservatives despair the vague and undemanding standards that some states adopt in the name of accountability.²⁰ But, without federalism, it is easy to imagine education policy hopelessly deadlocked. Federalism allows each state to move forward at its own pace.

But federalism has provided less support for educational improvement than it might appear. The sheer number of districts and the high-profile differences among the states imply more diversity and innovation than is actually there. Indeed, as the full sweep of the federal system is taken in, the sameness of the system is what overwhelms. This impression is greatest when examining basic school operations.

19. Ravitch, *National Standards in American Education*.

20. Chester E. Finn Jr. and Michael J. Petrilli, eds., *The State of State Standards 2000* (Washington, D.C.: Thomas B. Fordham Foundation, 2000)

Across nearly fifteen thousand school districts there is essentially one way of doing business. The board of education hires a school superintendent to open and operate a system of public schools to serve the children within the board's jurisdiction. The superintendent, in turn, hires an administrative team—otherwise known as a district office—to administer the system of schools. The schools are set up around an age-graded structure through which students are expected to pass, meeting expectations in annual increments each year as they age. The district hires teachers once they have been awarded a teaching credential by the state. The credential certifies that teachers have met certain educational requirements and have served a brief apprenticeship. Once on the job, teachers are compensated based on their years of experience and the educational credentials they continue to acquire.

Principals, hired by districts to run schools, are generally given limited discretionary resources to do so. The number of teachers—often who those teachers are—and the curriculum and technology in the school are all determined by the board or the district administration. In a school spending \$3 million dollars a year—typical of an elementary school—the principal might control \$50,000. The principal also has limited control over the teachers he or she is supposed to manage. The ability of the principal to direct, observe, evaluate, and reward teachers is severely circumscribed by board policy or collective bargaining agreements. The schools are filled with students according to administrative convenience. Students are generally assigned to attend the school nearest their home; attendance boundaries are set and shifted by the district to maintain equal enrollments in the schools.

Not every school district operates precisely according to these rules. Districts may deviate from one or even a few of them. Some districts allow students to choose to attend schools out of their neighborhood. Other districts hire teachers without certification and permit them to become certified on the job. But these are the exceptions that prove the rule. Across nearly fifteen thousand school districts, education has come to be organized around a consistent set of rules of public administration, emphasizing formal processes, such as moving students through annual grades; objec-

tive criteria, such as teacher certification and seniority; and administrative efficiencies, such as assigning students to schools to maintain equal enrollments—to name but a few of the common threads.

These practices exclude a host of plausible alternatives. Students could be allowed to choose their public school, a rule that might cause schools to become concerned with whether they would be chosen—and adjust their performance accordingly. Principals could be given the full resources of the school to allocate among teachers, curriculum, and technology—to maximize school performance. Teachers could be evaluated informally through ongoing observations by principals and compensated on the basis of their work in the classroom and the performance of their students—to improve the link between the quality of teaching and the rewards for it. These examples only scratch the surface of alternative ways of organizing a school system. But they underscore the fundamental sameness of school operations in America, despite nearly fifteen thousand opportunities for public school systems to do things differently.

Many reasons exist for the consistency of school administration across the nation. One is the model of “scientific management” on which school administration (and much public administration) rests. It is a Progressive legacy of efforts to rid the schools of the patronage and corruption that plagued them before formal rules were put into place. Another reason is the political influence of teacher unions, which value the impartiality of a rule-based system. The current system prevents one teacher from being easily judged better than another, protects all teachers from the potential arbitrariness of principals, and ensures that all schools have rights to students and resources regardless how they may be performing. Union strength stems from the ability to enroll as many teachers as possible, whether those teachers are excellent, solid, or mediocre. The rules of the current system protect all teachers without distinction and are therefore in the best interest of unions.

The consistency of district practice also reflects a steady nationalization of education. Since the 1930s and President Franklin Roosevelt’s New Deal, the role of local government in the United

States has generally declined and the roles of the federal and state governments have grown.²¹ This trend accelerated during the 1960s with the Great Society policies of President Lyndon Johnson, finally peaking during the 1980s with President Ronald Reagan's efforts to limit the growth of the federal government. Education has followed the same course as domestic policy more broadly. During the 1920s the federal government provided less than 1 percent of the funding for K–12 education; the states provided 16.9 percent, and local government provided the lion's share, 82.7 percent.²² During the 1930s the states moved into education funding in a big way, upping their share of education spending to 30.3 percent while the local share fell to 68 percent. The federal share, though still small, quadrupled, to 1.8 percent. Over the next thirty years these trends continued and then picked up steam, dropping local government into second place as a source of education funds in the 1970s. By that point local government was providing only 43.4 percent of the funds for public schools, the states 46.8 percent, and the federal government 9.8 percent.

Although these trends have reached a plateau, and the federal role has scaled back to about 6.5 percent today, the impacts on American education are clear. As local government lost its dominant control over education spending, local government also lost exclusive say over how schools were run. Federal policies for vocational education, disadvantaged education, special education, bilingual education, and many other particular needs in education required school districts to build consistent administrative systems from state to state. State policies also began to impose order on the schools.

The greatest legacy of state influence is the massive consolidation of local school districts. During the 1930s the then forty-eight states included 117,108 school districts. Most of these districts were so small they included only a single school. Districts this tiny had no

21. On the general trend toward centralization in American government, see John E. Chubb, "Federalism and the Bias for Centralization," in John E. Chubb and Paul E. Peterson, eds., *The New Direction in American Politics* (Washington, D.C.: Brookings, 1985).

22. *Digest of Education Statistics*, table 39, p. 50.

capacity to account for external funds or manage intergovernmental programs. Developing the capacity would have been prohibitively expensive. From the 1930s through the 1960s the states aggressively encouraged or required districts to consolidate with one another. The number of school districts plunged to roughly 80,000 in 1950, 40,000 in 1960, and less than 20,000 in 1970. During the 1990s the number dropped below 15,000 where it stands today.²³ The consolidation process helped shape school districts around a consistent model of governance and administration.

This model includes the practices highlighted above, as well as significant others. In particular, consolidation reinforced an administrative preference for larger schools. Just as certain districts were deemed too small to be efficient, so too were many schools. In 1930 the average public school served 227 students.²⁴ In 1996, the most recent date for which data are available, the average public school served 515 students. From 1930 to 1996 enrollment in public schools nationally grew from 25.7 million students to 45.6 million, an increase of 78 percent. Over that same period the number of schools serving public school students *declined* by 22 percent. In 1930 the United States had nearly 113,000 public schools; in 1996 it had only 88,585. Whether public schools today are too large is difficult to say. Research suggests that schools can become too large to be successful.

But the interesting point is that the public system made the distinctive and consistent decision to close small schools and replace them with ones that are much larger. Contrast these trends with those in private education. From 1930 to 1996 enrollment in K–12 private schools increased from 2.7 million students to 5.8 million, an increase of 118 percent—or somewhat more in percentage terms than enrollment in public schools. To meet this new demand the number of private schools also increased, from 12,500 schools to 36,095 schools, an increase of 188 percent. The effect of the sharp increase in the number of private schools was to *decrease* the average size of private schools from 211 students to 160 students.

23. *Ibid.*, table 90, p. 97.

24. *Ibid.*, table 3, p. 12, and table 90, p. 97.

Comparing the public and private responses to increased demand is instructive. In 1930 the average size of public and private schools was nearly identical, 227 and 211 students, respectively. Over the ensuing half-century both sectors faced roughly a doubling of demand. The public system, responding to political and administrative pressures, consolidated schools, doubling them in size. The private system, responding to the pressures of parents and the marketplace, increased the number of schools, slightly reducing their average size. The point is not that either of these developments is superior educationally. The point is that the public system moved toward a model of schooling consistent with the pressures for central control and uniformity while the private system gave families something else.

It must be emphasized, before leaving the principle of federalism, that the nearly 15,000 school districts across America are not a completely consistent lot. The New York City public school system serves more than one million students, supports more than a thousand schools, covers a densely populated urban area, and spends roughly \$8 billion a year. In contrast, a number of school systems around the country include only a single school but might serve a vast rural expanse. In between lie districts of many shapes and sizes. This immense variation, however, can be simplified.

American school districts are of three basic types: small, medium, and large.²⁵ The large districts enroll twenty-five thousand or more students. In 1996, 226 districts fell into this category. Although these districts represent only 1.5 percent of districts nationwide, they enroll nearly one-third of all U.S. students, 31.1 percent to be exact. Medium districts enroll 2,500–25,000 students. There are 3,662 medium districts, or about 25 percent of all districts. Medium districts enroll 50.1 percent of American students. Finally, more than ten thousand small school districts, nearly three-fourths of them all, enroll less than 2,500 students and serve about 19 percent of students nationwide.

These categories are useful for refining the picture of how the

25. The data below can be found in *ibid.*, table 91, p. 97.

education system works. Although all public school systems tend to follow the same administrative model, districts vary in several notable ways. Problems of bureaucracy are undoubtedly linked to district size. The large school systems, only 1 percent of all districts but serving a third of kids nationwide, are the ones where bureaucracy and politics are most likely to interfere with school performance in significant ways. These are the districts where rules governing who can do what, where, when, and how most easily impede efforts to manage schools with judgment, discretion, cooperation, and a focus on results. In sharp contrast are the more than ten thousand small districts. These systems operate according to the same rules as other public school systems except they can barely afford the essential administrative operation that they need. Bureaucracy is not the problem in these systems; the problem is that the system struggles to provide schools meaningful support.

In between these extremes are the medium systems, trying to strike a balance between supporting the schools with valuable services such as professional development, assessment, and technology and not burdening the schools with bureaucracy. Although medium districts can be found throughout the country, they tend to predominate in suburban areas. If suburban districts appear to be where American schools are working, part of the reason is that suburbia is where school systems are most often of a size that is politically and administratively manageable. Large districts tend to be associated with major urban areas. These districts are therefore burdened not only with the enormous educational challenges of poverty and despair but by the tensions and rigidities of large bureaucracies. Finally, America's rural areas are places where school performance is generally not strong and where districts are often small and ill equipped to provide schools substantial support.

This variation should not obscure the fundamental shortcomings of federalism as a source of educational innovation and improvement. Although the system is hardly a monolith, its evolution has been in the direction of structural uniformity. The differences that do exist offer little in the way of fundamental change. The

differences do little for the urban and rural schools that need improvement the most.

Professionalism

The concept of professionalism, like the concepts of local control and federalism, is a powerful symbol in American education. Americans value the public education system because it is run and served by trusted and dedicated professionals. This appreciation begins with teachers. Teachers are among the most esteemed group of workers in America, ranked by the public well ahead of business people, politicians, and other civil servants.²⁶ During the 1996 presidential race, the Republican candidate, Senator Robert Dole, discovered just how highly teachers are regarded by the general public. In an effort to build support for his school choice policies, Dole attacked teacher unions, which oppose school choice. The public interpreted the attack as a criticism of teachers and reacted very negatively. Dole quickly abandoned the strategy. Teachers are surely esteemed for many reasons, not the least of which are personal. Adults know teachers through their childhood memories and through the experiences of their own children, perspectives that tend to be positive.

Teachers are also respected because of careful efforts by their unions to cultivate the image of professionalism. The largest national teacher union, the National Education Association, resisted for many years even calling itself a union, preferring the more honored label of professional association.²⁷ Since the days of the Progressives, education has been singled out as a special kind of public service. It is typically separated from the rest of local government and from partisan politics. Employment in education requires special certification, outside the routine civil service. Teachers often hold advanced degrees. The people that run the schools, principals

26. A consistent result in annual Gallup poll of trust in American institutions and professions.

27. Unions, as opposed to teachers, are not well regarded by the public. In a Gallup poll in 1996 the public ranked unions twenty-second out of twenty-seven organizations in the levels of confidence they inspire. *Digest*, table 29, p. 33.

and superintendents, are highly educated and specially trained, often holding doctorates. These many credentials send the message that public education is not delivered like other public services, by politicians and bureaucrats. Education is provided by skilled professionals, acting in the best interests of the children they are entrusted to serve.

Professionalism is more than a powerful symbol of what is good about public education. Professionalism is also an important operating principle for the system. Teaching and learning are processes that are difficult to program. Different students learn in different ways. The teacher's job is to be skilled in a range of instructional strategies and to use whatever strategies are necessary to help every student learn. Students do not learn by simply reading a text or listening to a lecture or engaging in any other single learning activity. Students need a mix of activities, and different students may need different mixtures. Teachers must be trained and equipped and then trusted to make the many instructional decisions necessary for every child to learn. Teachers, in other words, must be trained to work as professionals, using their knowledge and experience to make the best decisions for students.

In certain ways the education system has evolved as a professional system. Virtually all teachers, principals, superintendents, and other district officials have been certified for their jobs by the state. Public educators increasingly hold advanced degrees. In 1996, more than 56 percent of all teachers in public education held a master's degree or higher; in 1971 only 28 percent were so well educated.²⁸ Among principals, 75 percent currently hold a master's or doctorate; the rest have earned a specialist certificate.²⁹ During the last thirty years, as the public schools have been subjected to steady pressure to improve, educators have at least acquired the credentials to succeed. Fundamentally, the system respects this professional preparation. Teachers are largely free of prescriptive requirements governing how they must teach. From classroom to classroom in a typical school, teachers teach in a

28. *Ibid.*, table 70, p. 80

29. *Ibid.*, table 88, p. 95.

variety of ways, not necessarily differentiated by student needs but by the philosophy or experience of the teacher. Some classes may involve lots of hands-on activities, others mostly lecture. Some teachers may have students working in cooperative groups, others working alone and sitting in traditional rows. Some teachers may be working with district textbooks, others using their own materials. The system treats teachers as professionals in this vital part of their work.

But the system falls far short of functioning as a professional system ought. Most important, the system offers little accountability. A professional system has two hallmarks, autonomy and accountability. Professionals are given tasks when the requirements of doing them well dictate the exercise of ample discretion. The freedom to exercise discretion—autonomy—is then checked by the system with provisions for accountability. These provisions generally focus on the results of the tasks, not on how the tasks themselves are carried out. A professional model of education would recognize that teachers and schools need to decide how best to educate each student. The system would not monitor or particularly care how each school provided education; the system would care about and monitor what students learn.

American education has not done a good job of providing accountability—or autonomy. The system has only recently begun holding schools accountable for results, for what students learn. Until the late 1990s most states and local school systems did not have academic standards; they simply did not specify in any detail what students needed to know or be able to do to be considered well educated. Typical requirements specified what students had to take or pass to graduate from high school or be promoted. But requirements such as “three years of mathematics,” for example, allowed students with a wide range of skills, from poor to excellent, to earn high school diplomas. By 2000, every state but Iowa had developed academic standards.³⁰ Yet these new standards, often hailed as triumphs of education reform, leave much to be desired. The standards, products of committees and political com-

30. Education Week, *Quality Counts 2000*, pp. 62–63.

promise, are often too vague about what students must master to be of much use. According to one recent rating of the standards, an evaluation of the potential for the standards to shape education, only nine states had standards that deserved a grade of A or B.³¹

Of course, standards must also be enforced if they are to affect schools. Standards must be backed with assessments of what students have learned. The assessments must be backed with consequences—for example, rewards for schools that do well or support or sanctions for schools that do poorly—if schools are to take the assessments seriously. At last count, twenty-one states had strong systems of assessment and consequences.³² Unfortunately, most of those systems were not linked to strong academic standards. Most states carrying out assessments with consequences were administering standardized tests, bought “off the shelf,” that were not linked to their academic standards. In these states, schools are trying to get students to pass tests that do not measure most of what states expect students to know and be able to do. Only five states have what can be considered strong academic accountability systems, with both clear academic standards and assessments designed to measure those standards.³³ Fully forty-five state education systems do not have academic accountability fully in place.

Autonomy is also a significant weakness. Despite the rhetoric of professionalism that surrounds public schools, the schools display many of the classic characteristics of bureaucracy. Schools deliver many specific educational programs—for example, special education, bilingual education, education for the disadvantaged, to name only the largest—that come with detailed rules and regulations and require many administrators to carry out. Collective bargaining has brought to schools a large number of work rules protecting teachers from assignments that teachers consider unfair or excessive. The rules also prescribe how teachers are to be evalu-

31. Finn and Petrilli, eds., *The State of State Standards*, p. 1.

32. Education Week, *Quality Counts 2000*, pp. 62–63.

33. The states with the strongest accountability systems are Alabama, California, North Carolina, South Carolina, and Texas, as described in Finn and Petrilli, eds., p. 3.

ated, terminated, transferred, and compensated. Whatever the merits of these rules, they also limit the ability of principals to manage schools creatively and flexibly. If, for example, a principal wants to build a team of teachers who share a common instructional philosophy or reward teachers for student achievement or ask teachers to spend more time with parents, she or he will often find obstacles in the teacher contract. Of course, the system does not really expect principals to succeed by being innovative. The system gives principals almost no financial discretion. The principal is expected less to lead the school in creative directions than to manage the school according to the rules set out by the local board and the state. The only leader in the public system expected truly to lead is the superintendent. Yet superintendents are often so limited by the rules of the established system that they cannot lead and, in difficult urban systems, are fired every two years.

The signs of bureaucracy are not only in the rules. School organization is increasingly bureaucratic, relying less on teachers and more on other specialized players, some professional and others not, to provide education. In 1996, only 52.1 percent of all local school district employees were teachers. In 1950, 70.1 percent were teachers.³⁴ The change is not due mostly to the hiring of lots of central office administrators. Most of the change can be attributed to “support staff”—paraprofessionals, school-site administrators, and a small percentage of other professionals such as social workers and counselors who assist teachers at the school. These people are not generally “pushing paper,” as the bureaucratic stereotype suggests; they are delivering specific support services as prescribed in various education programs. These movements toward a less teacher-centered and classically professional model of education and a more prescriptive and bureaucratic model are reflected in school district spending. In 1996, 62 percent of the spending in local school districts went for instruction, including teacher salaries and benefits and instructional supplies. Administration, in the district office and in the schools,

34. *Digest*, table 83, p. 90.

consumed 15 percent, or nearly a fourth of what schools spend on instruction.³⁵ This is a high rate of administrative overhead for a system that prides itself on its respect for professionalism.

AN ALTERNATIVE SYSTEM

The inefficiencies, lack of innovation, weak accountability for results, slow pace of improvement, and bias toward the status quo that characterize the current system are prices that are paid for the way the United States has historically chosen to govern and run its schools. There are other ways the country could provide free and universal public education, accountable to democratic authorities. There are other ways that would not subject the schools to the levels and kinds of political and bureaucratic stresses found in the education system today. These other ways would change the fundamental operating assumptions of the current system. The new system would be subject less to the principles of politics and more to the principles of the market.

How might a market-based system of public education work? Very briefly—for other chapters will address this in depth—market control would begin by transferring the authority to operate schools from local school boards exclusively to other providers, approved by democratic authorities. New providers would be funded not by administrative convenience but by enrollment. New providers would need to enroll students to remain in business, pressure that should encourage schools to do whatever is necessary as effectively as possible to attract and maintain students.

Theoretically, this pressure would help schools in a marketplace avoid some of the core problems encountered by schools in the political arena. Schools would better reflect the interests of parents—as opposed to the groups favored by the political process—because parents in a marketplace are empowered to “vote with their feet.” This change would in effect restore some of the “local control” that schools have lost over recent years. Schools free from

35. “Administration” includes “instructional services,” “general administration,” “school administration,” and “other support services.” *Ibid.*, table 162, p. 174.

the powerful influences of groups wedded to the systemic status quo would be able to change important elements of the system to enhance school performance. Schools could, for example, reform accountability and compensation systems, establishing systems based rigorously on the achievement of results desired by parents, such as academic achievement. Under a market-based system, schools would have strong incentives to innovate themselves, as opposed to waiting for their political or bureaucratic authorities to mandate innovation. Schools would almost certainly spend fewer resources on bureaucracy than the current system spends. Schools would be free to retain leadership long enough to carry out major reforms and to see them to a successful conclusion—unlike in the uncertain political arena where leaders and reforms constantly come and go. Schools would have the ability to allocate resources themselves to meet efficiently the demands of parents and of school success.

Of course, there are no guarantees that markets will yield these benefits. Theoretically there are many ways for markets to fail. Parents might be poorly informed and make poor choices of schools, providing less than ideal pressure for schools to deliver quality. Parents from different socioeconomic backgrounds might make choices of different quality, exacerbating inequality in schools. Schools might not come easily into the marketplace, leaving parents to vie for limited spaces in a small number of decent schools. Schools might deceive parents about their academic quality with advertising. The list goes on. The government could take measures, however, to ensure that the education market works equitably as well as efficiently. The government could provide parents information about schools—school report cards—to help ensure informed choices. Disadvantaged families could be given advantages in the choice process—for example, seats reserved in every school, lotteries to determine school admissions, larger private vouchers.

For years, theory was the major basis for debating the benefits of an educational marketplace. The only empirical evidence of market forces came from private schools or from the residential choices that parents make based on the quality of public schools.

The evidence from these sources arguably supports experimentation with markets for public education.³⁶ Better evidence of the workings of market forces in public education now comes from charter schools, private scholarships, public vouchers for private schools, and for-profit schools. The evidence from these initiatives is steadily mounting and should be followed closely. Soon the debate about the merits of markets should not have to rest on speculation and tradition alone.

This is critical, for the existing system of education, despite its fundamental strengths and historical accomplishments, is a system with vital weaknesses. The principles on which it is based—local democratic control, federalism, and professionalism—are fulfilled more in rhetoric than in reality today. The system itself does not work consistently in the best interest of schools. The country could strengthen public education by maintaining what is best about that system. Democratic control, universal access, full funding at taxpayer expense, high academic standards, tough accountability: these should be the hallmarks of public education, the principles on which a stronger system of public education in the future could rest. The delivery of public education could then be turned over to a new system, one resting on market principles: choice for parents, healthy competition among schools, opportunities for new and different kinds of providers, as well as local boards of education, with the government overseeing and informing the market's operation. A mixed system of democracy and markets may be the best system for education, just as it is the best system in so many areas of American commerce and life.

36. On the effects of choice, see Chubb and Moe, *Politics, Markets, and America's Schools*; Rasell and Rothstein, *School Choice*; and Peterson and Hassel, *Learning from School Choice*.