

Key Findings

1. Under Colorado's Innovation Schools Act, school leaders are allowed to obtain waivers from the heaviest state regulations and the most restrictive collective bargaining agreements to offer new, creative teaching models for delivering high-quality education to schoolchildren.
2. A principal in an Innovation School is allowed to hire teachers on one-year contracts and pay them bonuses for raising student achievement.
3. The Innovation School status of a school can be revoked if, after three years, the academic performance of its students does not improve.
4. An Innovation School policy would significantly increase Washington's chances of winning up to \$250 million in the Obama Administration's Race to the Top competition.

Innovation Schools Raise Learning Outcomes for Students

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December 2009

Introduction

Last year the Colorado legislature passed a bill with the support of both parties to improve student learning in public schools by giving local education officials independence and flexibility in designing their academic programs and in making day-to-day operational decisions.¹ The 2008 bill, the Innovation Schools Act, permits public schools, groups of schools and school districts to escape some of the heaviest state regulations and the most restrictive collective bargaining agreements to develop new, creative teaching models for delivering high-quality education to schoolchildren.²

This is how the Colorado Department of Education describes the new program:

“The Innovation Schools Act encourages schools and districts to design and implement innovative practices in a wide variety of areas to improve student outcomes, and to obtain waivers from those policies that would otherwise present obstacles to such innovations.”³

The new law is bringing significant educational benefits to Colorado children. However, Innovation Schools are not legal in Washington state. The highly-centralized regulatory structure of Washington's public school system prevents enterprising school leaders and teachers from creating school models designed to meet the educational needs of their students. Adopting an approach like the one enacted in Colorado would allow Washington officials to reorganize public education based on the knowledge and experience of local school principals and teachers. In addition to allowing public educators to improve the way they teach children, an Innovation School model for Washington would allow our state to apply for up to \$250 million in grants from the Obama Administration's \$4.3 billion Race to the Top program and from the \$650 million Innovation Fund. Under current state law, Washington schools are not eligible to receive money from either program.

¹ Innovation Schools Act of 2008, Sections 22-32.5-101 et seq., *Colorado Revised Statutes*, sponsored by Senators Peter Groff (D) and Nancy Spence (R), signed May 28, 2008.

² Waiver of collective bargaining provisions require approval of 60% of the members of the collective bargaining unit who work at the school. Teachers not willing to work at an Innovation School are allowed to transfer to another school, as provided by the Innovation Schools Act.

³ “Guidance for the Implementation of the Innovation Schools Act of Colorado 2008,” Colorado State Board of Education, at www.cde.state.co.us/cdegen/SB130.htm.

Background

Several key indicators show that public schools in Washington are underperforming when it comes to preparing children for a lifetime of learning and for success in life and in the workplace. The data show that Washington lags significantly behind other states in adopting cutting-edge reforms that improve learning outcomes for students.

- One-third of Washington's students fail to graduate from high school.⁴ In contrast, up to 90 percent of private school students graduate
- Only 34 percent of public school 8th graders scored proficient or better in reading on national tests, and only 36 percent scored proficient or better in math⁵
- Only 45.2 percent of Washington public school students passed the 10th grade math Washington Assessment of Student Learning (WASL) in 2008-09⁶
- Persistent and large gaps in learning achievement exist between affluent and high-poverty students and schools⁷
- Over half (52 percent) of public school students entering community or technical colleges arrive not ready to learn, and must take remedial courses in math, English or reading to catch up⁸
- 37 percent of Washington's students entering a four-year university or two-year community college arrive not ready to learn, and must take remedial math or reading courses to catch up⁹
- Washington ranks 43rd in the nation in graduation rates¹⁰
- Two official commissions now report that, for the first time, public schools are producing a generation of students who are less educated than their parents¹¹

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A new indicator from the State Board of Education provides more specific information about individual school performance. In 2007, one in fourteen of Washington's public school students, or 70,500 children, attended very poor schools, according to the State Board of Education rating index.¹² Students in these schools,

⁴ "State Information," Alliance for Excellent Education, citing Editorial Projects in Research Center 2007 for 67% high school graduation figure, October 2007.

⁵ National Assessment of Educational Progress, U.S. Department of Education, 2007, at www.nces.ed.gov/nationsreportcard/.

⁶ "Washington State Report Card," Office of Superintendent of Public Instruction, at www.reportcard.ospi.k12.wa.us/summary.aspx?year=2008-09.

⁷ "State Board of Education System Performance Accountability Policy Framework Proposal," State Board of Education, October 28, 2008, page 5, at www.sbe.wa.gov/documents/DRAFTSystemPerformanceAccountabilityPolicyFrameworkAdoptionDocumentFINAL_002.pdf.

⁸ "Role of Pre-College (Developmental and Remedial) Education for Recent High School Graduates Attending Washington Community and Technical Colleges," Research Report No. 07-2, Washington State Board of Community and Technical Colleges, December 2007.

⁹ "Key facts about higher education in Washington, 2007," Washington Higher Education Coordinating Board, page 38, at www.hecb.wa.gov/news/newsfacts/documents/Part3forWeb.pdf.

¹⁰ "Ready for What? Preparing Students for College, Careers, and Life After High School," Diplomas Count, The Graduation Project 2007, *Education Week*, page 4, at www.edweek.org/media/ew/dc/2007/wa_SGB07.pdf.

¹¹ "Washington Learns, World Class, Learner-focused, Seamless Education," Governor Christine Gregoire, Chair, Final Report, November 2006, page 13, at www.washingtonlearns.wa.gov/report/FinalReport.pdf.

¹² The Washington State Board of Education has recently proposed an accountability system for Washington's schools based on an index of school performance that ranks schools on; 1) achievement of all students, 2) achievement of low-income students, 3) achievement of all students compared to similar schools (adjusted for the percentage of students who are learning English, have a disability, live in low-income homes and are mobile), 4) improvement.

called “struggling schools,” persistently scored at significantly lower levels than students at similar schools.¹³ The index rates only 4 percent of Washington’s public schools as “exemplary,” 32 percent as “good,” 51 percent as “acceptable,” and 13 percent as “struggling.”

Taken as a whole, the Board of Education reports that 64 percent of public schools in Washington are “acceptable” or “struggling,” while only 36 percent are described as “good” or “exemplary.”

Lack of Money is Not the Problem

The low performance of many public schools is not the result of poor funding. By any reasonable measure, Washington public schools receive ample funding, with education budgets at historic highs. While the number of children in some districts has decreased over time, the long-term trend shows school funding has consistently increased year after year.

The state Supreme Court recently ruled unanimously that the legislature’s method of funding public schools is constitutional under the “ample provision” requirement of the state constitution.¹⁴ Other indicators of the high levels of public school funding in Washington show:

- Taxpayers provide over \$9 billion a year to educate about one million students
- Per student funding is \$10,274 a year, the highest level in state history
- The average teacher salary is \$72,000 in pay and benefits for a nine-month work year. The average salary in Washington is about \$42,000 for a twelve-month year
- With the trend toward smaller families, there are proportionately fewer children in school today than in the past, with more taxpayers than ever paying into the system
- Local voters approve most supplemental levies, and the legislature recently enacted rules making it easier for school levies to pass
- Only 59 cents of every public education dollar reaches the classroom
- School principals control only 5 percent of their budget
- The majority of school district employees are not classroom teachers

At the same time, private schools in Washington often spend less money per student, pay their teachers less, and produce better learning outcomes for children than public schools. The key difference between public and private schools is that state law authorizes private school principals to control nearly 100 percent of their budgets, pay bonuses to retain the best teachers, fire poor-performing teachers, and hire any qualified applicant as a classroom teacher. In private schools it is common for more than 80 percent of total funding to be devoted to direct classroom instruction.

¹³ “State Accountability Index, Report to the State Board of Education,” by Pete Bylsma, Ed.D., MPA, June 2009, www.sbe.wa.gov/documents/Account%20Sys%20-%20SBE%20Input%20Revised%20Paper%20on%20Index%20June%202009.pdf.

¹⁴ *Federal Way School District No. 210 v. State*, docket 80943-7, Supreme Court of Washington, November 12, 2009, at www.courts.wa.gov/opinions/index.cfm?fa=opinions.showOpinion&filename=809437MAJ.

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The Innovation Schools Model

Experience in other states shows that the Innovation School model would likely solve many of the problems that currently face Washington public schools. The principal of an Innovation School has the management freedom to implement constructive changes and improve student learning. In contrast to the typical principal in a Washington state school, an Innovation School principal is responsible for all aspects of school management, such as curriculum planning, hiring teachers, reviewing classroom performance, arranging professional training and development, maintaining student accountability and paying year-end bonuses to retain the best teachers.

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The Innovation School model provides for a series of waivers to exempt a designated school from a defined set of regulations. It also specifies which regulations may not be waived, such as teacher pension benefits, state and federal testing requirements, school academic ratings, public safety rules and laws protecting the civil rights of employees and students.¹⁵

The Innovation School model is designed to have accountability built in. The local school board may revoke an Innovation School plan if, after three years, the academic performance of the students at the school has not improved significantly. This greatly reduces the risk school district officials face in adopting an Innovation School plan. If students are not learning, officials can change or cancel the plan, and the school board can return to operating the school like any other traditional public school. In contrast, a failing traditional public school can operate for years without facing significant change in management, curriculum, operations, teaching staff or student learning.

An Innovation School in Practice: Manual High in Denver

On March 19, 2009, the Colorado State Board of Education approved the request of education leaders at Manual High School in Denver to operate one of the first Innovation Schools in Colorado. Manual High principal Rob Stein told the state board that he and his staff have an:

“...extraordinarily strong and passionate commitment to what’s best for students,” but the normal public school “environment is so over-regulated, it’s hard to focus on our mission.”¹⁶

At one time Manual High School was held up as a model of excellence and community involvement. The school fell on hard times in the mid-1990s when student test scores plummeted. After several failed attempts at improvement, local officials closed Manual in 2006. The school reopened in 2007 with a new principal, new teaching faculty and new support staff.¹⁷ With fresh leadership and a new teaching team in place, Manual experienced a remarkable turn-around, achieving state-wide recognition as a successful Innovation School in just two years.

Manual’s Innovation School Plan allows the principal to remove artificial barriers that prevent teachers from providing the most effective education possible for students.¹⁸ The Innovation Plan allows the school to waive over

¹⁵ Colorado Revised Statutes 2009, Title 22, Article 2, Section 117.

¹⁶ “Colorado State Board of Education Approves BEST Grant Recommendations; Two ‘Innovation School’ Proposals Given Green Light,” press release, Colorado Department of Education, March 19, 2009.

¹⁷ “Manual Overview,” Manual High School, Denver, at www.manual.schoolfusion.us/.

¹⁸ “Manual High School Application to be Designated As An Innovation School,” resolution, Colorado State Board of Education, approved March 16, 2009, at www.cde.state.co.us/cdegen/downloads/SB130/DenverPublicSchoolsManualInnovationPlan.pdf.

21 highly-detailed sections of the Colorado Revised Statutes, which at other schools dictate the school calendar, classroom hours, the educational program, teacher employment, compensation and dismissal, and other details of school management.

As a result, Manual High School principal Rob Stein is fully responsible for all important aspects of running a public school, particularly in three key areas:

- Retaining high-quality teachers
- Improving the learning environment
- Assessing student progress

Each of these areas is discussed in detail in the following sections.

I. Retaining High-Quality Teachers

Principal Stein can hire new teachers based on one-year contracts. If a new teacher is not effective in the classroom, the contract is not renewed for the following year. Once a teacher has demonstrated his or her ability to help students effectively, the principle can extend the arrangement to a multi-year contract, allowing him to reward and retain the best teachers on staff, while weeding out poor-performing faculty.

Manual High teachers are paid based on their experience, expertise and level of responsibility. Teacher pay may increase based on ability to raise student achievement, including performance bonuses to encourage teachers to work with the hardest-to-teach students.

Teachers attend team meetings to coordinate curriculum across subjects and develop intervention plans for struggling students. The Manual High School Faculty and Staff Commitment frees faculty members from the mandatory work limitations of collective bargaining agreements.

This allows teachers to spend more time with students who need more help. Manual High teachers can double the time students spend on math and English, and add more time on social studies and science, compared to the time typically spent on these subjects in traditional schools. As noted above, the principal can grant teachers higher salaries and bonuses for devoting more time to core academic subjects.

Principal Stein has the authority to supplement the full-time faculty with flexible, temporary staff with knowledge in special subjects, but who do not have a formal teaching credential issued by the state. For example, he can hire a former software executive to teach math, or retired college professors to teach history, or foreign language instructors or people from the arts community who otherwise would not be allowed to teach in a public school classroom.

2. Improving the Learning Environment

The principal at an Innovation School has control over the budget. He can decide whether to purchase certain administrative services, including transportation, food services, facility management, maintenance, and substitute teacher services, from the central school district or from outside providers.

He is able to enlist volunteers and nonprofit organizations from the community to conduct special learning projects, such as yearbooks, student newspapers, mock debates, or business technologies. Professionals in these fields

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can volunteer their time to provide expert guidance and real-world learning for students, even though they do not have formal teaching credentials.

Innovation School leaders are also able to design research-based curriculum proven to be most effective, rather than curriculum prescribed by elected officials or the central office at the state or district level. Courses can be tailored to fit student needs, provide more engaging subject matter, respond to student interests, and better meet state standards and graduation requirements.

The principal at an Innovation School can control the school day, adding 30 minutes to normal instruction time, scheduling Saturday sessions, or requiring extra class periods for students who need more help. At an Innovation School teachers are not restricted by arbitrary collective bargaining rules that may forbid weekend work or require them to stop working at a certain time every afternoon. With merit pay and flexible compensation, teachers can receive additional pay for the additional time they devote to helping students.

3. Assessing Student Learning

Innovation Schools are able to develop their own “interim assessments” to test student progress every six weeks and track student progress. Teachers are then notified early and can intervene to help students who are not making adequate progress toward academic goals. The principal can also end social promotion, by notifying parents that students will not be advanced to the next grade unless they are academically prepared to succeed. Increased control over the curriculum would allow more advanced students to take challenging, college preparatory classes, while struggling students would get help from the most-qualified teachers.

An Innovation School is able to have a dynamic leadership team, made up of the principal, administrators and faculty, which is responsible for establishing the conditions for student learning at the school. Teachers have input in the principals’ decisions regarding pay for performance. This leadership team can create a dispute resolution procedure for faculty and staff which allows appeal to the principal, whose decisions would be final. Complaints about the principal will be referred to the school superintendent. Poor-performing principals would be replaced by the central school district.

By using part-time staff and changing various administrative responsibilities, an Innovation School can achieve significant cost savings and efficiencies, resulting in a more cost-effective use of the school’s financial resources and a better learning environment for students.

Comments by Colorado’s State Board of Education

The response of Members of Colorado’s state Board of Education to Manual’s Innovation School Plan has been enthusiastic and supportive. The board’s vice-chairman, Randy DeHoff, noted that Denver public school officials had learned a lot from their positive experiences with independent public schools:

“We need to get back to the point of giving people the responsibility and authority to do the job we ask them to do,” he said. “Some of us are very excited about this opportunity.”¹⁹

¹⁹ “Colorado State Board of Education Approves BEST Grant Recommendations; Two ‘Innovation School’ Proposals Given Green Light,” press release, Colorado Department of Education, March 19, 2009.

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Board Member Angelika Schroeder sought further analysis once the Innovation School Plan had operated for a year or two to find out what lessons could be applied to all schools, asking:

“What can we change overall, rather than just have individual schools do this?”²⁰

Board Chairman Bob Schaffer held up a copy of Colorado School Laws stating:

“...every one of these statutes has to be evaluated from A to Z for relevancy, value and overall cost. Our schools are being crushed by rule, regulation and bureaucracy.”²¹

Policy Analysis

Under the public school model used in Washington state, central office administrators and pre-set regulations exercise full control over local spending, hiring, staff assignments, teacher compensation, performance, training, and professional development. Principals have almost no influence over the budget, staffing or daily management of their own schools.²² Principals in Washington have been reduced to the role of regulators and enforcers, with almost no role in creating or directing an educational program for their students.

This centralized model effectively shields superintendents, principals and teachers from accountability for student performance, since all of them can claim they are prevented by one regulation or another from making changes that would improve student learning. When centralized bureaucracies control all important decisions, parents in the community do not know who is responsible for failing to educate their children.

State leaders recognize the centralized educational model is failing in Washington. In October 2008 the State Board of Education proposed that school districts create “Innovation Zones” to give local officials more operating flexibility. In order for struggling schools to serve hard-to-teach, high-poverty students, the State Board of Education says school principals should have:

“...all the necessary tools and authority to fulfill the turnaround plan including: recruiting incentives, flexibility on staff hiring, allocation... strategic assessment to determine if expanding the school day, school year, and/or significant change to the schedule is necessary to fulfill the plan... strategic re-allocation of the budget is allowed.

Additional resources are provided to support the implementation of pay for extra time, incentives, and partner support...development of a coherent, whole-school plan that integrates strategies to address impacts of poverty...also provides relief from compliance burden to focus on instruction.”²³

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²⁰ Ibid.

²¹ Ibid.

²² “K-12 School Spending and Performance Review,” Report 05-19, State of Washington Joint Legislative Audit and Review Committee (JLARC), November 30, 2005, at www.k12.wa.us/QEC/pubdocs/JLARC-SchoolSpendingandPerformanceReview.pdf.

²³ “State Board of Education System Performance Accountability Policy Framework Proposal,” State Board of Education, page 5, October 28, 2008, at www.sbe.wa.gov/documents/DRAFTSystemPerformanceAccountabilityPolicyFrameworkAdoptionDocumentFINAL_002.pdf.

Adopting an Innovation School model in Washington would give public school principals management authority similar to that of their private school peers, would make better use of the funding school districts receive, and would improve learning outcomes for all students.

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Conclusion

In recent years, state education leaders have strongly resisted making deep, systematic changes in the centralized model used for financing and managing Washington's public schools. The Common School Manual contains over 2,000 pages of detailed rules and instructions which dictate all aspects of running a local school. Washington schools are heavily unionized, and public sector labor leaders have consistently opposed merit pay, flexible work rules, open hiring or permitting principals to control local budgets.

To overcome these obstacles Washington education leaders should adopt reforms based on the Innovation School model that has proven so promising in Colorado. The Innovation Schools approach would allow local leaders to deliver high-quality educational services to children in a way that better matches local conditions and the learning needs of their communities.

These state-level policy changes would allow principals to control their budgets, to lead a motivated team of teaching professionals, and be held accountable for raising student achievement. Colorado's experience shows that when principals like Rob Stein are permitted to inspire and reward their teachers, and to tailor their educational program to meet student needs, they achieve dramatic improvements in student learning.

Adopting an Innovation School model in Washington would give public school principals management authority similar to that of their private school peers, would make better use of the funding school districts receive and would improve learning outcomes for all students. It would also help Washington qualify to receive Race to the Top funding that the Obama Administration is offering states that adopt effective educational reforms. More information on how to implement an Innovation Schools program is provided in the Washington Policy Center's study "Eight Practical Ways to Reverse the Decline of Public Schools."²⁴

²⁴ "Eight Practical Ways to Reverse the Decline of Public Schools," by Liv Finne, Washington Policy Center, December 2008, at www.washingtonpolicy.org/Centers/education/policybrief/Education_Reform_Plan.pdf.