

The Changing Role of States in Education: The Move from Compliance to Performance Management

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State education agencies (SEAs) are being challenged to play a new and very different role. The traditional role for state departments of education—that of ensuring compliance—has become outdated. SEAs of the future will be asked (by the federal government as well as their own elected officials) to shift from their historically passive role of compliance to playing a much more active role in managing the performance of schools. It is quite likely that most SEAs are ill-prepared and ill-positioned to take on this role. What we do know is that this transformation is going to take place in a dynamic, politically charged environment, where resources are scarce. It is far less clear what will emerge once the dust settles.

SEAs are compliance-focused by design

It is a great bar bet. How many times does the word “education” appear in the U.S. Constitution? The answer? Zero. Therefore, by virtue of the Tenth Amendment, the public provision of education was left to the states. For most of the country’s history, however, funding for public education was primarily a function of locally levied property taxes. Residents, as a consequence, were quick to shout “local control” whenever state officials were so bold as to suggest that they had a role to play in making education policy. Aside from establishing the parameters for the creation of school districts, not a great deal was expected from the state in terms of primary and secondary education.

Fast-forward to the post-war period and the role of the state in education began to change. States became responsible for the licensing of teachers and selecting textbooks. Then, the cumulative impact of the desegregation cases and challenges to the unequal funding began to erode the hallowed ground of local control. The federal government’s war on poverty also introduced a new player in the education funding formula as programs such as Title 1 sought to offset the inequities that existed within and across districts. Finally, state legislators created categorical programs that provided resources for prescribed state priorities. Each of these programs had strings attached—requirements for the distribution of, and accounting for, the various streams of resources.

By the 1980s, state departments of education were keeping track of a lot of strings. In short, SEAs had become compliance monitors. They played this role not because they were populated by bored, disinterested bureaucrats, but because it was the job that the federal government and their state legislatures had assigned to them.

The move to alter the role of the SEA started in state capitals, but those changes represented only minor tremors compared to the seismic-like event that would follow. The start of the millennium marked a dramatic shift in terms of the intergovernmental relationships, in general, and

the expectations placed upon the SEAs, in particular. The 2001 *No Child Left Behind* (NCLB) act ushered in an era where state education agencies would be required to oversee performance at the school and district level, not just the distribution of funds. As such, state education officials were responsible for ensuring that their schools made adequate progress relative to a set of performance standards and taking action when that failed to happen.

At the time of its passage, there was little systematic understanding as to whether or not states would be able to implement the provisions of NCLB. Early research designed to assess the capacity of SEAs to implement the new federal law determined that state officials took the NCLB requirements seriously, but the researchers concluded most states did not have the resources necessary to implement the law and meet the statutory deadlines. Others maintained that the problem facing SEAs was more complicated than simply one of funding. Hill, Roza, and Harvey argued that a new role for the SEA was needed if it was expected to reposition itself as an oversight manager instead of a regulator who doles out resources and ensures program compliance.¹ More recently, reports from the Center on Reinventing Public Education and the Center for American Progress/ American Enterprise Institute are pessimistic about the progress toward a new SEA.² Both point to federal restrictions on resource allocations as one of several obstacles standing in the way of SEAs assuming their new, active role.

Today, state departments of education face a considerable challenge. Policy makers have placed upon them a new and important set of expectations. They themselves do not feel well-positioned to take on the new role. And, it is likely that the local districts are unimpressed with their progress thus far. As the SEAs move forward to into this largely uncharted territory, there are some elements of the journey that we can predict, and a great many more that are yet to be discerned. What is certain is that few forces outside of the state agencies will be advocating for a return to business as usual.

Climate surrounding SEAs will be long on politics, short on money

As the SEAs look to transform themselves into managers of performance, there are three environmental factors that will bound the effort.

Resources will be limited. In general, it is unlikely that additional resources will be forthcoming from either the federal government or state general funds for the improvement of SEA capacity. More than 40 states were in deficit or anticipating facing a deficit heading into the 2011-2012 fiscal year; three-quarters of those states were facing a deficit of more than 10 percent of their total budget. The idea of the fed-

eral government making significant new funding available for anything seems unimaginable after the events of this past summer surrounding the debt ceiling debate. Therefore, state education departments will have to take on this new role using the resources currently on hand.

Time will be limited. Both in terms of the federal regulatory requirements and political expectations, SEAs do not have much time to implement changes. If state agencies are going to play a role in school improvement, they will have to institutionalize that focus quickly. To have the political space to institute real change, they also will have to rack up some “wins” early. Outrage and rhetoric will take governors and SEA chiefs only so far. Unless they produce some results, it is likely that the political forces that favor the status quo will start to gain traction.

The parameters will change rapidly. With the possibility of a re-authorized elementary and secondary education act on the horizon, combined with ambitious governors and active state legislatures, the rules that bound a SEA are in an unprecedented state of flux. For example, Michigan is building a new state institution modeled after Louisiana’s Recovery School District, to develop a new school system in Detroit. And, New Jersey’s education leaders are hoping both to develop a new school system for Newark and create a performance-management system for the whole state. Reform-minded state administrators, therefore, are likely to find themselves both building and flying the proverbial airplane at the same time.

Resources, structure, and authority are the keys to change

More impressive than the known constraints facing the SEAs is the fact that we know precious little about the agencies themselves, and even less about how they function. For the purposes of discussion, we divide these unknowns into resources, structures, and authority.

Resources. Most states can tell you how much they spend on K-12 education in total. And, it is common to be able to break down the source of those funds into their origin, be they local, state, or federal monies. Few make it easy to identify the share of dollars spent to run the SEA. Even fewer can disaggregate their headquarter resources into the source of funding. We suspect that the federal government underwrites the cost of about half of the SEA positions, considerably out of proportion to the federal share of total K-12 money. It is a situation that gives the federal government considerable leverage in terms of how personnel at the state will be deployed in the future – if, that is, we knew more precisely how they were allocated now.

Beyond the dollars is the question of human capital. Though a state education department employs hundreds of individuals, little is known about the individuals who occupy those positions. If the shift from compliance to performance management is going to take place, absent new resources, do current staff members possess the skills needed to help turnaround struggling schools?

Structure. How do you introduce non-incremental structural change

into an organization that has been incrementally evolving for decades? SEAs likely have evolved to perform their compliance function, with offices defined by the program or grant that they administer. Functionally, such a structure may not always make sense. More importantly, the current structure may prove a poor match for the tasks associated with performance management. For example, a state office trying to implement the common core standards may have separate offices responsible for approving textbooks, another for curriculum development, and a third to assess performance. Coordinating these tasks to ensure that each is aligned with the other is essential to create a flexible, proactive agency that can respond quickly to underperforming schools. Having the staff responsible for them separated into their individual smokestacks will make that difficult.

Authority. In terms of power, state education agencies vary widely. In some, governors appoint the chief. In others, the education secretary is elected directly. And, some states also introduce a state board of education into the mix that exercises varying degrees of oversight. The impact of these different models of democratic accountability often manifests itself in terms of the differing levels of power ascribed to the SEA relative to the local districts. The Louisiana Department of Education (LDOE) has the authority to take over a district whose schools fail to perform adequately for several years. It is a powerful point of leverage. In fact, former LDOE head Paul Pastorek often observed that the real power lay in the threat of taking over a school district. Few district officials were anxious to have the state step in and take over their schools because they had failed to make progress. SEAs that lack the power to take over a school because of poor performance may find it difficult to get a district to pay them much attention in terms of school improvement.

Where do SEAs go from here?

This is the point where we run out of answers. We can trace the events that have coalesced to challenge education departments to transform. We can describe the environment in which that change will have to take place—an environment that is politically charged and offering few additional resources. And, we can identify the gaps in our understanding about how state education departments operate. Successful states are likely to be those that identify the critical points of leverage, repurpose their limited resources, and secure the authority needed to drive change down to the school level. It is far from clear, however, what these SEAs of the future will look like. We probably do have a pretty good idea about what the unsuccessful states will look like. The unsuccessful states will be the ones where the SEA of the future looks very similar to the SEA of today.

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¹ Paul Hill, Marguerite Roza, and James Harvey, “Facing the Future: Financing Productive Schools,” (Seattle: Center on Reinventing Public Education, November 2008).

² Cynthia G. Brown, Frederick M. Hess, Daniel K. Lutzheiser, and Isabel Owen, “State Education Agencies as Agents of Change: What It Will Take for the States to Step Up On Education Reform,” (Washington, D.C. Center for American Progress and American Enterprise Institute, July 2011). Patrick J. Murphy and Monica Oujidani, “State Capacity for School Improvement: A First Look at Agency Resources,” (Seattle: Center on Reinventing Public Education, August 2011).