19 Lessons From Houston

*Fighting to Save Our Urban Schools**

Donald R. McAdams

editor's introduction:

Methodological Significance

A final analytic challenge is to bring a case study to conclusion. Nothing may be more difficult than when this is to be done with a single-case study, especially if the real "case" is still ongoing. How to define an appropriate endpoint, and also identify broader lessons learned beyond the single case, remains a constant challenge.

One workable strategy leaves the reader at the end of a logical cycle in the sequence of events. In the present selection, such a cycle was defined by a new round of school board elections, to occur in late 1997. Because such an election would inevitably create a new dynamic for overseeing the school system that was the subject of the case study, the author chose this juncture to conclude his case study.

***Editor's Note:** Excerpted, with light edits, from "A New Beginning for HISD" and "Lessons From Houston," the last two chapters in *Fighting To Save Our Urban Schools—And Winning!: Lessons From Houston* by McAdams, Donald R., Teachers College Press, New York, pp. 229–247 and 248–266. A few footnotes have been omitted or integrated into the text.

However, case study authors usually also want to impart some broader message in drawing their conclusions. For the present selection, the broader context was defined by the reasons for doing the case study in the first place: to provide insight into the challenges and strategies in reforming school systems in large American cities. The author claims that his single case represents a successful example of such reform. As a result, the broader message is directed to audiences who must deal with other similar urban school systems, and the concluding passages include references to five other urban systems in the same state.

Within this context, and still as part of the conclusion, the author briefly reviews the educational processes and accomplishments in his single case. The goal is to leave the reader with the understanding that the lessons from this single case may be especially pertinent because the case covers the specific steps taken to produce an exemplary experience.

Substantive Note

The case, the workings of the Houston Independent School District (HISD) from 1990 to late 1997, probably *was* an exemplary case. HISD excelled among school districts in Texas and also within the nation at large. Whereas many other urban school districts had struggled during the same period of time, HISD had implemented a series of educational and administrative reforms, in turn producing disproportionately positive outcomes in student achievement scores. Along the way, HISD adopted many educational policies (e.g., accountability, private-sector contracts, decentralization, and expanded school choice) that became popular during the first decade of the 21st century.

As with other selections in this anthology, the present selection has been extracted from the complete case study, which covers an entire book. As with one of the other selections, the author was an intimate participant in the case. (He was a school board member during the entire period of time covered by the case.) He uses this knowledge as an insider (information not usually shared in published form by school board members)—complemented by citations to local news articles (found throughout the book but not illustrated in the material extracted

for the present selection), other external documents, and interviews with key participants—to provide a degree of comfort regarding the accuracy and validity of the case study's findings.

Equally important, the author brings a flair for writing that makes this case study eminently readable, and it is, in fact, exciting to read. The selection, as with his entire book, combines a "close-up" style of writing with the citation to external evidence about the accomplishments of a school district in the real-life world. You could do worse in conducting your own case study.

A New Beginning for HISD

The defeat of the $390 million bond issue in May 1996 and John Sharp's audit report to the taxpayers in October were defining moments for HISD. The failed bonds proved to HISD watchers that the public had no confidence in Houston's public schools. The Sharp audit confirmed for most Houstonians that the bond vote was justified.

In the year that followed, however, attitudes changed. The public began to notice that most HISD performance indicators were improving significantly. Also, almost every month the board of education approved another bold reform initiative. HISD was getting better after all.

The prevailing opinion was that these improvements and actions were a response to the failed bonds and the Sharp audit. The public had at last gotten HISD's attention. There was truth in this view, but the reality was far more complex.

The reform of HISD began with *Beliefs and Visions* [HISD's strategic plan] in 1990 and the selection of Frank Petruzielo as superintendent in 1991. Frank's achievements were not insignificant: shared decisionmaking in every HISD school, school improvement plans, school-based budgeting, the establishment of a professional district police force, massive changes in school attendance boundaries, several significant management audits, and a start toward more effective employee performance evaluations.

But the real improvement of HISD began with Rod Paige [later appointed the first Secretary of Education under President George W. Bush]. His election as superintendent in February 1994 was the single most important event in the reform of HISD. Without Paige, shared decisionmaking would never have taken root, accountability would not have become firmly established, and decentralization would never have happened. Also, without Paige, there would have been no *PEER* task forces, no performance contracts for administrators, no modified vouchers, no business outsourcing, and no incentive pay for teachers.

The reform of HISD started well before the failed bond election and the Sharp audit. But these two events accelerated the pace of reform. They focused attention on the politically driven behavior of board members. They pushed Paige into hiring an effective press secretary.[1] They gave Paige the opportunity to come forth with a fresh, bold reform agenda for HISD. And, perhaps most significantly, they put into the hands of Paige and the board reformers a powerful argument to obtain board support for Paige's agenda.

Paige's New Beginning for HISD. . . . On October 16, [Paige] unveiled his *New Beginning for HISD* in a whirlwind of staged media events.[2] Rod's message was clear and strong. The district had been under enormous pressure. It had not been an easy time. The bond election and the Sharp audit had been wake-up calls. HISD did many things remarkably well, but there were a multitude of things HISD either did not do well or should not even have been trying to do. Almost everything could be done better.

Since 1990, board members and superintendents had changed. *Beliefs and Visions* had been largely overwhelmed by events and changing circumstances. The time had come to revitalize these beliefs and visions from 1990; Rod said, "I view the bond election in May and the Sharp Audit this month as providing us with precisely the right opportunity to outline some very basic, but bold, new principles which can guide this district well into the next century." "Today," continued Rod, is "a new beginning for HISD."

Rod's four basic reform principles were Accountability, Best Efforts, Choice, and Decentralization. HISD would establish objective, believable measures of accountability so that the community could track progress. Teacher salaries would be based on direct measures of teacher skills, knowledge, and student performance. Where HISD could not perform a business function as cheaply as the private sector, the function would be outsourced. All HISD students would be allowed to attend the public school of their choice, as long as space was available. Students would have "academic free-agency" and schools would have to compete for students. Innovative proposals to manage schools from nontraditional providers would be welcome. Over the next three years, HISD would transition to a budget system that allocated money to schools on a weighted-per-pupil basis.

News coverage of Paige's media blitz on October 16 was disappointing. The media were far more interested in Paige's comments about HISD's response to the Sharp audit than they were in his new initiatives. Most employees and parents acted as if the new beginnings principles had never been announced. Paige's press conference of October 16 was largely forgotten.

It would have taken formal endorsement of these principles by the board of education, extensive promotion by the district, and widespread media coverage over *many* weeks to capture the attention of the public. That was not possible. Powerful interest groups—employee groups, organized labor, the NAACP, and others—opposed one or more of Paige's

four principles. At best the board would have supported them five to four after a bitter vote.

The reforms of 1996–97. But in the year that followed, month by month, agenda item by agenda item, through clever scheduling, a great deal of arm-twisting, enormous staff work behind the scenes, and very close votes—sometimes fights—at the board table, HISD began to embrace the principles of competition.

The policy changes and contracts approved by the board from October 1996 to August 1997 could almost be called a revolution. They were changes that could not have been imagined just a few years before. The board relinquished its authority to approve personnel appointments, promotions, and transfers. Within the constraints of HISD's overcrowded schools, an effective public school choice program was established. Nineteen charter schools were approved. A contract was signed with a private company for the education of at-risk adolescents. Several significant student achievement initiatives were launched. Employees became more accountable for their performance. And except for student transportation, the management of almost every major business activity of the district was contracted out to private companies. . . . [Ed.'s Note: The original text, omitted here, then gives a lengthy discussion of these reforms, summarizing the initiatives.]

. . . The last battle of 1997 was over the budget. By making hard choices, and with some good news from the Harris County Appraisal District, Paige was able to recommend a 1997-1998 budget that provided a 5 percent across-the-board increase in teacher pay plus another 1 percent for performance pay without a tax increase. There was a furious battle with the HFT [Houston Federation of Teachers] over the 5 percent increase (HFT wanted 10 percent) and performance pay. But the board was unmoved and the city did not seem to notice. The budget was approved on August 29.

In the days that followed, talk among HISD watchers shifted from school improvement and taxes to the upcoming board elections.[3] Indeed, some community leaders and parent activists had been talking about the 1997 elections for over a year. For at least two years everyone had known that [board members Paula, Ron, and myself were not planning] to seek a third term. Clyde and Laurie's terms also ended in 1997, and though both were seeking re-election, re-election was not certain. Paige was managing with a narrow, unstable majority on the board of education. Changing even one trustee changed the dynamics of the board. In 1998, the board reformers who had started and sustained the reform of HISD would be gone. Everyone knew an era in the history of HISD was coming to an end.

As Ron, Paula, Cathy, Rod, and I reflected on our work together since the battle for *Beliefs and Visions* in 1990, we had reason to be proud. We had not achieved what we had hoped. We had not turned the pyramid

upside down. Too many of Houston's children were still not receiving the quality education they deserved. But we had made a start.

We had not always worked together. Paula had opposed the negative appraisal of Joan Raymond [superintendent of HISD prior to 1991] and the initial decision to hire Rod as superintendent. She also had voted against several of Rod's most important recommendations. Rod, Paula, and Cathy saw Frank's limitations before Ron and I. Early on Ron and I were the only enthusiasts for outsourcing. Over the years we had disagreed on a host of minor issues. We were all quite different.

Yet we shared core principles, trusted and believed in each other, and happily deferred leadership to one another. We started as strangers with a common goal, developed into an effective power bloc on the board, and became friends. We had set out to transform Houston's public schools. We had not. But we had at least started HISD down a new path.

Of course, we had not done it by ourselves. Most of our policy initiatives were supported by other board members. We could never have deposed Joan Raymond without Felix Fraga and Wiley Henry. We could never have hired Rod Paige without Arthur Gaines. Clyde Lemon, following his election in 1995, was the key fifth (though sometimes it appeared reluctant) vote that enabled Rod to move forward with his reform agenda. And Laurie Bricker was as strong for the principles of *Beliefs and Visions* as Rod himself.

There were also scores of business and community leaders, parent activists, and district personnel who made critical contributions to the improvements in HISD: the members of the Coalition for Educational Excellence, the Hook committee, the decentralization commission, more than a dozen PEER committees, business leaders and business partners, Parents for Public Schools, thousands of parent and community volunteers, Paige's senior staff, thousands of HISD principals and teachers, John Sharp, and even John Whitmire. HISD was improving because the leadership of Houston and a great many parents and voters demanded that it improve and because district employees were able and willing to make it happen.

Finally, without the permission (and sometimes prodding) of the Texas legislature, many of our reform policies would not have been possible. We were fortunate to serve Houston at the same time that educational reformers such as Senator Bill Ratliff (R-Mt. Pleasant) and a host of others were serving all of Texas.

Nevertheless, the leadership of the reformers on the board had been decisive. And this leadership was about to change. The upcoming board elections would fundamentally change the board. If Paige lost his slim majority, the further reform of HISD would probably come to an end and much of what we had accomplished would be at risk. Even if the voters elected strong, reform-minded trustees, the old *Beliefs and Visions* board would be history. Nineteen ninety-eight would be a new beginning for HISD.

In July, I decided to seek a third term on the board. The decision surprised me almost as much as it surprised others. For four years I had known I would not run again. Board service was not good for my family life or my business. I did not want to go through another election. And the endless controversies had left me tired and much too cynical. Eight years was enough. But in the end, the entreaties of Rod and others convinced me that I was needed. Perhaps as a link to the board of *Beliefs and Visions,* I could help the new board find its voice and continue the journey Cathy, Rod, Ron, Paula, and I had begun in 1990.

But even if I were re-elected, my life in 1998 would be part of another story. The board elections of 1997 and the other events of autumn belonged to the future. The voters of Houston would decide what that future would be. . . .

Houston's Achievements

What have I learned in eight years as a Houston school board member? What can elected officials, educators, business and community leaders, interested parents, and school reformers everywhere learn from the Houston experience? Obviously, the Houston story is unique. Time, place, circumstances, and individual actions shaped events.

But the issues and dynamics of school reform in Houston cannot be that dissimilar from the issues and dynamics in other American cities. Urban school reformers everywhere must deal with public opinion, the media, state education agencies, business interests, teacher unions, organized labor, political parties, taxpayer groups, neighborhood interests, discrimination and ethnic conflict, and the core educational issues of curriculum, teaching, learning, assessment, accountability, and management effectiveness. I believe urban school reformers everywhere can learn from the Houston experience. . . .

What has been achieved in Houston since 1990? A lot. Active shared decision-making committees at each school are now the rule, not the exception. At most schools they are meaningfully involved in developing school improvement plans and major campus decisions—budgets, schedules, uniforms, student discipline, and so on.

In 1990, [then Houston superintendent] Joan Raymond selected principals with input from her trusted advisers. As a courtesy, she informed trustees just days, sometimes hours, before presenting her recommendations to the board for approval. Sometimes upward of 25 principals were moved by one board action. School communities waited nervously to see who the superintendent had chosen as their leader. Political deals between the superintendent and board members were not uncommon.

Today most school communities, guided by a district superintendent, select, de facto, their own principals. The process is participative, open, and thorough. Board members are completely out of the loop. Selection decisions are better, for the most part. And school communities are now stakeholders in the success of new principals.

The HISD accountability system has had a huge impact on student achievement. In the years that followed its approval in 1993, behaviors changed. Principals, on whom the rewards and consequences fell most heavily, began demanding more control over their schools and better support from central office. All over the district, principals began adding more phonics to their instruction in reading, working on better curriculum alignment, examining student performance data student by student, and pushing to improve classroom instruction.

The impact of private-sector contracts for administrators has also been significant. Paige has exercised his option on a number of occasions to terminate principals and other administrators, including district superintendents. The word from administrators is that the loss of job security has significantly sharpened their focus on student performance. New teacher contracts, teacher evaluations, and termination and grievance processes have also improved teacher accountability. Many of these changes have been made possible by changes in the Texas Education Code.

District decentralization has significantly shifted power away from central office, but real decentralization is still a dream. Some of the district offices have become little central offices instead of service centers for schools. And schools are still budgeted with staff positions, not dollars. The principal of a typical elementary school, with a total operating budget of nearly $2 million, usually controls less than $100,000. Also, because middle-class schools tend to attract and keep experienced teachers at or near the top of the salary schedule, and schools full of at-risk students are more likely to be staffed by young teachers at or near the bottom of the salary schedule, resource inequity still exists. Until schools are budgeted with dollars, based on weighted student enrollment, and given the freedom to configure their workforces as they wish, central office will rule.

Peer Examination, Evaluation, and Redesign task forces have made an enormous contribution to the improvement of HISD operations. PEER has also become the methodology of choice for addressing complex student services and instructional issues. PEER recommendations, the recommendations of Texas comptroller John Sharp, and the aggressive contracting out of most of HISD's major business functions have improved significantly the management of business operations and support services.

The bottom line for HISD is productivity: output divided by input. Productivity is difficult to measure, but consider HISD's key outputs (student performance, the drop-out rate, and school safety) and most easily measured input (money).

Table 19.1 Changes in HISD and State TAAS Percent Passing for Non-Special Education Students for All Tests Taken From Spring 1994 to Spring 1998

	1994			*1998*			
	HISD	*State*	*HISD–State Gap*	*HISD*	*State*	*HISD–State Gap*	*Decrease In Gap*
Grade 3	51	58	7	73	76	3	4
Grade 4	47	54	7	77	78	1	6
Grade 5	51	58	7	83	83	0	7
Grade 6	40	56	16	66	79	13	3
Grade 7	37	55	18	64	78	14	4
Grade 8	31	52	21	59	72	13	8
Grade 10	38	52	14	62	72	10	4

SOURCE: Houston Independent School District (HISD) Research Office.

In Texas, the best measure of student performance is the Texas Assessment of Academic Skills [TAAS]. Since 1994, the best baseline year for TAAS, state TAAS scores have improved, as one might expect. But HISD scores have improved even more (see Table 19.1). During this same period, the percentage of Texas students eligible for free and reduced-price lunch increased from 45.1 to 48.4. The percentage of HISD students eligible for free and reduced-price lunch increased from 57.3 to 77.

These improvements in student performance have dramatically improved school accountability ratings. On the HISD accountability matrix, which measures schools against a fairly constant baseline, the number of exemplary schools has increased in five years from 10 to 84. The number of recognized schools has increased from 19 to 117. At the bottom of the matrix, the number of low-acceptable schools had decreased from 81 to 0. The number of low-performing schools has dropped from 68 to 2.

HISD schools have also improved their ranking on the Texas Education Agency accountability rating system, which has increased performance standards since 1993 and measures subgroup performance as well as overall school performance. Since 1993, the number of exemplary schools has increased from 0 to 36. The number of low-performing schools has decreased from 55 to 8. In 1998, HISD had a higher percentage of exemplary schools than any of the other six largest urban school districts in the state (Houston, 12.2 percent; Dallas, 2.8 percent; Ft. Worth, 5.1 percent; Austin, 8.5 percent; San Antonio, 12.1 percent; El Paso, 5 percent).

Accurately determining the number of dropouts is difficult, and various ways are available to calculate drop-out rates. By any measure, however, HISD has fewer dropouts. According to the Texas Education Agency, which calculates the drop-out rate by dividing the total number of annual dropouts by the cumulative enrollment for the year for students in the 7th through 12th grades, the HISD drop-out rate has declined from 10.4 percent in 1990 to 2.8 percent in 1997.

HISD schools are also safer than they were in 1990. School safety is difficult to measure. HISD did not begin keeping uniform crime report data on police-related incidents until 1993–1994. And for the first three years, as principals—under a new Code of Student Conduct that required reports to local law enforcement—kept better data, the number of police-related incidents increased. But in 1996, Sharp's auditors, basing their opinion on focus groups, concluded that school safety and security had improved. And from 1995–1996 to 1997–1998, the number of incidents leading to arrest fell from 2,664 to 2,155; the number of violent crimes—defined by the Federal Bureau of Investigation as rape, robbery, murder, or aggravated assault—fell 38 percent.

School finance is complex in Texas, as it is in most other states. But it is not misleading to note that HISD's tax rate, at $1.384 per hundred valuation, is the lowest among the 21 school districts in Harris County and 28 cents below the county average. HISD also has the lowest effective tax rate among the large urban school districts in Texas (these numbers are for 1997–1998; in July 1998, the Board of Education approved a $.075 property tax increase per hundred valuation for 1998–1999, bringing the tax rate to $1.459). And weighted general fund spending per pupil per year in 1995–1996—$4,206—was third from the bottom among Harris County school districts and, when adjusted for inflation, less than in 1992–1993. . . .

Notes

1. In December, Paige hired a media consultant, Terry Abbott. In March, Abbott was appointed press secretary with a salary of over $110,000 per year. Board members had been pushing for years for a professional to handle media relations. Most of us recognized that HISD was, in effect, in a continuous political campaign and that only a media professional with political experience had the expertise we needed. We also recognized that to hire a press secretary with political experience, HISD would have to pay $100,000 per year or more. Both Petruzielo and Paige had been unwilling to endure the criticism that would inevitably follow a decision to pay $100,000 per year to a press secretary, who HISD's critics would immediately dub a spinmeister. The defeat of the bonds and the Sharp audit convinced Paige that it had to be done. As expected, there was widespread criticism of Abbott's salary. But Abbott, who had been press secretary

for former Alabama Governor Guy Hunt, was perfect for the job, and within months we could see that he was worth every dollar the district paid him. His work contributed in no small measure to the improvement of the district's image in the months that followed.

2. At 10:00 a.m. he held a major press conference at Mark Twain Elementary. At noon he addressed the Galleria Chamber of Commerce at the Hilton Hotel, Southwest. At 7:00 p.m. he met with parents at Will Rogers Elementary. To support his media blitz, Rod scheduled three additional evening meetings with parents at schools in different parts of the city and outlined his proposals in letters to community and parent leaders (Paige, "Letter to Community Leaders," October 18, 1996; Paige, "Letter to PTA and PTO presidents," October 21, 1996).

3. Other important issues demanded the board's attention during 1997. In April, the district's guidelines for admission of students into magnet and gifted and talented programs—65 percent African American and Hispanic and 35 percent White and other—were challenged in federal court. But this issue and others really belonged to the future.