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ABSTRACT

This study examines the politics of program implementation in Michigan. It focuses on relations between the Michigan Department of Education and the state's local school districts in the administration of state aid for compensatory education. With its accountability emphasis and with the many administrative issues that have characterized its development over the years, the Michigan program offers an instructive test of the leadership capacity of the state education agency. The article focuses on the interplay of state and local power in determining the direction of the compensatory implementation process and the effect of an administrative bargaining game on interpretations of the law. The Michigan data is examined in terms of Morton Grodzins's "sharing" interpretation of intergovernmental relations in which a structure of fragmented, yet coordinate, government supposedly ensures both central control and diversity. The discussion reveals the obstacles to reform that are inherent in the sharing argument. Only by establishing mutually supportive client-administrator relationships, by tempering leadership demands on the local schools, and by preventing the development of damaging state-local conflict could the department of education assure the continuation of its compensatory education idea. (Author/IRT).

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COMPENSATORY EDUCATION IN MICHIGAN:  
THE POLITICS OF PROGRAM IMPLEMENTATION

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## Abstract

### COMPENSATORY EDUCATION IN MICHIGAN: THE POLITICS OF PROGRAM IMPLEMENTATION

Robert L. Crowson

Although there has been considerable interest recently in the politics of education at the state level, much investigation to date has been concerned with the formation of school law rather than its implementation. There has been little research which asks: What happens to an enactment after it leaves the hands of a state legislature and is turned over to an administrative agency to be carried out?

This study examines the politics of program implementation in Michigan. It focuses upon relations between the Michigan Department of Education and the state's local school districts in the administration of state-aid for compensatory education. The study is of special interest in that Michigan's compensatory program has been much publicized and is highly controversial. From 1971 on, local school districts receiving compensatory dollars have been held "accountable" by the state--threatened with the loss of state-aid if pupil achievement scores fail to show proper gains.

With its accountability emphasis, and with the many administrative issues which have characterized its development over the years, the Michigan program offers an instructive test of the leadership capacity of the state education agency. The article examines the Department of Education's struggle to develop and carry out administrative rules. In this, it focuses upon the interplay of state and local power in determining the direction of the compensatory implementation process, and the effect of an administrative bargaining game upon interpretations of the law.

As an organizing feature, the article examines the Michigan data in terms of Morton Grodzins' "sharing" interpretation of intergovernmental relations--where a structure of fragmented--yet--coordinated government supposedly insures both central control and diversity. The discussion reveals the obstacles to reform which are inherent in the sharing argument. Only by establishing mutually supportive client-administrator relationships, by tempering any leadership demands upon the local schools, and by preventing the development of damaging state-local conflict could the Department of Education assure the continuation of its compensatory education idea. Thus, the idea of accountability in state-aid for education has lived on in Michigan but it has yet to be implemented.

Compensatory Education in Michigan:  
The Politics of Program Implementation

In 1968, Michigan began a special program of state-aid grants to local school districts for the education of disadvantaged children. By 1973, this compensatory education effort had become, according to a New York Times article, the most imaginative program of its kind in the country.<sup>1</sup> Local school districts received state-aid dollars on the basis of pupil test scores in reading and mathematics. During the course of the year, school districts were to show gains in the achievements of pupils served by the compensatory program, or lose a portion of their next year's state-aid grant. It was the first, and thus far only, attempt by a state education agency to hold local school districts financially accountable for instructional outcomes. Although unique and highly controversial,<sup>2</sup> Michigan's attempt to implement an accountability idea offers an opportunity to ask some im-

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\*An early draft of this paper, much revised, was presented at a Northwestern University Invitational Conference on State-Local Relations in Education in September, 1974. Portions of the paper were also earlier reported in a brief article in Administrator's Notebook, in June of 1974. See "Implementing Accountability," Administrator's Notebook, Vol. XXII, No. 5 (June, 1974). The author wishes to express his appreciation to Richard Gousha, Edwin Bridges, Edward Wynne, Mary O'Connell, and particularly Paul Peterson for their critical comments and helpful suggestions.

<sup>1</sup>The New York Times, December 11, 1974

<sup>2</sup>The Michigan Accountability Plan has already been the subject of a number of very probing studies. See, particularly, Jerome T. Murphy and David K. Cohen "Accountability in Education--the Michigan Experience," The Public Interest, No. 36 (Summer, 1974), pp. 53-81; also, Ernest R. House, Wendell Rivers, and Daniel L. Stufflebeam, "An Assessment of the Michigan Accountability System," Phi Delta Kappan, Vol. LV, No. 10 (June, 1974), pp. 663-669.

portant questions about the nature of state-local relationships in education. How effective can we expect state departments of education to be in initiating and carrying out programs of instructional reform? What are the political and organizational impediments to state leadership? What happens to a state-aid law when it leaves the hands of the legislature and is turned over to an administrative agency to be carried out? How do state and locality interact in the translation of state-initiated reform into education practice?

Answers to these questions are important for three reasons. First, there has been much recent interest in strengthening the leadership capacities of state education departments. The Michigan case allows us to see how successful one of the nation's reputedly best state agencies is in stimulating education reform. Second, a better understanding of state-local interaction in education is of timely interest, as there is continued consideration of policy which would turn many federal responsibilities over to the states. Third, there is a need to know more about the politics of education at the state level. Particularly in the implementation of state policy (as opposed to the formation of school law), there has been to date very little research.

To answer these questions, this paper focuses on the administration of Michigan's compensatory education program from its beginning in 1968 to the school year, 1973-74.<sup>3</sup> The paper first provides a background for discussion by

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<sup>3</sup> In the collection of data, a number of issues, and near-issues, which characterized the administration of the Michigan program over time were identified. Interviews were conducted with the major state and local actors involved in the development and resolution of each issue. These interviews were supplemented by memoranda, reports, rules hearings, position papers, correspondence, board of education minutes, bill analyses and informal conversations. In addition, the author drew upon his experience and observations as an employee of the Michigan Department of Education between 1968 and 1971.

examining current thinking on the nature of intergovernmental relations. Ideas about the implications of a "new federalism" for state and local interaction have recently received considerable attention.<sup>4</sup> The paper then examines the data on the development of the Michigan compensatory education program and the issues which have characterized its administration. The data is organized in terms of the earlier discussion of American federalism. Finally, the paper draws some conclusions about state-local interaction in education and about the leadership capacities of state education departments.

#### THE NEW FEDERALISM AND EDUCATION

Ideas about the nature of American federalism have changed. In dispute recently has been the long-held tradition that interactions between levels of government are characterized by a certain separability. Especially in education, with its history of local control, state and locality have long been thought of and studied as areas of clearly divided responsibility, function, and service--despite legal acceptance of the plenary power of the state. Where the authority of the state over local education was recognized, it was commonly considered from an hierarchical perspective, in which one distinct level of government was superior and the other subordinate.

This "layer-cake" view of governance has been questioned by Morton Grodzins and Daniel Elazar.<sup>5</sup> In their development of a new "folk wisdom"

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<sup>4</sup>See, for example, Daniel J. Elazar, "The New Federalism: Can the States Be Trusted?" The Public Interest, No. 35 (Spring, 1974), pp. 89-102

<sup>5</sup>Morton Grodzins, The American System, ed. by Daniel J. Elazar (Chicago: Rand McNally and Company, 1966). Also, Daniel J. Elazar, American Federalism: A View From the States (New York: Thomas Y. Crowell Company, 1966).

of intergovernmental relations, Grodzins and Elazar suggest that the American federalist system can be better described as a "marble-cake" of shared and overlapping functions, of interdependence in administration and of cooperation in the decision-making endeavor. State and local governments are "partners"--with interdependent activities and complementary needs. A key term for the Grodzins-Elazar thesis is the word "sharing." In any endeavor, neither state nor locality is controlling; rather, each area of government is a powerful participant in the decisions of the other. Of necessity, because each level of government possesses power--possesses the ability to "take a crack" at the formation and execution of policy--governments must cooperate and share their functions and responsibilities.

"Sharing" between state and local governments means that each level will exercise significant decision-making influence in the formulation and administration of a given governmental program. Each level will have at its disposal some mechanisms for program control, some elements of power which may be used to affect policy. Where one channel for influence upon policy is blocked, each governmental actor will have the ability to turn to another to gain the satisfaction of its special interests. This "multiple crack" attribute of American government, notes Daniel Elazar, produces a cooperative style of decision-making within the federal system, "...requiring that basic policies be made and implemented through a process of negotiation that involves all polities concerned."<sup>6</sup> The result, Elazar claims, is a structure of "fragmented-yet-coordinated government"--where distributed power prevents the abuse of central control while permitting at the same time the concentration of certain kinds of power for purposes of governing.

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<sup>6</sup>Elazar, American Federalism, p.2.

It may be suggested that this interesting concept of "fragmented-yet-coordinated" government identifies a very essential, and very revealing, element in the sharing relationship. On the one hand, power over policy is distributed. There is, using Grodzins' terminology, a "chaos" of structure and function, in that each member of the governmental process can be a powerful, individual participant in the process of decision-making. On the other hand, power over policy is also concentrated. Governmental actors are interdependent, with common needs and goals, and are therefore often willing to function "as a single mechanism of government" rather than as separate, antagonistic entities.<sup>7</sup> While seemingly contradictory, this combination of a fragmentation and a coordination of power at the same time provides a meaningful base for examining the operation of state-aid in Michigan. The effects of the intergovernmental "partnership," of "sharing" between state and locality, are well demonstrated in the story of that state's compensatory education and accountability experiment.

#### THE MICHIGAN SETTING

Michigan's compensatory education program started in 1968, as a result narrowly focused attempt to place added state funds into school buildings serving concentrations of disadvantaged children. The program quickly became known best by its legislative origins--Section 3 (later Chapter 3) of the annual state school-aid act.

It began with the lobbying efforts of a group of Michigan's "Middle City" school districts (e.g., Lansing, Flint, Grand Rapids, Kalamazoo);

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<sup>7</sup>Grodzins, The American System, p.14

as a proposed replacement for an existing compensatory education effort which had failed to meet city interests.<sup>8</sup> The new program, Section 3, used a special funding formula to assure a major allocative focus upon schools in the cities. Although it began small, with an initial appropriation of just \$6,300,000, the intent of the initial law was to channel heavy inputs of state dollars into the state's "poorest" schools. In the first year (1968-69) the compensatory education payments from the state averaged \$300 per pupil in recipient schools; and some of the state's larger, city school buildings received more than \$300,000 in extra state-aid.

The program grew larger each year. In 1969-70, Section 3 received an appropriation of \$9,500,000; in 1970-71, it reached \$16,500,000, and from 1971-72 onward, it worked from an annual appropriation of \$22,500,000. As it grew, it also changed. In 1970, the initial funding formula was replaced by a procedure which used the results of statewide testing as a base for determining local school district allotments. In 1971, the accountability provision was added--requiring evidence of local progress in pupil achievement as a condition for continued funding.

#### FRAGMENTED GOVERNANCE

These changes and their accompanying interactions between state and local educational agencies provide a setting for a first look at the impact of "fragmented-yet-coordinated" government. Studies of Michigan's

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<sup>8</sup> Michigan initiated legislation for state-funded compensatory education in 1965, the same year as the passage of ESEA, Title I. This early program distributed grants to local schools on a competitive, project-award basis. The awards tended to be small (averaging about \$75,000) and were widely distributed among the various geographic areas and types of school districts in the state.

education politics have typically found a wide dispersal of power, a plethora of educational interest groups and a constant give-and-take in the formation of state policy.<sup>9</sup> In short, Michigan has been discovered to be highly "fragmented" in the development of state school legislation. This condition was certainly evident in the capacity each of the major actors in the Section 3 effort demonstrated over the years in the protection of special program interests.

At its birth in 1968, Section 3 was a compromise between state and locality. As originally drafted by local administrators from "Middle City" schools, the intent of the newly proposed program was simple: Increased state dollars for compensatory education were to be channeled into Michigan's major urban communities. In place of an existing, loosely-controlled compensatory effort, a formula-based grant would award funds according to five indices of "cultural and economic deprivation."<sup>10</sup> One index in particular was looked upon as very important in maximizing urban interests. This was to be a count of the number of "underprivileged children" which local school districts served. When defined operationally as a count of percentage minority-group enrollments, it was obvious that areas with concentrations of black and brown children would receive state-aid emphasis. Michigan Department of Education (MDE) officials at first opposed the Middle Cities' bill. While the Middle Cities' proposal was formula based on the poor and the black, there appeared to be no restrictions on local use of the com-

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<sup>9</sup> See Nicholas A. Masters, Robert H. Salisbury, and Thomas H. Elliot, State Politics and the Public Schools: An Exploratory Analysis (New York: Alfred A. Knopf, 1964). Also Laurence Iannaccone, Politics in Education (New York: The Center for Applied Research in Education, Inc., 1967).

<sup>10</sup> These criteria were: (1) the percentage of students in each school who received aid from welfare and ADC, (2) the percentage of students who lived in broken homes, (3) the percentage of "underprivileged" children in each school, (4) the percentage of students who resided in substandard housing, and (5) the density of the school age population in each school attendance area.

pensatory dollars. State officials saw the proposed program as a sudden attempt by the cities to "grab" the state's available compensatory education resources. "There was a big joker in the Middle Cities' proposal," it was explained, "there were no restrictions on the use of the money; it was formula based on the poor but was in fact general aid to the local district."<sup>11</sup> It seemed clear to Department of Education administrators that the proponents of Section 3 "just wanted extra money under the cloudy banner of helping poor kids."<sup>12</sup>

At legislator insistence, city and state administrators met in a number of stormy sessions in the State Superintendent's office and worked out a compromise. The Middle Cities received their compensatory program, but the state secured some important administrative controls. A first clause protected the interests of "outstate" schools. The new state-aid law would place strict limits on the number of programs to be funded in each of the state's cities--just six schools could be funded in Detroit, only two each in Grand Rapids and Flint, and just a single school per district elsewhere. A second clause required that school districts receiving the dollars could use the money only in specifically designated ("disadvantaged-area") schools. Local districts couldn't spread the compensatory dollars around. And, a third clause severely restricted local prerogatives in the budgetary use of the state money. The compensatory education dollars could only be used in each school to reduce class size, to hire paraprofessionals, or to provide inservice teacher training.

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<sup>11</sup> Interview with an Assistant State Superintendent of Public Instruction.

<sup>12</sup> Ibid.

In its first year, the distribution of compensatory education dollars reflected the state-local compromise. With limits on the number of fundable schools per district, Detroit and the Middle Cities together received just forty-seven percent of the 1968-69 allocation. Rural school districts despite the city-biased character of the funding formula, garnered thirteen percent of the compensatory dollars. Thirty of the forty-seven school buildings receiving Section 3 assistance in 1968 were not located in the central cities.

Clearly, first-year allocations under the program did not maximize city interests. Detroit, particularly, with its very large number of "disadvantaged-area" schools, saw itself unduly punished by the six-school limitation. In legislation for 1969, Detroit lobbied vigorously for a liberalization of the funding restrictions; and the state-aid law was accordingly amended to permit up to forty percent of the available dollars for 1969-70 to go to a single school district.

In revisions of the law and the administrative procedures for 1969, nobody gave much thought to the implications of the funding criterion: "Underprivileged children." Definitions and methodologies had been established, had been written into state administrative rules, were well "tested" operationally, and were now standard operating procedures for the program. There was no advance warning that the "underprivileged children" measure, based upon counts of minority enrollments, would fall apart; it simply escaped attention as busy state officials hurried to compute state-aid distributions for a revised law which had passed only a few days before the opening of school in the fall. With compensatory education allotments announced, it

was too late. A number of previously funded northern, rural schools were suddenly told that they had been eliminated from funding eligibility.

Two of the victimized rural school districts promptly took the Department of Education to court--charging that the underprivileged children measure, based upon race, was discriminatory and unconstitutional. An injunction was issued, temporarily halting the disbursement of compensatory assistance until the legislature could act to provide a supplemental appropriation for the rural schools and could act to guarantee rural schools a fixed percentage of each year's appropriation in the future.

It was clear that a revised compensatory education distribution formula would have to be developed for 1970. The "underprivileged children" measure certainly was unconstitutional. In late fall, 1969, the MDE submitted draft legislation for a "modified version" of Section 3 of which would utilize an, as yet untried, statewide testing effort as a data base for compensatory education. Henceforth, it was suggested, Section 3 dollars could be distributed according to pupil test results in the "basic skill" areas of reading and mathematics plus the analysis of certain "socio-economic" criteria. Schools with combinations of low achievement averages and low socio-economic status scores would receive state-aid emphasis.

There seemed little doubt that the state testing effort would provide a very acceptable substitute for the selection of "neediest" schools. City schools, particularly in the inner-city, would surely perform least well on achievement. A socio-economic questionnaire which was to accompany the state tests would provide added insurance--

directing dollars to the schools in each city which served the poorest pupils. The Department of Education's quick action in replacing the original formula had helped to preserve most other aspects of Section 3 without change. The funds were still to be targeted for specific, "disadvantaged" schools and the 1968 controls over local district use of the allotted funds were continued. The only significant changes other than the distribution formula were (a) a five percent funding guarantee for rural schools, and (b) the complete removal of all restrictions upon the dollars which could go to any single school district. Detroit, theoretically, could receive ninety-five percent of the 1970 appropriation.

When implemented, the new "test scores" formula plus the removal of the funding restrictions presented a bonus to Detroit. In 1969, Detroit had received less than twenty-three percent of the year's total disbursement; in 1970, with the use of testing, Detroit's allocation jumped by seven million dollars and the city received fifty-five percent of the available dollars. The story for the Middle Cities, though, was just the opposite. Despite a much larger 1970 appropriation, Middle City allotments fell by more than \$600,000. In 1969, the Middle Cities had received forty-seven percent of the Section 3 resources; in 1970 they received less than twenty-five percent. Other cities, towns, and suburbs lost funds as well--including a number of school districts which had very heavy concentrations of black pupils. In all, twenty of the thirty-four local school districts funded in 1969 lost Section 3 dollars in the announcement of allocations for 1970. Grand Rapids lost \$325,000; Saginaw lost \$175,000; Battle Creek lost \$100,000; and Flint lost \$60,000. The all-black community of Inkster (known best as Michigan's poorest district in assessed property value) dropped to \$104,858 in 1970, from \$268,538 in 1969.

Clearly, the new assessment-based approach had failed to protect adequately the interests of many previously supported school districts and it had failed to provide a close "match-up" with the old criteria in directing dollars, other than in Detroit, into the school districts with the largest concentrations of black pupils. At least part of the failure can be attributed to Detroit's massive problems of school achievement. Detroit ranked far below the rest of the state on 1970 assessment results, and clearly demonstrated a "need" for increased compensatory assistance. Another important ingredient in the failure of the new procedure was the SES questionnaire. A vigorous attack upon its validity and legality was launched by the Middle Cities. The indirect questions used in the twenty-six item instrument were made public, and there was a large outcry over state invasion of privacy in asking fourth-graders about television sets and encyclopedias in their homes.<sup>13</sup> The legislature investigated--asking the State Superintendent where he found the authority to include such a questionnaire in enabling legislation which called for basic skill testing. School administrators throughout Michigan pointed out that the SES

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<sup>13</sup>The tests and socio-economic questions had been supplied by Educational Testing Services under contract with the Michigan Department of Education. The SES instrument used "indirect" questions very similar to those employed by James Coleman in his Equality of Educational Opportunity survey (e.g., Does your family own a TV set, a set of encyclopedias, an automobile?). SES scores for the schools were produced by first factor analyzing the twenty-six items--then using the highest loading factor, or first component, as the SES outcome. Some unusual circumstances developed and were reported in the newspapers--convincing people that the state was guilty of monumental stupidity. A high-loading question, for example was: Does your family have an automatic dishwasher? A low-cost housing project in Detroit did provide dishwashers. The school attended by its residents had been receiving Section 3 help in 1968 and 1969, but failed to qualify in 1970.

criterion was a bad measure--that it had consistently failed to identify the legitimately poor school population in each local district. Again, the Michigan Department of Education was taken into court, this time by the Middle Cities Association; and again, the Legislature had to act to provide a supplemental appropriation for victimized schools.

The compensatory education formula thus had to be changed once again; and in 1971, the Department of Education proposed a radically different state-aid concept, based now upon notions of local school district accountability. While state tests would still be used, the socio-economic questionnaire would be dropped. No longer would a funding formula attempt to identify recipients who were socio-economically deprived; the focus henceforth would simply be upon the state's "educationally disadvantaged" (rich or poor) as identified by the state tests. Now, local school districts would be subject to a clause in the compensatory education law which reduced future allotments if pupil achievements did not improve.

The accountability proposal wasn't very well received by local schoolmen. Some administrators saw it as a natural extension of the "bad press" which continually plagues city schools. "It's discouraging to urban districts--when it looks to the press like we're doing a poor job. With penalties in state-aid because districts aren't able to get every child to read up to grade-level, the press will fire-away without any realistic understanding of the enormous difficulties involved."<sup>14</sup>

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<sup>14</sup> Interview with a superintendent of one of the Middle City school districts.

Other local administrators just didn't think it would work: "We were very skeptical, and originally opposed the accountability provision; the Department sometimes comes up with some pretty way out ideas which usually aren't very feasible."<sup>15</sup> The school districts accused the Department of Education of trying to put forth a "child punishment model" of education in Michigan--a model which would further damage learning opportunities for the disadvantaged youngsters who needed help the most. And one Middle Cities superintendent explained his opposition in "power" terms: "We know we're going to be held much more accountable than Detroit; we're audited closely but nobody has enough power to take a good, hard, forceful stand with Detroit."<sup>16</sup> Although the local districts fought the accountability idea, a concerted attack, sufficiently vigorous to defeat it, never developed. There were two major reasons for this. First, the powerful Michigan Education Association never joined actively in the opposition--opting instead for a wait-and-see attitude. As a spokesman put it: "We fully realize that there is in this accountability thing a basic unfriendliness toward teachers. Accountability can easily become a teacher punishment device, and we're just sitting back to see what the future brings."<sup>17</sup> Second, the state's new Section 3 idea offered an abandonment of the strict

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<sup>15</sup> Interview with an administrator from the Grand Rapids Public Schools.

<sup>16</sup> Interview with a Middle Cities school superintendent.

<sup>17</sup> Interview with a representative of the Michigan Education Association, Lansing, September, 1972. The MEA has since decided to play a much more active role in the politics of accountability. An MEA funded team of scholars produced a highly critical evaluation of the "Michigan Accountability System" in June of 1974, and the MEA has become heavily involved in Michigan's now continuous debate over the scope and direction of the state's accountability idea. See House, Rivers and Stufflebeam, *op. cit.* Also, C. Philip Kearney, David L. Donovan, and Thomas H. Fisher, "In Defense of Michigan's Accountability Program," Phi Delta Kappan, Vol. LVI, No. 1 (September, 1974), pp. 14-19.

administrative controls which the MDE had fought hard to obtain back in 1968. To assist local acceptance accountability, the Department suggested an elimination of the earlier funding emphasis as well as the removal of all restrictions upon local use of the allotted compensatory education dollars. Local district officials were now to be free to use Section 3 dollars for any purpose and were free to distribute the funds widely among their various schools. As one school administrator put it: "The accountability provision carried a carrot for the local schools--spend the money any way you want...it was hard to fight this."<sup>18</sup> Thus, by 1971-72, Michigan's compensatory education program bore few resemblances to its "ancestor" of 1968. The emphasis upon reducing class size in specifically selected disadvantaged schools was gone. Restrictions upon local usages of allotted funds had been lifted. No longer were heavy inputs of additional state dollars "impacted" upon the neediest school buildings. No longer were there administrative struggles between state and locality over the kinds of compensatory education expenditures which would be acceptable under the law. The emphasis now was upon accountability and upon extra money for poor achievement, not just poor black kids. Now, new concerns with test results, with selecting eligible pupils, and with the application of an accountability "penalty clause" had replaced old problems involving definitions of socio-economic criteria and allocations to rural schools.

In sum, the development and alteration of the Michigan Section 3 program over time was very much a function of "fragmented" power relationships

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<sup>18</sup>Interview with a local school district superintendent.

among its significant clientele groups. Detroit, rural schools, the Middle Cities, the Michigan Department of Education--all had sufficient independent power and sufficiently separate state-aid interests to be able and willing to "take a crack" when necessary at program policy.

Through the courts, through the state legislature, through "public outcry," or through private negotiations--each organizational interest was able to affect significantly the direction of the state-aid program. Like all such programs, Michigan's compensatory education effort was pulled hither and yon, from one concept to another, as it affected important interests and elicited styles of response. Control in the administration of state-aid for education in Michigan is clearly a matter of compromising, balancing interests, political bargaining, and power brokerage--where decision-making is, often forcibly, shared between state and locality.

#### COORDINATED GOVERNANCE

Control in state education, however, also appears to be a matter of using concentrated power. Although each program actor displays a set of separate interests and separate resources of power, state and local governments also seem to serve common interests. There are many opportunities for state and local administrators to "tone down" potentially damaging provisions in a law, to head off major disagreements, and to avoid disruptive issues--in the interest of protecting a program and insuring compatible relations among the actors within it.

Coordinated government is very much administrative government. State-aid laws are typically vague, with key terms and funding or evaluation criteria poorly defined. Through the formation and application of administrative rules and regulations, significant areas of administrative discretion develop which may be used to re-fashion a law in the interest of

preventing state-local conflict. In the administration of Michigan's Section 3 effort, this process was amply demonstrated.

### Capital Outlay

In 1968, in the program's first attempt to fashion administrative rules, for example, an issue arose over the use of Section 3 funds for capital outlay. The enabling legislation stipulated that state compensatory education dollars were to be used in large part to reduce pupil-adult classroom ratios. The MDE proposed rules which limited school districts to "direct" expenditures upon disadvantaged children--clearly specifying that facilities construction, as an "indirect" approach, would not be permitted. State administrators were concerned that much of the available money could be "misallocated" to facilities usages. In a hearing on the administrative rules, however, local school district representatives argued vigorously for leeway in school construction. Many of their disadvantaged-area schools, they pointed out, were old and overcrowded; little could be done to affect class size unless there could be an improvement in the availability of classroom space.<sup>19</sup> As the discussion became heated, MDE officials decided to compromise. "The districts really had a valid point," argued a state administrator later, "they couldn't very well reduce class size without additional classrooms. We had to recognize their needs."<sup>20</sup> It was agreed that the formal administrative rules would outlaw capital expenditures but school district budgets would be approved which provided

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<sup>19</sup>Michigan Department of Education, intradepartmental memorandum concerning a meeting with local school district representatives, August 15, 1968.

<sup>20</sup>Interview with an Assistant State Superintendent of Public Instruction, Lansing, September, 1972.

for the leasing of portable classrooms.<sup>21</sup>

Starting Dates

In a second example of coordinated governance, Detroit received special consideration. Standard operating procedures for grant disbursement provide for the initiation of expenditures on the date a project is formally approved by the state department of education. From that date forward a district may begin charging costs to its special grant account.

The 1968-69 state-aid act had been passed by the Michigan legislature unusually early. By the end of June, 1968, the Section 3 administrative rules and regulations for the 1968-69 year had already been formally approved and filed. There should have been little difficulty at the local level in formulating an application and securing approval for program implementation at the very beginning of the school year in September. Most of the state's eligible districts were able to do this.

Unfortunately, Detroit's Section 3 application came in very late. The district was due to receive \$1,171,317, which was twenty percent of the total appropriation for that initial Section 3 year; however, the city's program application wasn't submitted and approved until January 8, 1969. The first half of the school year was over--all program activities and expenditures would have to be telescoped into the remaining months of the term.

Moreover, the late starting date looked bad. While other districts were well underway, Detroit had been unusually slow and unprepared. An end-of-year report to the state board of education and the state legislature could raise embarrassing questions for both the city and the MDE. The Detroit

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<sup>21</sup> Memorandum of August 15, 1968, op. cit.

schools therefore asked Department officials for special help, and the MDE readily complied. It was decided to set a new uniform "effective date" for Section 3 project expenditures. The Department's Section 3 administrator wrote in February: "The finance office will be instructed to make the effective date September 3, 1968. This is a bit unusual; however, as you know we are always willing to help the Detroit school office."<sup>22</sup>

### Comparability

The ability of state and locality to avoid a potentially damaging clash of interests was again demonstrated in the development of administrative procedures for "comparability." In 1971, the Section 3 law began to ask local school districts to show evidence of equality in the allocation of instructional costs among schools-- using as indicators salary expenditures, the teacher-pupil ratio, and the certification status of teachers in each school. To be comparable, schools eligible to receive state compensatory education monies were to have salary costs equal to the average of other schools, pupil-teacher ratios the same or lower than the average of other schools, and "fully qualified teachers certified with appropriate majors or minors for the grade levels or subjects which they are teaching equal to or greater than the ratio for the other schools in the district."<sup>23</sup>

The development of the comparability standards turned out to be a time of trial for the local school districts. Quick to admit that expenditures for instruction were not comparable among their schools and that schools in the more affluent areas of the city were likely to show higher per-pupil costs,

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<sup>22</sup>Letter from a Michigan Department of Education official to an administrator for the Detroit Public Schools, February 12, 1969.

<sup>23</sup>Michigan Department of Education, Administrative Rules and Regulations for 1971-72, "State-Aid to Improve Achievement in Basic Cognitive Skills," R 388.288, Comparability, April 25, 1972.

the districts pointed out that there was little they could do. Older and more experienced teachers are going to receive more pay; these teachers, with time and tenure, are going to be able to move to the "better" schools. Much as local administrators would like to establish comparability, the realities of teacher bargaining lock them in. A rigid enforcement of the comparability provisions would throw local schools into terrible battles over matters of teacher assignment--battles which many of the districts had already fought, and lost.

As the 1971-72 school year began, however, it became clear that, for the present, comparability would present no great difficulty. Department of Education officials, aware that the 1971-72 state aid act had been passed just before the opening of school and even more aware that a strict enforcement of comparability might lead to a major conflict with organized teachers felt constrained to be open and flexible. In fall meetings and conferences, local school representatives were told not to be overly concerned, and were informed that there would be some concessions to local need. Thus, local districts were permitted a five percent leeway in expenditure between Section 3 and non-Section 3 schools and were permitted in determining salary costs to use only base salaries without taking into account wage increments for longevity.<sup>24</sup> Of even greater significance, school districts were permitted to satisfy the law for 1971-72 if they simply "submitted an approvable plan for achieving comparability" in the future.<sup>25</sup>

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<sup>24</sup>This decision of course effectively removed the problem of "experience." Inner-city schools with greater percentages of young and beginning teachers would frequently demonstrate high, average base salary levels but would certainly not be comparable in "total" salary.

<sup>25</sup>Section 3 Administrative Rules for 1971-72, op. cit.

### The Wrong Schools

A fourth instance of coordinated governance involved the correction of a local error in the selection of compensatory education pupils. The administrative rules for the program under accountability provided a sequence of procedures for selecting "low achieving" pupils. The use of test scores was stipulated, but in situations where test results were unavailable, teacher judgment could be used.

The River Rouge Public Schools had inadvertently varied the selection procedure. The district's administration asked for teacher volunteers from the town's four elementary schools for participation in the 1971-72 Section 3 program. The teachers who volunteered were asked to designate their lowest achieving pupils; these pupils became the Section 3 participants. These results, however, were badly biased because of the nature of River Rouge's elementary school population. Two of the district's four schools were nearly all black, the other two were nearly all white. More teachers had volunteered for the program in the white schools than in the black-- thus more than twice as many pupils in the white schools had been selected for compensatory education assistance.

A Department of Education consultant visited River Rouge in January of 1972 and discovered the selection error. A check of available test scores for the district, administered in October, 1971, revealed that "probably 80-90% of the total eligibles should have been in the black schools."<sup>26</sup> A problem facing the state and the district at this time was: What to do? The school year was half over. The district's compensatory programs were well underway--but were helping the wrong children.

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<sup>26</sup>Michigan Department of Education, Intradepartmental memorandum, January 31, 1972.

There was real danger of very adverse and damaging publicity for both the local district and the state if the mistake should "leak out."

This danger was much in mind as the MDE considered alternative remedies.<sup>27</sup> The Department could immediately cut off all Section 3 funds to the district. This, however, would certainly generate much publicity and provide embarrassment to local administrators. Or, the MDE could permit the district to finish the school year without change, insisting only that for year two of the program, proper selection procedures be followed. This, of course, was dangerous to the state if it should be discovered that the Department had been aware of an illegality but had taken no action. Third, the MDE could insist that River Rouge immediately discontinue its present activities and shift nearly all of its Section 3 effort for the remainder of the year to the two neediest schools. It was unlikely though that such action could be undertaken without fanfare or publicity. A fourth alternative was the one selected: State officials asked River Rouge administrators to place additional local resources into the two lowest achieving (all black) schools to the point where their compensatory programs would equal those which had been provided the other schools under Section 3.<sup>28</sup> This was done quietly, and a controversy was averted.

#### Accountability

A final demonstration of the power of coordinated government surrounds the implementation of the provision for local accountability. The accountability clause in the Michigan law by 1971-72 awarded local school districts

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<sup>27</sup>The alternative state actions were spelled out in the departmental memorandum of January 31, 1972.

<sup>28</sup>For example, the two white schools had employed twenty-seven teacher-aides with Section 3 resources; the two black schools had employed eleven. The district would now provide sixteen additional aides to the black schools from local fund sources.

an additional \$200 in state-aid for each of their pupils scoring below the fifteenth percentile on state tests. In turn, the schools were to identify specific performance objectives and to pre- and post-test each compensatory education pupil. For each pupil making a minimum gain of at least 75 percent of the performance objectives for the year, a school district would receive a full allocation of \$200 for the next school year. For pupils failing to register a 75 percent gain, the next year's allocation would be prorated downward in proportion to the ratio of actual gain to the 75 percent criterion.

The law establishing accountability had been typically very vague-- leaving unanswered some very difficult questions of definition and procedure. The law provided a formula for determining each school district's share of the compensatory education "pie," but gave little direction to the job of selecting specific pupils to be served. The law specified a "minimum gain" in achievement but left untreated questions of measurement and the definition of performance objectives. Yet these "technical" questions, left to the administrative rules process, were critical to the success of the accountability idea. Without "leak-proof" definitions and procedures for pupil selection, testing, statements of program objectives, and the determination of "gain scores" the state would have very little control over accountability outcomes. The MDE recognized this and attempted to establish a set of strong rules.

Accountability seemed to present a threat, however, to local school districts. A press by the Department of Education for greater precision of definition and for greater particularization of procedure than before in the Section 3 administrative rules was viewed by many school districts

with alarm. The districts were worried about the penalty clause in the law and apprehensive generally about the revenue implications of this increased emphasis throughout the state upon improving pupil test scores. Only by preserving as much local discretion as possible could the threats posed by accountability be staved off. Thus, MDE attempts to specify such matters as minimum performance objectives, step-by-step procedures for selecting pupils, and strict pre- and post-test requirements were vigorously opposed--especially since many of these decisions entered areas of school curriculum and pupil placement which had long been considered "untouchable" areas of purely local responsibility.

In the face of local opposition, the rules process for 1971-72 took a very long time.<sup>29</sup> A first clash between state and locality came over a proposed ruling which would set forth a minimum acceptable performance objective. The law required only that school districts identify their performance objectives, and stipulated that 75 percent of goal attainment was needed for full funding. Loosely interpreted, such language could leave the determination of performance criteria entirely to the local district; and local expectations were that this would be the case. A rule suggested by local schoolmen required each district to establish a performance goal "which would be a stated improvement over the past growth of its compensatory education students."<sup>30</sup> The Department of Education opted instead for a more rigorous, standardized goal. School districts were to include in their applications for state funds a commitment to a gain of at least one year's growth in achievement, as measured by test

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<sup>29</sup>The Section 3 administrative rules for the 1971-72 school year weren't completed until April of 1972.

<sup>30</sup>Minutes, meeting of Michigan's "Middle Cities Association" with representatives from the Michigan Department of Education, Lansing, October 1, 1971.

instruments approved by the state. To many at the local level, this "minimum" appeared to be totally unrealistic as a criterion for disadvantaged children. Translated into grade-equivalent terms, the one year's growth objective would mean a one month's achievement gain for each month in the program. Although full funding (75 percent of the objective) could be attained with just seven month's gain for the year, local officials claimed that even this, from their experience in compensatory education, was way too much to expect.

The one year's growth criterion was a tough, or "hard," rule in the face of local demand for a "soft" administrative interpretation of the law. Other, equally rigorous administrative rules decisions followed. The Department of Education established a hierarchy of procedures for school districts to use in selecting specific pupils for compensatory education treatment. Schools were to use standardized tests for pupil selection and only as a last resort could they use the locally preferred, "softer" measure called "teacher judgment." Another rule required schools to use different test instruments for pupil selection and the pre/post testing of performance--in fear of a contaminating or regression-toward-the-mean effect if the same test were used for both purposes. And yet another rule required local schools to demonstrate success through a composite score representing two basic skill subject areas rather than individually in either reading or, mathematics, as they preferred. If implemented, the "hard" standards and procedures outlined in the administrative rules and regulations could have resulted in a stiff pattern of state control over local school district programs and perogatives. A state directed and enforced accountability effort in compensatory education might have come to fruition--with a consequent significant alteration in the accepted style and norm of state-local relations.

It didn't happen. During the months of state-local negotiation, both sides had become very much aware of the complexity of the task created by the new Section 3. The MDE had pressed for a "minimum performance objective" of one year's growth in achievement but found it was faced in practice with very difficult problems in standardizing the measurement of performance. Available tests varied considerably in learning behaviors sampled, adequate standardized achievement tests just did not exist for grades K and 1, the time between pre-test and post-test differed from one district to another, and a battle developed over the use of the same test for both pupil selection and evaluation. The Department had prepared a hierarchy of procedures to insure the selection of "lowest achieving" pupils in each district, but a "loop-hole" developed in implementing the rule. The Department of Education had ruled that future allocations of aid under Section 3 would be based upon a "composite score" of test results in communication and computational skills, but was then faced with the question of defining what skills in reading and math should be covered in this "composite" test score.<sup>31</sup> How, the districts asked, can we convert our "readiness" tests in grades kindergarten and one into grade equivalency units?<sup>32</sup> How do we achieve a full year's gain in achievement when we are already well into the 1971-72 school year?<sup>33</sup> How about selected pupils who leave the school

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<sup>31</sup>The MDE never succeeded in reaching closure on this important question. The result is shown in an intradepartmental memo developed late in the 1971-72 year: "As you know, local school districts defined these terms (communication and computation) in many ways, and used parts of standardized tests that best suited their definition. As a result, it is difficult if not impossible to determine whether or not schools are operating within the framework of the law."

Michigan Department of Education, intradepartmental memo, May 17, 1972.

<sup>32</sup>Michigan Department of Education, "Some Frequently Asked Questions Concerning Section 3 and the Answers," mimeographed, no date.

<sup>33</sup>Michigan Department of Education, Minutes, Public Hearing on Proposed Section 3 Administrative Rules, Lansing, October 15, 1972.

district after pre-testing but return before post-testing?<sup>34</sup> How about pupils who are deficient in just one skill area (either reading or math)? What happens if a pupil is identified for Section 3 services on one of the selection measures but the pre-test results fail to identify him as an underachiever?<sup>35</sup> Do we have to serve pupils at all grade levels, kindergarten through six, or can we concentrate our funds upon one or two grades?<sup>36</sup> In the face of a constant barrage of procedural questions and delaying tactics from local schoolmen, in the face of evidence that there would be enormous technical difficulties in putting the rules into operation and that the rules were far from "leak-proof," and in the face of evidence that the opponents of accountability were marshalling political forces against the Department of Education's "mismanagement" of the law-- the second, "cooperative" side of the sharing relationship between governments called into play. The Department of Education began to make concessions in the form of some "soft" implementation decisions to mitigate the effect of its "hard" stance in the formation of the administrative rules.

A first decision was to assume a posture of leniency in the enforcement of regulations which guided the local selection of compensatory pupils. Although a hierarchy of pupil selection criteria had been established, local schools were permitted to go directly to a "teacher judgment" standard, bypassing the use of standardized achievement scores. In planning an audit of pupil selection actions, the Department discussed but decided

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<sup>34</sup>Ibid.

<sup>35</sup>"Some Frequently Asked Questions," op. cit.

<sup>36</sup>Ibid.

not to enforce the hierarchy and decided also not to investigate whether the local districts were selecting large numbers of students who had achieved "too well" on the pre-tests. The audit simply became a check to see if the local schools had the names and test scores of their participants on file; it was found that all of the school districts were in compliance.

Moreover, the Department of Education decided not to close a loophole in its pupil selection rule. The compensatory education law directed local schools to concentrate their additional state-aid resources upon their "lowest achieving" pupils. In the administrative rules, lowest achievers were defined to be those pupils who scored one or more years below grade level on a standardized test. It was soon discovered that this procedure permitted local schools to ignore some of their very "lowest achieving" pupils. Pupils who were one year below their grade norm in achievement would be selected for compensatory assistance but pupils four to five years below grade level could be ignored. The Department discussed the loophole but decided to let the rules stand as drafted. Local school districts saw an opportunity to spread their compensatory education resources widely, hedging their bets against poor pupil performance. "I would be less than candid," admitted one local administrator, "if I didn't say our west side [better] schools are in the program to help the achievement results."<sup>37</sup> Additional and similar administrative concessions followed. In a major move, in the Spring of 1972, state agency and local school district interests cooperated in asking the Michigan Legislature to drop

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<sup>37</sup>Interview with an assistant superintendent from one of Michigan's "Middle City" school districts, October, 1972.

accountability altogether. Arguing that technical problems had delayed effective program implementation and that accountability couldn't be applied fairly for the 1971-72 school year, the State Superintendent asked that the penalty clause in the law be waived. The legislature complied, providing "forgiveness" in the use of pupil achievement results for compensatory funding in 1972-73. Each school district thus received full funding (\$200 per pupil) for the second year of the program no matter what the achievement levels of its pupils were the year before.

During the accountability program's second year, there were some additional administrative concessions to local interests. An important decision allowed school districts considerable leeway in the formation of performance goals. There had been a number of difficulties during 1971-72 in structuring an accountability framework for kindergarten and the first grade. Existing, standardized "readiness" instruments adapted poorly to the need for gain scores between a pre-test and a post-test. Therefore, in the summer of 1972, the Department directed the schools to move toward the development and use of "criterion referenced instruments" in grades K and 1 for 1972-73. The districts were to submit copies of their minimum performance objectives and tests to the state before receiving approval for 1972-73 funding; it was also hinted that in the following year, 1973-74, the criterion reference approach could be extended to grades 2 through 6. Although upset at the timing of the state's directive and the difficulties which would be encountered in developing satisfactory instruments by the opening of school in September, local school officials were pleased with the decision. "The criterion reference thing is beautiful," enthused one

administrator, "there's really no way now that we can lose money at K-1."<sup>38</sup> "The state really helped on this," offered a second respondent, "they have stressed minimal objectives, even telling us that our objectives and items were too difficult--and said, 'Look, you're dealing with lower level kids and they should all (about 90%) reach these goals'.<sup>39</sup> "We developed a list of objectives and sent them in to Lansing," explained another project director, "but they said they were higher expectations than the minimum objectives promised."<sup>40</sup> "We're really specifying minimal objectives for K-1," offered yet another local administrator, "really easy."<sup>41</sup> "Yes," admitted a state official, "with the criterion reference tests it'll be a giveaway."<sup>42</sup> Despite administrative concessions, it seemed apparent again to state and local administrators, by the late spring of 1973, that the application of the accountability "penalty clause" would seriously reduce levels of local funding for the coming year. Detroit, in particular, warned the state that its test results were going to lead to the loss of a large part of its compensatory education grant unless something was done. In early June, the Department of Education asked the legislature once again for "forgiveness." Local schools were allowed, for 1973-74, to retain their "unearned" dollars for pupils who failed to show the required gain in achieve-

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<sup>38</sup>Interview with a local school district coordinator for compensatory education programs, October 11, 1972.

<sup>39</sup>Interview with a local school district administrator, September 26, 1972.

<sup>40</sup>Interview with a local school official, October 12, 1972.

<sup>41</sup>Interview with an administrator from one of the Middle City school districts, August 1, 1972.

<sup>42</sup>Interview with a state administrator, Bureau of Research, Michigan Department of Education, Lansing, August, 1972.

ment. In turn, they were to provide a different "educational delivery system" for the affected pupils and to make sure the pupils achieved 75 percent of their prescribed performance objectives for 1973-74. With legislative acquiescence, Michigan schools were assured that, for the third year, the state's accountability idea in grant-in-aid distribution would not be applied.

In sum, it would appear that a number of decisions in the Michigan case represented efforts by state and local officials to resolve policy differences before they generated too much conflict-- to resolve state/local issues before there were political costs to the continuation of the state-aid program. Thus, common program interests were found as mediators for potentially disruptive clashes of private preference. A compromise in defining an important term in the state-aid law prevented a clash over the local use of grant-in-aid resources. "Hard" administrative rules were followed by "soft" implementation decisions. An appearance of strict state control helped preserve legislative support for a program while an accompanying leniency in rule enforcement kept local dissatisfactions from reaching damaging proportions. Local mistakes or misjudgments in the use of state dollars were covered up to prevent the development of damaging publicity and political embarrassment for both state and locality. Provisions in the law which posed a threat to the stability of state-local relations were simply ignored or were certainly toned down.

#### CONCLUSION

It would appear that the Grodzins-Elazar idea of a "sharing" relationship between governments (particularly the concept of "fragmented-yet-

coordinated" government) does provide a meaningful way to view state-local interaction in education. In the administration of state programs in education, there is both a distribution of policy-making power among state and local governments and a concentration of power in the hands of state and locality working together. Each major actor will demonstrate an ability to influence the direction of program administration; at the same time, the various actors will compromise and cooperate in the determination of policy directions which meet their common needs. While a "fragmented" system of government serves the separate interests of different program actors, a "coordinated" system serves a common interest in the survival of the program itself. Far from a "layered" hierarchical arrangement, the administration of state education appears to be a combination of state authority and local influence--a result of interactions between powerful actors, state and local, who find it both necessary and convenient to "share" in a process of decision-making which protects the maintenance and enhancement interests of agencies at each "level" of school government.

From this discussion, it may be suggested that some current thinking about the role of the state in the distribution of school resources should be reconsidered. First, it would appear that "new federalist" arguments for an enhancement of state department of education responsibilities in the direction and control of schooling may have ignored an important concomitant of the "sharing" relationship. This is the tendency for state agency and local school district interaction to occur within very narrow programmatic ranges of mutually supportive client-administrator relationship. As Grant McConnell has suggested, intergovernmental "sharing" in these circumstances can easily become a symbiosis of mutual assistance and support between ad-

ministrative agency and local client.<sup>43</sup> As program clients and as the possessors of significant policy-making power, local school district recipients of compensatory education dollars in Michigan were accorded special consideration by the State Education Department. In turn, the clients supported the MDE and assisted in preventing the development of potentially damaging policy issues. With advantageous positions for certain groups and with reciprocal opportunities for consideration and support between state agency and client, the result was the development of the program into a specialized policy-making "subsystem." By no means did "fragmented-yet-coordinated" government insure against the creation of a rather closed political process and the isolation of administrative decision-making.

In this situation, the kinds of policies selected by the state-local partnership are likely to be those which best serve the partners' common maintenance or enhancement needs. To Grodzins and Elazar, decision-making through the fragmented-yet-coordinated structure is a self-correcting mechanism of protection for a diversity of local needs at the same time there is protection of the larger good. Distributed power insures flexibility and diversity, concentrated power insures goal achievement and public responsiveness.

The data from Michigan, however, indicate that administrative policies which emerge from the interplay of state and local power are likely to isolate program issues from the possibilities of public input, change threatening provisions in the law into "safe" rules and regulations, and emphasize

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<sup>43</sup>Grant McConnell, Private Power and American Democracy (New York: Alfred A. Knopf, Inc., 1966)

compromise and conciliation at the expense of rule enforcement. It was much more in the interest of the Michigan Department of Education to meet the particularistic funding and management needs of its clients than to take action which would cause its clients to "fight back." Such a strategy enhanced state-local power in combination, and protected and preserved the program. Because each of the actors in the administration of the Section 3 effort was well supplied with political power, it was necessary for the state to bargain, to conciliate, to be non-threatening if it was to have any control over the program whatsoever.

Second, it may be suggested that traditional and commonly accepted notions about improving the "leadership" capacities of state departments of education may need to be reexamined. In their influential book on the subject, Roald Campbell and his associates have argued that improved state leadership requires a diminished emphasis upon a traditional, regulatory role for state agencies and greater attention to goal-setting, research, and long-range planning.<sup>44</sup> Regulatory activities, they argued, tend to be "bean-counting" operations--generating much paperwork and much effort to "make the rounds" regularly in visits to local school districts, but resulting in little benefit to education. State departments will be better served by an improvement of their capacities for planning and development.<sup>45</sup> The evidence from Michigan, however, suggests that the planning and develop-

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<sup>44</sup>Roald F. Campbell, Gerald E. Sroufe, and Donald H. Layton, (eds.), Strengthening State Departments of Education (Chicago: Midwest Administration Center, The University of Chicago, 1967).

<sup>45</sup>Ibid., p. 89.

ment route to an improved state agency has its own pitfalls. In fact, it may even be suggested that, contrary to Campbell's argument, strengthening state departments of education may require more attention to the regulatory function, not less.

Michigan's compensatory education statute was typically vague. It left much to the discretion of state rule-makers and depended much upon the expertise of state officials for the implementation of what were often very technical details (e.g., accountability, comparability). Many of the provisions of the program over the years were innovative, requiring a careful and thorough consideration of alternative policies and an attempt to apply the best knowledge then available in the field of education to problems of state-aid distribution. By 1971-72, the program, with its accountability emphasis, required considerable state direction in the areas of research, planning, goal-setting, and evaluation. Despite these requirements for considerable technical expertise, a weighing of alternatives, a search for the "best" administrative policy, and careful planning--the development of state rules and regulations for compensatory education was a very political process. The rules, and decisions made in their implementation, were the results of bargaining between state agency and local district; rather than being an outgrowth of planning, incorporating the best knowledge available, administrative decisions commonly reflected the compromised interests of state and local educational organizations. The crux of the problem for Department of Education "leadership" was that it needed the support of its local clients in order to implement the law. Only by keeping controversy well in hand, by maintaining a status quo in compensatory funding, and by tempering any leadership demands upon the local schools could the Department insure the

maintenance of the cooperative "subsystem" which provided the power the Department needed to render administrative decisions. Without clearly defined and strong regulatory powers under the law, the Michigan Department had to depend upon the support, cooperation, and good will of its Section 3 clients.

It may be suggested that efforts to "strengthen" state departments of education have been shortsighted. If the objective is to strengthen the hand of the MDE in education policy, it would appear that an effective strategy would be to provide opportunities for a state-local "subsystem" to develop--a subsystem which would control decision-making in the common interest of both state and locality and would use the combined powers of state and local organizations to insulate program administration from "politics" and from the "outside." While state education is strengthened, the cost of such a strategy of course is a possibility for decision-making in terms of subsystem rather than public interests. Campbell and other reformers have perhaps erroneously assumed that a strong SDE would necessarily improve "public" leadership in education. An effort to strengthen state departments of education may have been a somewhat inappropriate goal in the past years of educational reform--in that proponents of change have generally ignored the consequences of administrative power over school policy and the question: Who benefits?

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