State Education Agencies Overlooked in Education Reform? Talent is the first place to start

Christine Campbell and Michael DeArmond

State education agencies have been tasked with an immense productivity challenge—increasing student outcomes on fewer funds for the unforeseeable future. The federal government has expected more from states over the last few decades in improving district and school performance: however, there were minimal gains even when states had more money. Achievement for low income and minority students still shows large gaps and all students continue to decline further behind those in other countries, as evidenced through international measures and studies.[1]

The most recent federal effort to jump start state level reforms, the Obama administration's Race to the Top (RTTT) competition, raised the stakes for states to take an active role in a host of reforms, including higher common standards, new data and assessment systems, teacher and leader workforce reforms, and improving the lowest performing schools. Following the lead of the *No Child Left Behind* Act before it, RTTT calls on states to be actively involved in overseeing and promoting district and school performance. The obvious question is, are state education agencies (SEAs) up to the task?

In many cases, the short answer is "No." As others have pointed out, state departments of education are designed to function as compliance and regulatory agencies; they are made up of different sub-units and departments whose primary roles have long been to regulate and monitor local education agencies and disburse funding.[2] A recent CRPE report on staffing priorities at state departments of education show how hands are tied by federal requirements to administer and monitor child nutrition and special education with proportionately very few people assigned to the work of "school improvement." Even if reassignments were made, the question of staff capacity remains.[3] The demands of federal policy today—that SEAs oversee and support performance, collect data, and analyze the effects of policy and practice in an effort to compete internationally and improve outcomes for young people—are a fundamental departure from what these agencies were originally designed to do.

Education department leaders are working to develop the structures and capacities they need to meet these demands, but it is an uphill battle. This is a concern for all states as they face the pressures of what Secretary Duncan has called "the new normal" —the challenge to increase productivity and student performance in a new era of fiscal shortage. To do better with less, states and districts must make more productive uses of funds available for public education, take full advantage of every minute of school time, and pursue every promising source of teaching talent and instructional technology. State departments of education need to design more ambitious programs, oversee their implementation, and assess whether the innovation is effective.

Recent experiences with *No Child Left Behind* suggest that many state education agencies lack the fiscal resources and technical know-how to support districts and schools to increase performance.[4] Meeting the new productivity challenge will require states and districts to do things they have never before attempted. This is as true for RTTT winners as it is for the other 39 states that must do this without a cash infusion.

A huge challenge for SEAs is finding, developing, and retaining people who have the knowledge, skill, depth of experience, and will to oversee and support district improvement across the state. Unfortunately, states have few guideposts for how they might address this challenge —research about talent management in SEAs is almost non-existent. Fortunately, there is a growing body of evidence from school districts on ways to build and maintain new types of human capital to meet the demands of performance-driven reforms.

Emerging evidence from school districts show how educational organizations can rethink the way they manage human capital from end-to-end—how they hire, train, place, evaluate, and reward educators, as well as redesign central offices into problem-solving organizations. A recent CRPE study of talent management in two portfolio school districts—New York City and Washington D.C. —finds that these efforts amount to a crosscutting "talent strategy" that shows how the entire system, not just the district's human resource (HR) department, helps or hinders the district's ability to attract and retain the teachers, principals, and central office administrators it needs.[5] Indeed with 88,000 teachers and principals, New York City's reform efforts might well be the closest analog to state education leaders rethinking their approach to talent as they try to attract and deploy the kinds of people who might get traction on doing better with less.

Four district strategies that can inform an SEA Talent Management Strategy:

1. Assign talent management to a cabinet-level position
Portfolio districts prioritized talent management by assigning it to a senior executive (i.e. Deputy Chancellor), someone who is charged with overseeing policies and practices for the entire employee lifecycle and across both schools and the central office, as well as someone deeply connected to the overall reform strategies. It meant bundling any department that had to do with sourcing, deployment, development, performance management, rewards, and retention or termination, and putting those tasks under one person.

For state departments of education, this raises questions. Who is in charge of talent management? Who should be? What is the relationship between the human resource management function and strategic

leadership? How many departments "touch" talent, whether it involves the hiring and salary setting of SEA staff, or the policies around who can be hired to lead schools and districts in the state? Understanding how many departments affect attracting, hiring, and placing talent is an important first step.

2. Differentiate strategy from transaction
Portfolio districts have worked to simultaneously streamline their human resource systems but also make them more strategic. One way to do this is by separating the transactional side of human resources (e.g., processing hiring paper work, payroll and benefits) from the strategic side (e.g., the "big think" work of projecting the district's talent needs and assessing how current polices and practice are, or aren't, meeting those needs).

How are state education agencies currently distinguishing the strategic and transactional sides of human resource management? How could both be improved? When it comes to strategy, what are the major issues facing the department? For districts, strategic planning goals helped to identify priorities. For example, when improving principal quality was the goal, the strategy group completely imagined new aggressive recruitment strategies, ways to increase rigor in selection, and reconfigured the timeline of hiring and the data to drive optimal deployment. With new strategies for each task, the work was handed off to the implementation team to design ways to do this. What are an education department's big goals and how does talent support them? How can a division of "big think" and "implementation" get it done?

3. Redesign policies to support flexibility and performance
Portfolio districts are redesigning a host of policies and practices to support flexibility and performance. For districts, this often involves renegotiating teacher contracts and the rules that affect who works in what schools. But it also involves rethinking certification and compensation policies.

For education departments, this raises important questions about how job requirements and the compensation system help or constrain the agency's ability to hire the talent needed to implement reforms. For example, some states require that the chief state school officer must be eligible to teach in a classroom. This limitation is an obvious constraint on possibly the most important education hire in the state.

Most SEAs are constrained by civil service hiring grades that make it difficult to pay salaries for the kinds of staff who might bring experience or intellectual capital from other sectors. Some states are finding new ways to approach this. For example, salary exemptions, creating new specialized positions on an individual basis, securing financial donations to support new positions or increase salaries, and the use of loaned "employees" with no restrictions on their compensation are creative ways to manage the constraints. Restructuring is another approach that addresses both the new direction of the department and the need for new skills by eliminating some positions, and creating fewer positions that are more performance-driven.

4. Change the culture to focus on performance
Finally, to ensure that district administrators and other central office staff had the skill and incentives to support the talent strategy, both New York City and D.C. complemented their restructuring efforts with investments in the capacity of people in the central office and efforts to build a new culture of accountability and performance.

To increase capacity and reorient the culture, leaders in the districts hired people from outside the district with new talents and professional backgrounds. To underscore the shift in the central office, both districts asked incumbents to "reapply" for their positions in HR and hired others who fit a new emphasis on customer service and accountability. "While we fired a handful of people," said a district official, "the new culture and new way of operating also drove people out who didn't want to be there."

The districts also used new types of job assignments and training to build capacity and shift the culture. To build managerial capacity and create a culture of strategic innovation, some upper-level managers in New York City are given "stretch assignments" that lead either to their advancement or removal.

Both districts invested in training for HR personnel, including customer service training. D.C.'s HR staff studied the practices of businesses like Nordstrom, Disney, and Bank of America.

The districts also tried to change the culture in the central office through the use of new performance metrics and accountability tools for central office personnel. In D.C., for example, top district managers have weekly reviews with the district's executive management team to go over their goals and progress (called SchoolStat, modeled after New York City's Crimestat). It reinforces the accountability felt by the schools, and connects it to successful or unsuccessful actions taken by central office staff.

For education agencies, this raises questions such as, what current models of professional practice and expertise exist in the department and what is missing? How well do SEA employees know how they are doing and what are they held accountable for?

Conclusion

Of course, many of these district-level efforts are controversial. They can challenge well-established interests and long-held practices. In and of themselves, they do not change how teachers teach or principals lead. The analogy between school districts and state departments of education is far from perfect. Nevertheless, the larger point is that a more deliberate, strategic, and aggressive talent strategy is a critical tool for meeting the demands of today's ambitious school reforms. It's also a good place to start for state education agencies that also need to meet new and complex demands, and that increasingly are expected to ensure that all children have access to high performing teachers and schools.

Christine Campbell is a Senior Research Analyst at the University of Washington Bothell's Center on Reinventing Public Education (CRPE) and serves on the board of directors of the PIE Network. Michael DeArmond is a Research Analyst at CRPE.

1 PISA 2009 Results, "What students know and can do, OECD Programme for International Student Assessment," PISA, 2009; National Assessment of Educational Progress (NAEP) 2011, U.S. Department of Education, Institute of Educational Sciences, National Center for Education Statistics; Peterson, Paul, Ludger Woessmann, Eric A. Hanushek, and Carlos X. Lastra-Anadón, "Globally Challenged: Are U.S. Students Ready to Compete?", (Boston: Harvard's Program on Education Policy and Governance & Education Next, August 2011).

2 Fusarelli & Cooper, 2009; Lusi, 1997; Redding, 2007; Sunderman, 2010; Wirt & Kirst, 2009.

3 Patrick Murphy and Monica Ouijani, "Limited Capacity at the State Level: A Threat to Future School Improvement," (Seattle: Center for Reinventing Public Education, June 2011).

4 Dwyer, 2006; Lane & Gracia, 2005; Le Floch et al., 2008; Minnici & Hill, 2007.

5 Christine Campbell and Michael DeArmond, "Talent Management in Portfolio Districts," (Seattle: Center on Reinventing Public Education, December 2010).