



Linking State and Local  
School Improvement

# How States Can Promote Local Innovation, Options, and Problem-Solving in Public Education

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## Overview

When it comes to education policy, states have new power and even a new mandate to improve their schools under the federal Every Student Succeeds Act (ESSA). States now have the power to define school performance, measure teacher quality, and determine how resources flow. Yet despite these powers, states are still fundamentally limited in their ability to improve student outcomes. State education agencies (SEAs) and state boards of education have limited capacity and authority to support school improvement, innovation, and transformation.

If states hope to succeed under ESSA, and not just check the boxes on federal compliance, they will need much more than a strategy to fix the lowest performing 5 percent of schools. States will also need a strategy for improving the other 95 percent of schools and school districts, most of which are increasingly challenged to meet the diverse needs of a changing student population and to compete in an era of increasing parent choices. These are daunting challenges for any state.

The good news is that school districts in many cities and suburbs throughout the country are taking pragmatic steps to encourage innovation and improvement in their schools in ways that states should be encouraging and empowering. They are loosening regulatory strings on school leaders so that leaders can adapt to the needs of their students and keep promises made to families about learning opportunities. Some districts are offering families choices among different schools and letting them decide which school best meets their children's needs. Some are backing up choice by sending money directly to the schools that students attend. Some are forming partnerships with other local school providers (i.e., public charter school operators) and creating school options of their own, removing the options that struggle and expanding and replicating the options that work.

Localities approach these strategies in their own ways. They are called various names: innovation zones, empowerment districts, or portfolio districts. But whatever the name, effective local leaders—district superintendents, mayors, and school board visionaries—see all these efforts as part of a broader strategy to empower educators and community members to find new ways to transform schools and serve all students more effectively. Districts as varied as Tulsa, Oklahoma; Indianapolis, Indiana; Newark, New Jersey; and New Orleans, Louisiana, are taking different approaches, but they are all learning that with the right tools and policy environment, they can accomplish a great deal to break down the barriers between the traditional public school system and the broader community, including cultural and scientific institutions, businesses, and institutions of higher education. They are giving schools flexibility and creating new options for students and families. At the same time, they are pairing that flexibility with intensive supports and clear expectations.

But there is also evidence that state laws tie the hands of important local efforts like these, and ultimately can prevent even the most ambitious local school system from mounting and sustaining dramatic improvement strategies. The accretion of state laws and regulations designed for the top-down education system of 100 years ago is now, in effect, holding back a more modern system from dealing with significant demographic and policy shifts. If states fail to take an active approach to rethinking this outmoded system, any new efforts to promote innovation and improvement under ESSA will necessarily be limited in scope and scale. States must find ways to free school districts to, in turn, free schools to innovate.

State policy, as well as those tasked with implementing policy, plays a critical role in determining whether, when, and how well local innovation and improvement strategies can be implemented. In 2016, CRPE undertook a review and analysis of state laws, administrative rules, regulations, and other state-level formal decisions that can limit a local school system’s ability to empower educators and families. Our goal was to help state officials and policy advocates understand how changes in state law and policy can allow more localities to embrace strategies that empower educators, promote new schooling options, and let parents choose. As described above, these strategies vary in specific approach and in name. In combination, we refer throughout our analysis to “Empowerment Options.” A few examples of the variety of Empowerment Options are described below.

Researchers reviewed state policy in 14 states that already have one or more large cities pursuing local innovation strategies: California, Colorado, Connecticut, Illinois, Indiana, Louisiana, Michigan, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Tennessee, and Wisconsin.<sup>1</sup> We developed policy recommendations for each part of the analysis to help guide state policy toward enabling more robust local innovation and improvement going forward.<sup>2</sup> The hope is that these recommendations, along with the state self-assessment tool that was derived from and accompanies this analysis, will serve as resources to help local education leaders, alongside their state education leaders, identify needs and formulate proposals for useful adjustments to state law.

This analysis, its policy recommendations, and the [accompanying self-assessment tool](#) were designed to be living documents that can be improved in response to experience. Questions and comments are welcome, as well as accounts of how this tool may have helped you and how it could be made more useful still.

## Barriers to Empowerment Options

This analysis shows that policies in the 14 states that were reviewed are, whether intentionally or unintentionally, tying districts’ hands and preventing more districts from being able to innovate and compete. This circumstance occurs in several ways, most notably:

- **Locking districts into centralized command-and-control models that treat all schools alike.** In everything from labor contracts to facilities, to procurement rules, to how money flows, to dictates about course credits and testing, the assumption in state law is that the district, not the school, is the unit of change.
- **Placing practical restrictions on districts’ ability to intervene in low-performing schools.** Most districts can close or replace a school that is not effective, but state labor laws around tenure, due process, and last in, first out requirements, along with collective bargaining statutes, make it difficult, if not impossible, for districts to reduce their overhead costs as enrollment declines or to make needed staffing changes in troubled schools.
- **Making it difficult for schools to enter into contracts with outside providers.** School leaders following Empowerment Options try to reduce the size and scope of the district central office so that diverse types of schools can tap support from the providers who can best meet their student and staff needs—providers which might or might not be part of the district. State law doesn’t exactly get in the way, but it doesn’t exactly help either. Conventional procurement policies at the state level are a barrier to Empowerment Options, as are state funding formulas that hinder districts from sending the lion’s share of funding to schools on a per-pupil basis.
- **Failing to help families understand and navigate their choice options, which don’t work in concert with one another and which often operate outside a district’s control.** States are increasingly creating new avenues for families to enroll in schools of choice, avenues such as inter-district enrollment, charter schools, and publicly funded vouchers, to name a few. Many of these options are authorized via state agencies, mayors’ offices, or even state colleges and universities. These efforts create a wealth of options, but too often they leave local leaders without any

authority to deal with the significant challenges faced by parents and families, including equitable access to schools. Districts following Empowerment Options can, for example, work in conjunction with charter schools to coordinate consistent enrollment systems, available information, transportation, special education, and common accountability metrics across all schools in a given area.

- **Creating unnecessarily antagonistic conditions that lead to districts being unable, or unwilling, to partner with charter schools.** In most states, districts that might otherwise be interested in, say, partnering with a charter school to replace an underenrolled or low-performing district-run traditional public school face a host of disincentives. The way charter schools are funded, for example, sometimes means that the students enrolled in a charter school “cost” the district more than if the student were to attend private school or be homeschooled. And in most states, the district would not get “credit” for a school that improved in a district-charter partnership model because of the way state accountability systems and reporting work. In states where districts do not have the power to authorize charter schools themselves, a district has little to no power to remove a charter school that fails to perform well.

In sum, states have, through a gradual accumulation of laws passed piecemeal over the decades, given districts the ability to tinker but not to transform, and to control schools but not to free them from regulation.<sup>3</sup> Today, districts need state laws and policies to support their ability to operate with maximum nimbleness and inventiveness. School talent needs to be recruited and unleashed in new ways. Systems need to support family choice, not merely create it. Funding needs to be able to follow the student, and schools need to have the flexibility to manage those funds appropriately for the communities they serve.

To guide state and local education leaders’ assessments of legal and regulatory barriers to Empowerment Options in their own states, this analysis focuses on existing state requirements in four categories: systems, schools, families, and funding. The four Big State Policy Questions that frame this analysis are as follows:

1. **SYSTEMS.** Does state policy allow or encourage school systems to develop and oversee a diverse array of autonomous schools?
2. **SCHOOLS.** Does state policy allow schools in an empowerment community to have meaningful decision-making authority and flexibility (i.e., autonomy)?
3. **FAMILIES.** Does state policy support informed choice and equity of access for families?
4. **FUNDING.** Does state policy allow or encourage the use of studentbased allocation such that funds may be distributed across schools based on the students actually attending those schools?

The treatment of these categories shows how a state-specific review can be organized under these four major questions. The categories are interrelated. Advancing policy on one category but not the others might not be enough if a related barrier exists elsewhere. Consider: If a state gives schools discretion to make their own spending decisions, other requirements will also need adjustment in order to make that discretion meaningful. For example, a state requirement that collective bargaining agreements include a mandate that schools employ the highest earning teachers can undermine the spending discretion that a state intended schools to have. Further, a state that encourages districts to increase the share of all funds allocated to schools on the basis of enrollment will also need to rethink the myriad administrative duties assigned, at the state level, to the central office.

A complete set of legislative changes intended to remove all of the barriers to local use of Empowerment Options should include the following:

- Broad opt-in waivers for whole districts to change the ways they allocate funds, staff schools, review and respond to school quality,<sup>4</sup> and preserve flexibility for schools.
- Consistent pupil-based funding formulas that lead to predictable allocations based on the numbers and characteristics of students enrolled in each district school, subject only to overall appropriations changes.
- Clear authority for districts to increase school-level flexibility of action, including degrees of autonomy and flexibility to hire, determine staffing configurations and work assignments, and make purchases on the market and not necessarily from the district.
- District flexibility to differentiate among schools based on performance and readiness for autonomy.
- Family-friendly choice policies that increase equitable access to all schools, including full information, fair admissions processes, and student transportation.

A note: The removal of legislative barriers alone is not likely sufficient to drive successful implementation of Empowerment Options. States might also need additional legislation. For example, legislation that provides temporary transition funds for districts to use to start up their Empowerment Options or to support the transformation of existing schools and start-up of new ones. States might also need to encourage districts to improve their leadership preparation programs, or to fund pilot leadership training programs that focus on school leadership in autonomous, transformative systems.

And of course, removing the barriers identified here, rational as it may, will hardly be easy or noncontroversial. Many state policies that hamper districts' ability to pursue Empowerment Options are defended by powerful political constituencies. This analysis hopes to encourage state policymakers to recognize that these political challenges are worth taking on if the state is serious about ensuring that every student succeeds.

# Endnotes

- 1 This analysis focuses on state policies that affect cities that voluntarily adopt significant systems transformation strategies, in contrast to policies that affect mandated state interventions such as state recovery districts. The 14 states reviewed were selected because each has at least one major urban area that has pursued, at least at some point, such an undertaking.
- 2 CRPE has also translated this work into model legislation, which focuses on one transformative framework: the portfolio strategy. The model not only provides a robust pathway for cities wishing to pursue the significant improvement or transformation, but also incorporates complementary education solutions, including a new conceptualization of types of local school boards and facilities administrations, and potential remedies to financial crises. To learn more about this model legislation, please contact CRPE's deputy policy director, Jordan Posamentier, at [jpos@uw.edu](mailto:jpos@uw.edu).
- 3 It is important to note that governance structures in just about every state create exceedingly difficult politics for local education leaders to negotiate. Elected school boards are often dominated by interest group politics, which can work in direct opposition to the most controversial elements of local education—like closing underenrolled schools, working in tandem with non-unionized charter schools, or reducing staff in the central office or in schools. There is little to no consequence when districts succumb to politics and in so doing fail to innovate and compete, except falling enrollment and revenues. For a political treatment that complements the analysis here, please see Paul T. Hill and Ashley E. Jochim, *A Democratic Constitution for Public Education* (Chicago: University of Chicago Press, 2014), 214.
- 4 Act No. 91 in Louisiana, for example, defines a clear role for the Orleans Parish School Board and clear authority for the superintendent to make decisions about school performance. If the district fails to act on low performance, the state will intervene, and this provides extra incentive for the district to make decisions based on performance, not politics. Similarly, Georgia requires every district to choose from an array of models, including one that gives every school a high degree of autonomy. As referenced in Footnote 3, CRPE has created model legislation for the kinds of goals captured in Louisiana's and Georgia's state policy.

# About this Report

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## About the Center on Reinventing Public Education

Through research and policy analysis, CRPE seeks ways to make public education more effective, especially for America's disadvantaged students. We help redesign governance, oversight, and dynamic education delivery systems to make it possible for great educators to do their best work with students and to create a wide range of high-quality public school options for families. Our work emphasizes evidence over posture and confronts hard truths. We search outside the traditional boundaries of public education to find pragmatic, equitable, and promising approaches to address the complex challenges facing public education. Our goal is to create new possibilities for the parents, educators, and public officials who strive to improve America's schools. CRPE is a nonpartisan, self-sustaining organization affiliated with the University of Washington Bothell. Our work is funded through philanthropy, federal grants, and contracts.

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