

# PERSPECTIVES

## Expanding Minnesota's Conversation



### Beyond inputs

It is time to shift the focus on education from what we spend to how we spend it

by Tim McDonald

For all the attention school chartering has received lately, one aspect of the law has gone under-recognized: chartering was a good government innovation that dealt first with the design of the education system, not simply how much was put into it. This characteristic of the law is important. It is key to understanding the full range of options available to the legislature as it works to address the challenges facing our state.

Minnesota is experiencing a crisis in government more fundamental than budgeting through an economic downturn or correction. The recession has exposed a structural imbalance in the public sector. In normal economic cycles the periods of abundance can offset times of shortfall. But as costs continue to rise in education and health and human services, we will not be able to reconcile the state budget with increased spending now or economic growth when times turn good again.

The situation is reflected in K-12 education. We have a productivity paradox: absent increases in productivity, the education system has a built-in cost inflator of 5 to 8 percent per year. For labor intensive industries right now this inflationary component is inherent. If schools are not increasing productivity we can rightly assume their real cost to the public is increasing. This relationship is not sustainable.

To reconcile this problem of productivity, schools will need to be designed differently. The potential for efficiency gains in the course-and-class model of school is effectively tapped out. Productivity increases will be found through improvements in the "technology" of school—in its design, and, as with other industries, through the incorporation of new electronics. Fewer people doing the same amount of work, or the same number of people doing more or better work.

The question of revenue for education and other public services cannot be resolved

by taxing and cutting alone. We need to rethink how we do things as a state. That is where the future lies.

#### DISTRICTS ARE INNOVATING

Districts are beginning to consider creating new schools as part of their strategy for improvement. Led by the Minneapolis Federation of Teachers, teacher unions are staking a claim in the reform movement and—amazingly but logically—are shaping it instead of being directed by it.

It is possible to design schools that run more efficiently and effectively at a lower cost. It is possible to significantly personalize learning without hiring additional expensive professionals.

These require getting more effort out of students and changing (improving) the role of teachers in schools. Both can be done, and are being done, in this state. One thing is for certain: the schools that can get us more for less often do not look anything like those we are used to.

Innovation is necessary to discover fundamentally new models. Last year's Site-Governed Schools law allows districts to create schools with autonomy reflective of chartered schools. Let there be no mistake about it, school districts are now in the business of innovating, too.

#### THREE THINGS THE LEGISLATURE CAN DO

The legislature is moving again this session on design-work of the system. Here are three actions it might take:

First, identify everything in current law and state regulation that gets in the way of innovation. This will turn up some surprises. It will unsettle some people opposed to changing the way things are done. But this is a necessary step. Remove the excuses for trying things that would work better.

Second, describe a strategy for the many small school districts in Minnesota to do more than just survive. Point to what they can do—using the state's joint powers statute, for example, allowing for cooperation among different units of government. Allow collaboration that does not depend on geography. Remove barriers to the adoption of learning models that are fundamentally different than the course-and-class arrangement that is becoming less and less viable for small and rural districts.

Schools will look and operate differently than what we are used to.

Third, establish basic infrastructure to provide leadership and support for the creation of many different kinds of schools. Set up a state-level, legislatively authorized nonprofit organization that is separate from, but with a vital connection to, government. Charge it with fostering innovation and providing technical assistance to school entrepreneurs. Make it responsible for identifying the most qualified authorizers of new schools, and for managing federal and other funds to facilitate planning and start-ups. This model has proven exceptionally effective at driving improvement in Boston. Let's apply a version of it here.

Looking ahead, the momentum will lie with those able to improve the effectiveness and efficiency of schools without spending more money. Schools will look and operate differently than what we are used to. Minnesota showed the country how to make change possible inside a standardized public utility. Now it is time to begin moving the needle on redesigning school. ●

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