



Ted Kolderie of Education/Evolving

Legislating options for school board structure could overcome inertia to change

A Civic Caucus Minnesota Policy Process Interview

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Present

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Summary

Ted Kolderie of Education|Evolving proposes that the Legislature could lay out three suggested optional plans for the structure of school boards to overcome the inertia in the school-district sector to adopting substantive change and innovation in the delivery of education:

1. One that keeps the school board in charge, with changes to strengthen the leadership for innovation;
2. One that delegates to autonomous schools the authority to innovate and do things differently; and
3. One that moves education into the realm of county government to accomplish certain non-instructional objectives.

His proposal mirrors the 1949 state law that revised the village code and allowed for three optional forms of local government to produce competent government in the suburbs. He believes the incapacity of Minnesota school districts is a state problem and the state must take the first step to address it.

Kolderie also addresses three important parts of the American politics and policy scene:

1. The New Nationalism. The New Nationalism concept of passing problems up to the federal government, over to the executive branch and down to the states as regulations and grants is not new with the Trump administration, Kolderie says. It started in 1910, espoused by Theodore Roosevelt.

But Kolderie contends that there is a substantial role for the states in making policy and running systems, instead of turning everything over to the federal government.

2. The high-service state. Kolderie believes the American public wants a high-service state, but one that is well run and economically run. That requires, he says, constructing operating organizations to ensure they're continually in search of efficiency gains and quality improvements.

3. The civic-sector role. Kolderie says ideas for significant policy change tend to come from private individuals and private groups. He says we must recreate the civic sector.

Biography

Ted Kolderie is co-founder and senior fellow at [Education|Evolving](#), a Minnesota-based nonprofit, nonpartisan organization focused on improving American public education. He is most recognized nationally for his work on K-12 education policy and innovation, which he has focused on since the early 1980s. He was instrumental in the design and passage of the nation's first charter school law in Minnesota in 1991. He has since worked on the design and improvement of charter legislation in over 17 states.

Kolderie worked on system questions and legislative policy in several areas of public life, including urban and metropolitan affairs and public finance, throughout the 1960s and 1970s. He was a reporter and editorial writer for the *Minneapolis Star* and *Tribune*, executive director of the Twin Cities Citizens League and a senior fellow at the University of Minnesota's Hubert H. Humphrey School of Public Affairs, where he ran the Public Services Redesign Project.

His books include *Thinking Out the How* (2017), *The Split Screen Strategy: How to Turn Education into a Self-Improving System* (2015),  *Improvement and Innovation: How to Get Education Changing the Way Successful Systems Change* (2014), and *Creating the Capacity for Change: How and Why Governors and Legislatures Are Opening a New-Schools Sector in Public Education* (2004).

Kolderie is a graduate of Carleton College and has a master's degree from the Woodrow Wilson School of Public Affairs at Princeton University.

Background

Continuing its focus on Minnesota's competitiveness, since September 2015, the Civic Caucus has been undertaking a review of the quality of Minnesota's public-policy process for anticipating, defining and resolving major community problems. On November 27, 2016, the Caucus issued a report based on that review,  *Looking Back, Thinking Ahead: Strengthening Minnesota's Public-Policy Process*.

The Civic Caucus interviewed Ted Kolderie of Education|Evolving on Jan. 13, 2017, on his book *Thinking Out the How*. "Good thinking requires settings that provide time, resources and political freedom." The following Feb. 23, 2018, interview with Kolderie explores revisions to his book necessitated by the 2016 presidential election and his proposal for improving the operation of school boards, which is set out in his new paper published by the Center for Policy Design, "  *How the State Can Deal With the School Boards' Inertia* ."

Discussion

Because of the implications of the November 2016 election, Ted Kolderie of Education|Evolving revised the earlier version of his book *Thinking Out the How*. He wanted to do two things: (1) rethink the book's conclusions about the public sector and the public process; and (2) bring the education story up to date, since it has been heavily impacted by the election.

Politics and Policy.

Kolderie discussed three important parts of the American politics and policy scene: (1) the New Nationalism; (2) the high-service state; and (3) the civic sector role.

1. The New Nationalism.

The New Nationalism concept started in 1910 and became the dominant American political idea for 100 years. Kolderie described New Nationalism as the notion that things go into the public sector, up to the federal government, over to the executive branch and back down to the states as regulations and grants. This concept is not new with the Trump administration.

He mentioned Princeton historian Eric Goldman's 1952 book, *Rendezvous with Destiny: A History of Modern American Reform*, which covers reform efforts from the Grant administration into the Truman years. Kolderie said around 1900, liberals faced the dilemma that state action—the typical Jeffersonian approach—was not able to deal with problems in the industrial system and elsewhere that were now essentially national. So, they were persuaded there had to be a national approach.

The idea was essentially, Kolderie said, to use the Hamiltonian state for Jeffersonian ends—in other words, using a strong national government to work in the interests of the general public. On a tour around the country, Theodore Roosevelt called it the "New Nationalism." The book *The New Nationalism* (1910) is a collection of Roosevelt's speeches on the topic.

Roosevelt's New Nationalism philosophy called for active federal intervention to promote social justice and the economic welfare of the underprivileged. Its precepts were strongly influenced by Herbert Croly's *The Promise of American Life* (1909). Croly was an intellectual leader of the progressive movement and cofounder of *The New Republic*.

Kolderie said Woodrow Wilson had the "New Freedom" slogan in the 1912 presidential campaign and wrote the book *The New Freedom* in 1913, which called for limited government. Wilson's slogan was followed in the 1930s by Franklin Roosevelt's New Deal, Harry Truman's Fair Deal, John Kennedy's New Frontier and Lyndon Johnson's Great Society.

Early on, concern arose about the New Nationalism philosophy. In the 1920s, Kolderie said, some people worried about the risk that the Hamiltonian state would be captured again by Hamiltonian interests: the rich and powerful. Arguably this is what has now happened.

The Hamiltonians didn't like the states. "They were the antifederalists," Kolderie said. The states got a bad reputation in the middle of the 19th century, he said. That's what led to arguments about the states' role.

Efforts by the national government to run systems that exist in state law have not worked well.

Kolderie gave two examples: (1) Congress tried to create a national urban policy in Washington in the 1960s; and (2) national goals for education, which is even more heavily financed at the state and local levels than urban policy is, haven't been reached through national policy and programs.

"There's a substantial role for the states," Kolderie said. "Why they're as passive as they are, I'm not sure. That's a source of real concern."

2. The high-service state.

Kolderie mentioned a Feb. 13, 2018, column in the *Wall Street Journal* by William Galston, "Americans want big government." Galston was on the domestic policy staff during the Clinton administration and now writes the weekly column "Politics and Ideas" in the *Wall Street Journal*. He is a senior fellow in the Brookings Institution's Governance Studies Program.

But the public wants a high-service state well run and economically run. During Kolderie's last year as executive director of the Citizens League in 1980, he ran across a piece in *Fortune* magazine written in the mid to late 1970s by Carl Ladd of the Roper Center. Kolderie said the article warned Republicans not to assume that the public is opposed to the high-service state. Ladd said the public wants a high-service state *well run and economically run*.

In August of 1980, the Citizens League issued the report  [*Enlarging Our Capacity to Adapt: Report of the Committee on Issues of the '80s*](#), which looked at some of these issues.

"But most of the political discussion," Kolderie said, "has assumed expenditures are affected only by the degree and nature of the commitment to social welfare, entitlements, programs and provision of health care."

He mentioned the ideas of Howard Davies, controller of the Audit Commission in Great Britain from 1987 to 1992, which were expressed in Davies' 1992 report *Fighting Leviathan*. Kolderie and Dan Lortz of the Center for Policy Design have recently republished the report as  [*Equitable and Efficient: Building Social Markets That Work*](#).

Davies' point, Kolderie said, is that the idea is to construct operating organizations with incentives to ensure that they're continually in search of efficiency gains and quality improvements. "That's a pretty simple sort of thing," Kolderie said, whether you're looking at the medical hospital system, the transportation system or the education system. Kolderie said that's an important part of his book *Thinking Out the How*.

3. The civic-sector role.

We need a strong civic sector alongside the government sector to form the public sector. "To the degree you have to move change through policy," Kolderie said, "the civic sector is really important in terms of getting policy to be truly different." He believes the University of Minnesota's Humphrey School of Public Affairs could be paying more attention to the civic sector and its role, as well as to helping those in government learn how to buy service well.

He said a lot of changes have occurred in society that haven't gone through policy at all—people are just behaving differently. Their values have changed. Policy is lagging behind, only gradually catching up.

Ideas for significant policy change tend to come from private individuals and private groups.

Kolderie attributed that remark to Anthony Downs, an American economist specializing in public policy and public administration and a senior fellow at the Brookings Institution.

"The government, the political system is by its nature reactive," Kolderie said. "They can't get outside the box. All reality tells them to keep things as they are." He said a local school superintendent once told him, "I've got to play the hand I'm dealt. Reform means nothing to me. Be realistic."

"Fundamental changes at the system level will come from the outside," Kolderie said. He said a researcher at the University of Minnesota looked at the major changes in Minnesota education policy over the years and found they never came from the Minnesota Department of Education.

Do Minnesota academic institutions research policy innovations in Minnesota? An interviewer asked that question and said those institutions seem to be focused on national, not state, issues. Kolderie agreed that even when major things get started in Minnesota, it seems to be outsiders who first study and report on them. It was people from the outside, he said, who studied the Metropolitan Council and Fiscal Disparities, the groundbreaking metro-wide property tax-base sharing program, which started in 1971.

If the civic sector is strong, coherent, community-minded and communitarian in its outlook, everything can follow from that. An interviewer made that remark and said if that's nonexistent, everything is lost. He said what was distinctive about the Twin Cities was that the business community was communitarian in its outlook. "They understood business as a community-service activity," he said. "The resources of the businesses were devoted to civic outcomes." The interviewer concluded by saying, "At the root, we have a civic-sector problem."

"I don't know how to recreate the civic sector," Kolderie said. "I just know there's a need to do it, given the very different changes that have appeared."

Kolderie said that the two earlier major immigrant groups in Minnesota had common values and political cultures: (1) Yankees, with their old-English Congregationalism and (2) Scandinavian socialism. He pointed out that former Minnesota Governor Rudy Perpich didn't come from a Yankee or Scandinavian background. He got into public office when he was elected to the Hibbing School Board. "I'm impressed at the way some of the new arrivals today are getting into politics and public office around here," Kolderie said. "I think that's really hopeful."

In his book, Kolderie talks about the civic sector as "settings." These, he said, are not geographic places or organizations. They are combinations of individuals or small organizations that have the time, the interest, the financing and the political freedom to ask questions that people in the political and government sector are not asking, but that need to be asked.

He listed examples of settings, such as the Citizens League; Interstudy (Paul Ellwood's organization, where Ellwood designed the concept of managed care); the Carnegie Corporation (which hired

Gunnar Myrdal, who wrote the 1944 study *An American Dilemma: The Negro Problem and Modern Democracy*, which, Kolderie said, changed the American attitude toward civil rights and race relations); and General Mills (which created the space for Verne Johnson to work on the concept of housing for the elderly).

There is so much focus on the national picture—since so much of the media is national—that there's no concept of what's going on at the state and community levels. Kolderie said there is a concept of democracy as just electing people who go to buildings inside the beltway in Washington. He said media are into a national world and they tend to write about what doesn't work. "Way too much of our current policy discussion consists of deplored problems and reaffirming goals, with too little attention to the 'how' of change," he said.

An interviewer commented that economists are not interested in regional economies, yet the national economy is a mosaic of metro-centered, regional economies.

Another interviewer commented that when we've had major changes in public policy, they came about around a perceived or felt crisis. There were community leaders who understood that and were able to articulate it in such a way that there was an urgency to bring about change, he said. "We tend not to react well unless we have a crisis," the interviewer said. "We need to have people who understand it."

Education.

K-12 education is a social market. Kolderie said the public writes the rules for education, sets up the system and provides the financing, 95 percent of which comes out of state legislation. There is a commitment to the education of all children.

The operating organizations that deliver education are not set up to constantly be looking for efficiency gains and quality improvements. "We haven't figured out how to do that," Kolderie said. "Education policy is a major case of deplored problems and reaffirming goals. But that doesn't move anything. All it does is build frustration. Some people have visions of great schools," he continued. "Then we have models to implement those visions. But that is not system change."

We need to make education a self-improving system. "It's essentially now an inert system driven by pressure from the outside," Kolderie said. In the 1960s, unions forced in bargaining from the outside, he said. In the 1980s, the business community and American Federation of Teachers (AFT) President Al Shanker pushed in standards from the outside.

"The whole notion was that education could be better without school having to be different," Kolderie said. "That was the essential concept in the No Child Left Behind legislation and everything else. The idea was: 'We don't have to change the system. The problem is we haven't told it what to do, we're not measuring what it's accomplishing and we don't have any sanctions if it's not doing what we want it to do. We're not going to turn the American education system inside out and upside down.'"

Kolderie said it's very hard to get any discussion going about the disparity between the goals and mission statements of the school districts and the reality of what comes out. He said publicly held corporations must list the risks that what they hope to accomplish might not be accomplished. "School

districts have no such obligation," he said. It would be interesting to put into K-12 education this concept of having to balance forward-looking statements with a statement of risks.

In 1992, Kolderie said, Will Marshall of the Progressive Policy Institute sold Bill Clinton on the ideas of public school choice and chartering that came out of Minnesota. So, from 1992 through the Clinton, George W. Bush and Obama administrations, Kolderie said, there was national leadership working with the concept of K-12 education moving out of the public utility model and becoming a two-sector system.

"It fundamentally put Democrats in the position of supporting this kind of choice, as long as it was consistent with public education principles," he said. Then the politics dramatically changed, as Donald Trump appointed Betsy DeVos Secretary of Education. DeVos supports school vouchers that can be used at private schools.

How can we recast this concept of using a two-sector system to make it a self-improving system? Kolderie said the chartered school sector has survived pretty well, despite this backpressure. And it has generated important innovations. Some of the charter sector is working to do conventional school better; some of it is testing nontraditional education.

But, Kolderie said, these innovations are not being picked up rapidly enough by the district sector. "Minnesota's notion has been that you don't use the charter sector to replace the district sector," he said. "The function of the charter sector is to use the flexibility these laws provide to create whatever different kind of school that works. Try things, see what works and try to get the district sector to pick it up."

For the most part, he said, the district sector is not doing that. He noted that the Lakeville and Minnetonka school districts have been exceptional and have picked up some things from the charter sector.

An interviewer asked whether we need school districts and Kolderie responded, "We've got them and we have to see if we can begin to make the strategy of delegation, innovation and diffusion work."

School boards have a deep desire for sameness. Kolderie said boards believe doing different things produces conflicts, jealousies and controversies. It's easier, he said, for boards to be able to say, "You're all being treated the same across the district." It's a centralized public corporation, he said.

"Boards are quite jealous about guarding their control of professional issues," he said. "'We're the ones who run the schools,' the president of the National School Boards Association once said."

"The teachers are essentially employees in an industrial model," Kolderie said. "They react exactly the way you'd expect employees in an industrial model to react."

Kolderie has developed a proposal for improving school boards based on what the Minnesota Legislature did with municipal government after World War II. Minneapolis was a city of 525,000 people in 1950 and was pretty much fully developed, as was Saint Paul. Beyond the cities, there were suburbs that mainly had old-fashioned village government: an elected clerk, an elected treasurer and an elected mayor. "They were totally unprepared for what was coming," Kolderie said.

Orville Peterson, the staff attorney for the League of Municipalities, came up with an interesting solution, Kolderie said. In 1949, the Legislature revised the village code and allowed for three optional forms of local government:

- Plan A: an appointed clerk and treasurer;
- Plan B: a village manager; and
- Plan C: the Saint Paul city commission plan.

The local village council could put any one of these three options up for a public vote and adoption or they could be put up for a vote by citizen petition. This produced what Kolderie called "competent, frontline local government in the suburbs."

Similarly, the Legislature could now lay out three optional plans for school boards . Kolderie said the Legislature could say that certain districts clearly in need of change would have to think about this and put something up for a vote. These options would be available for other districts, as well, but they wouldn't be required to choose one.

Kolderie's new paper, published by the Center for Policy Design, "  How the State Can Deal With School Boards' Inertia , " suggests three possible optional plans for school boards:

1. One in which the board still runs the schools but is redesigned to be more supportive of innovation. To deal with the leadership weakness in the current structure, the board chair would be directly elected, at large. Board members would be term-limited. The superintendent's role would be enlarged. Such a district would run a split-screen strategy internally: improving conventional schools and starting different schools new.

2. One in which the board authorizes schools that operate autonomously under board supervision. The elected board would authorize and oversee schools, but would not run schools. The schools would be autonomous—free to innovate and directly financed. Teachers in a school would have the partnership options to lead the learning and also to manage the school, if they chose.

3. One in which the responsibility for education is basically transferred to county government, with the students linked to county health and social services and the county taking over transportation, facilities and back-office services. County commissioners would appoint the board of education, which would then have responsibility only for learning.

"If what we've been trying for 30 or 40 years isn't working, is there something that might work?" Kolderie said. "We haven't let people in the school adapt to the needs of the students. We must get out of the endless debate about what will work for everybody. Let people who are ready to do things differently, do something different. Let innovation spread."

An interviewer who has done substitute teaching in a metro school district high school said there are two tiers in the school. In the International Baccalaureate (IB) classes, students are engaged and learning, while in the other classes, few students do the work.

"The incapacity of Minnesota school districts is a state problem and the state must take the first step," Kolderie said. "If the state is not willing to do it, we'll continue to have an inert district sector. Minnesota does need to redesign its district sector to pick up the new-and-different."