

**◇ INSTITUTE ON EDUCATION LAW AND POLICY ◇**

A FINAL REPORT SUBMITTED TO THE NEW JERSEY DEPARTMENT OF  
EDUCATION

**DEVELOPING A PLAN FOR REESTABLISHING LOCAL CONTROL  
IN THE STATE-OPERATED SCHOOL DISTRICTS**

**Executive Summary and Recommendations**

**Background**

As a matter of state constitutional law, public education in New Jersey (and in virtually every other state) is ultimately the state's responsibility. States can, and usually do, delegate by statute and regulation much of their operating authority to local school districts. In New Jersey, there are more than 600 districts, and a strong tradition of local control in education has developed.

Yet, because ultimate responsibility for providing all students with a "thorough and efficient" education resides in the state, New Jersey's education authorities have imposed a variety of statewide requirements on the local districts. Many of these requirements seek to hold districts accountable for their educational, management and fiscal performance.

During the past several decades especially, that has led the state to establish Core Curriculum Content Standards, statewide assessment programs designed to measure pupil performance against those standards, and district certification standards and procedures that include pupil performance measures.

In 1987, the state legislature adopted a law authorizing the state to take over the operation of school districts unable or unwilling to correct serious problems that were identified by the certification process regarding governance, management, fiscal

operations or educational programs in their schools. The failure of districts to meet certification standards triggers a multi-level corrective action process, which in extreme cases can lead to state takeover.

Under that statutory procedure, New Jersey was the first state in the country to take over operation of a school district—Jersey City in 1989. That action foreshadowed a major educational development that began in earnest in 1990. In a series of landmark decisions in *Abbott v. Burke* in the decade since then, the New Jersey Supreme Court ruled that students in the state’s poor urban districts were being denied their constitutional right to a “thorough and efficient” education. The remedies ordered by the court required the state to dramatically increase funding in the “Abbott districts,” and to assure that that funding led to a wide range of educational reforms. The court also recognized the need, perhaps even greater as a result of the Abbott reforms, for a meaningful state accountability system.

In the wake of the early *Abbott* decisions, the state also took over operation of two other large urban districts—Paterson in 1991 and Newark in 1995. In a sense, the state’s action in the three state-operated districts dramatizes what we have known for more than 30 years—that the most serious public education problems in New Jersey and throughout the nation are focused in our urban centers and disproportionately affect poor, minority students.

Given that knowledge, it is hardly surprising that in New Jersey, as elsewhere, state intervention, including takeover, has occurred predominantly in urban areas. The responsibilities of New Jersey’s urban districts are framed by a combination of accountability measures, district certification and the *Abbott* remedies. These elements

start by identifying problems that, directly or indirectly, impede the effective delivery of educational services and then seek to implement corrective action under the state's oversight, supervision or direct operation.

### Issues considered

In that context, there are three interrelated issues that this study has considered. First, what circumstances should trigger takeover? Second, what should happen during the period of state operation? Third, what circumstances should trigger reestablishment of local control, and by what process should control be returned? Although the study's title might suggest that the third issue is the primary focus, it is impossible to consider that issue in isolation from the other two. Indeed, meaningful recommendations about reestablishment of local control must grow out of a careful evaluation of the entire system of state intervention.

### Research undertakings

The study has proceeded on multiple tracks. One track has involved an effort to learn as much as possible about the origins, purposes, operation and results of state takeover and operation of local school districts in New Jersey. A second has involved a comprehensive review of relevant literature about state intervention and takeover, as well as related topics such as educational reform and accountability, and about analogous municipal takeovers. A third has involved an examination of comparable state statutes and regulations across the country. Related to the second and third tracks is a fourth that has sought to identify "best practices" nationally in the area of state intervention in local school districts and municipalities. Based on these inquiries, the study has identified

gaps between New Jersey's approach and "best practices." This in turn has led to recommendations for changes in the New Jersey approach.

In a preliminary report submitted on June 15, 2001, we described progress to date, indicated further areas of inquiry, set forth some initial conclusions and listed some tentative recommendations. In this final report, we refine and expand our discussion of relevant issues, we incorporate detailed profiles of each of the state-operated districts and descriptions of best practices, and we set forth our final conclusions and recommendations.

1. New Jersey's takeover approach. Under New Jersey law, state takeover of a local school district is the final step in a multi-step accountability process. The statute and its legislative history suggest that takeover is a last resort to be used in extreme cases, only when a district is unable or unwilling to correct problems that the accountability process has identified.

Takeover results in removal of the local board of education, abolishment of the positions of the chief school administrator and other executive administrative staff, and appointment of a state district superintendent. One of the initial responsibilities of the state district superintendent is to reorganize the central administrative staff. Another is to assess the performance of all of the district's principals and vice-principals, and to obtain the removal (through an expedited form of the statutory tenure removal process) of all those who are not performing effectively or efficiently. One effect of these two requirements has been wholesale replacement of staff; another, in each state-operated district, has been wholesale change in the way of doing business.

The takeover law provides for a system of annual and multi-year reporting of progress by the state district superintendent to the Commissioner of Education, to the State Board of Education, to the Legislature’s Joint Committee on the Public Schools, to the Legislature and the Governor. It also provides for a report by the Commissioner to the State Board of Education after five years of state-operation of any district. If the Commissioner determines that reestablishment of local control at that point is not warranted, he is required to submit a “comprehensive report” documenting “in detail” the reasons for his determination and estimating how much longer state operation is likely to be necessary.

The law does not provide, however, any specific goals, quantifiable benchmarks or assessment standards, or procedures for state-operated districts. Rather, it uses the state’s certification standards as the central measure, both for whether a district should be taken over and whether a state-operated district should be returned to local control. The certification standards -- eight evaluative elements encompassing 31 indicators of acceptable school district performance – provide no guidance specifically applicable to state-operated districts or the reforms required in those districts, or any method of determining whether those reforms are likely to be sustained after the return to local control. The certification standards also have no provisions relating to the *Abbott* requirements imposed on the state’s urban school districts. The State Department of Education’s Manual for the Evaluation of Local School Districts makes no reference at all to state-operated districts or the *Abbott* requirements.

2. Literature review. The literature review relating to school district takeovers, accountability systems generally, and educational improvement strategies, especially in

urban districts, and the parallel review of municipal takeovers has produced some important insights and revealed some equally important gaps. One conclusion is that takeovers in New Jersey and elsewhere seem to have resulted in more documented successes in management and fiscal areas than in education programs. That may be because states' initial emphasis usually is on fiscal and management matters, rather than educational matters. Or the converse may be true—states have focused on fiscal and management matters because they have believed those matters were more amenable to relatively rapid improvement than educational performance, especially pupil achievement. The literature regarding municipal takeovers is consistent with those conclusions. The dominant theme there is usually fiscal and management operations rather than service delivery.

A second conclusion is that the literature fully supports the view that state intervention in school districts and in municipalities should focus on local capacity building. So long as the state is not contemplating long-term direct operation of those governmental units, that conclusion is self-evident. The problem, of course, is execution. Building local capacity, especially in urban communities confronting major challenges created by the broader societal and economic context, is a formidable task. Nonetheless, there are some very helpful studies and reports that provide guidance about capacity building, and some important insights that can be gained from other states' programs of state operation.

A third conclusion is that adequate resources, effectively deployed, are essential. Among other things, that means state agencies have to be well-staffed with the right kinds of personnel to assist local districts in building their capacity; collaborations with

business, higher education, the nonprofit sector and community organizations have to be pursued; and local districts must have the wherewithal to employ competent staff for administrative, supervisory and support as well as instructional positions, and to provide them with strong professional development programs.

3. Compilation of statutes and regulations. The compilation of statutes and regulations relating to takeover and other forms of state intervention has been helpful in fleshing out the national picture, and in providing useful models for some of the recommendations contained in this final report.

4. “Best practices.” A composite of the literature search and the compilation of statutes has pointed us in the direction of both theoretical and real world “best practices.” The California system of state intervention in local school districts, spearheaded by the Fiscal Crisis and Management Assistance Team (“FCMAT”), clearly has emerged as a “best practice.” Certain elements of the systems in Connecticut, West Virginia and Kentucky have emerged as promising examples of effective state intervention in school districts, in concept or in practice. Philadelphia, Pennsylvania and Chelsea, Massachusetts have emerged as models of state intervention in municipal government.

California’s system is the most comprehensive and most fully implemented system in the country, and has resulted in the most dramatic success story—the turnaround of the Compton Unified School District, a district in Los Angeles County with approximately 30,000 students, which was operated by the state for seven years and returned to local control at the end of 2001. Professor Paul Tractenberg, this project’s co-principal investigator, has had extensive communication with FCMAT’s director and

staff. He also attended a day-long site inspection of the Compton school district, and then remained in Compton for an additional day to interview state and local educational officials. In addition, Professor Tractenberg has explored with FCMAT's director the possibility that he and a few FCMAT staff members might visit New Jersey to discuss the California model with staff of the New Jersey Department of Education and state-operated districts after the submission of this final report.

The Compton Unified School District was taken over by the state in 1993. When little improvement had been shown after four years of state operation, the California legislature authorized FCMAT to perform comprehensive assessments of the district's performance in the areas of community relations, personnel management, pupil achievement, financial management and facilities management; to develop a recovery plan for each of these areas; and to report every six months on whether the district had made "substantial and sustained progress" in each area. The legislature further required the gradual, incremental return of legal rights, duties and powers of governance to the local board of education upon a showing that the board and school district officials had the capacity to take responsibility in each area. FCMAT developed a plan in the form of a rating scale which measured district performance on 370 highly specific legal and professional standards. Each standard was rated on a scale of one to ten, with each rating specifically defined and consistent for all the performance standards. FCMAT also worked with district officials to identify measures that would improve performance on each standard.

The district showed steady, gradual improvement over the next two and a half years. In August 2000, in light of demonstrated improvement as shown on the rating

scale, FCMAT recommended the return to the local board of authority for community relations and facilities management, and this recommendation was accepted by the California Superintendent of Public Instruction. In February 2001, FCMAT recommended return of authority for pupil achievement, but the Superintendent rejected the recommendation and state authority over this area continued. In August 2001, FCMAT again recommended return of authority for pupil achievement and also recommended return of authority for personnel management and financial management. This recommendation was accepted, and the district was returned to full local control in December 2001.

Connecticut's experience with state takeover of the Hartford school district is similarly noteworthy for the specificity and comprehensiveness of the goals and objectives of state operation, as well as for the extent and depth of participation by high-level state education officials in the institution of reforms in the district. In 1996, the Commissioner of Education issued the "Hartford Improvement Plan," a set of 48 recommendations for improvement of the Hartford school district. The district was taken over by the state in 1997, and the appointed "board of trustees" that replaced the board of education was required by the takeover statute to implement the 48-point plan. The State Department of Education devoted significant resources to the plan; upon takeover, each of the 48 points was assigned to a senior staff member in the department, and every senior staff member was given responsibility for implementation of at least one point. Those staff members have worked with district officials to translate the 48 recommendations into a set of annual goals and objectives for the district. For the 2000-01 school year, for example, the district had ten goals, each with multiple specific

objectives. The board of trustees has reported quarterly to the Commissioner on the status of implementation of the 48-point plan, indicating as to each point whether it has been fully implemented, partially implemented, or there has been no progress.

West Virginia's takeover scheme is significant for, among other things, the manner and extent to which the local board of education remains in place and retains some authority. The applicable statute provides that, upon takeover, the authority of the district board of education as to the expenditure of funds, employment and dismissal of personnel, establishment and operation of the school calendar, and establishment of instructional programs and policies is "limited." This has been construed to mean that the board's authority over these areas is removed altogether, but the board remains in existence and it retains decision-making authority over areas not specified in the statute. In West Virginia's most successful state-operated district, Logan County, the board retained authority over issues relating to transportation and maintenance. It continued to meet monthly and to serve in an advisory role in all of the areas over which it did not have authority. The state-appointed superintendent discussed all aspects of operation with the board, and the relationship between the board and the superintendent was not adversarial. District performance was assessed in accordance with 28 standards developed to meet the district's specific needs. Based on this assessment, reestablishment of local control was incremental, and was completed after four years, when the district had met all 28 performance standards.

West Virginia's Office of Education Performance Audits, independent of the State Department of Education but reporting to the State Board of Education, is also worthy of consideration. The office administers the state's system of "education

performance audits” conducted by “education standards compliance teams,” which are teams composed of “persons who possess the necessary knowledge, skills and experience to make an accurate assessment of education programs.” The office also has a statutory mandate to determine what capacity is needed in schools to meet state standards and make recommendations for establishing that capacity; to determine whether there are statewide deficiencies in the capacity to establish and maintain a thorough and efficient system of education; to determine the staff development needs of schools and districts to meet standards; and to identify exemplary schools and school systems and exemplary practices.

Kentucky’s system of assessment and assistance to school districts, implemented by its Division of Management Assistance, is also worthy of consideration. A division of the state department of education, it provides technical assistance to “state assisted districts” in the development and implementation of plans with specific objectives, strategies and actions to be taken to correct deficiencies. Kentucky also has a program of “highly skilled education assistance,” in which “distinguished educators” may be granted up to two years’ leave from their employers to provide technical assistance on a full-time basis to districts in need of assistance.

Much like state intervention in school districts, state intervention in municipal governance also involves capacity-building strategies. The municipal intervention approaches used in Philadelphia, Pennsylvania and Chelsea, Massachusetts have emerged as “best practices.” Philadelphia involved continuation in office of local officials, supported by an intergovernmental authority with power to exert controls over the city’s financial affairs, including the approval of a long-term fiscal and management plan and

the power to withhold state funds if the city did not follow the plan. Chelsea involved a declaration that the mayor's office was "vacant," reduction of all other elected officials to advisory status, and appointment of a receiver. The receiver balanced the budget, modernized and reorganized departments, made numerous financial and managerial improvements, and made a recommendation to the legislature for a new form of city government. The Chelsea model is most noteworthy for the process employed by the receiver for developing the new governance structure. Building "social capital" was an objective as important to the receiver as financial or managerial reform; accordingly, the extent of public involvement in the process, and the resulting degree of support for the outcome, were remarkable. The important point, for our purposes, was the manner in which the decision-making process was used to help build the community's capacity to govern itself.

#### Gaps between "best practices" and New Jersey's approach

New Jersey's approach to state intervention in school districts seems ill-conceived and poorly executed. The statutory scheme does not adequately address the complexity of the task of providing quality educational programs in our state's urban districts; moreover, certain provisions of the statute that begin to address the task have not been carried out. The statute does not provide for effective assistance to struggling school districts short of takeover; it does not provide a method for building district capacity during the period of state operation or comprehensive assessment of the reforms instituted in a state-operated district; it does not provide a clear prescription for what is supposed to be accomplished by state operation. The statute does provide for monitoring of state-operated districts by the State Department of Education, provision of technical

assistance to those districts, and formal reporting of their progress toward reestablishment of local control; but none of these provisions has been implemented.

New Jersey's system of assessment and accountability was conceived prior to the major developments of the last decade in New Jersey law relating to urban education – the rulings of the New Jersey Supreme Court in *Abbott v. Burke* from 1990 on, and the statutes and regulations adopted in response to those rulings. If nothing else, an overhaul is needed to take those developments into account. Even aside from *Abbott*, state intervention in New Jersey is part of a system of command and control by the State Department of Education rather than collaboration with local school districts. The system's emphasis, even upon takeover, on accountability through monitoring and assessment of compliance with certification standards, rather than intervention with the goal of providing assistance in the provision of quality educational programs, has resulted in long-term, seemingly hopeless struggles to achieve even minimal educational improvement.

Other states have coupled their accountability measures with technical assistance programs. Such an approach should be considered in New Jersey as well, especially in light of the extra *Abbott* demands placed on this state's urban districts. An independent agency responsible for assessment and technical assistance, such as California's FCMAT, or an office such as Kentucky's Division of Management Assistance should be considered. The Technical Assistance Task Force created by the previous Commissioner in New Jersey, and best utilized in Asbury Park, is also worthy of further consideration.

At least two other conceptual issues relate specifically to state operation. First, since a district's inability or unwillingness to change or improve – i.e., incapacity -- is

the trigger for takeover, then building the district's capacity should be the main focus of state operation. Yet that does not seem to be the focus. Little or no attention is paid by the state to building local capacity in state-operated districts. To the contrary, rather than enhancing local capacity, state takeover seems to diminish it. The state immediately replaces the main local district decision makers—the board of education and the superintendent—with a state selected and hired superintendent, often someone from outside the district who lacks any personal knowledge of the district's situation, and the state district superintendent, in turn, replaces the district's senior managers with outside appointees. The board of education is replaced by an advisory board, which has no real authority. The dominant takeover theme is the failure of local decision-makers and the need to replace them. This has tended to de-legitimize, demoralize and fragment the local community, and to minimize the prospects of meaningful local capacity building.

Obviously, if part of what triggered takeover was a dysfunctional board, it should not continue to have the same authority. The challenge is to find a way to recast its role, and to create and nurture a structure that develops into an effective policy-making body. Other states have provisions that address this concern that are worth considering.

Similarly, if the district's senior managers are part of the problem rather than the solution, they should be replaced with administrators dedicated to educational reform and improvement; but the ability to carry out and sustain those reforms and improvements must be instilled in long-term district employees and members of the community, not just outside experts brought in to handle state operation.

A second issue is that state operation of school districts in New Jersey has lacked direction and coherence. The state has provided no clear statement of what districts must

accomplish under state operation. As far as we have been able to determine, the state never has issued a document specific to state-operated districts stating the goals and objectives of state operation or the standards and benchmarks by which their reforms, the sustainability of those reforms, and their progress toward return to local control will be measured. Under the statute, district certification is the stated goal of state operation, yet when the State Department of Education issued a revised manual for monitoring and assessment of school districts in 2000, it did not even mention state-operated districts, let alone provide guidance on application of the certification standards to those districts.

Lacking sufficient direction from the state, the three state-operated districts have developed their own strategic plans and adopted their own reforms. Their initial focus typically has been on correcting management and fiscal problems, and, often, that effort has dominated the first several years of takeover. Greater focus has been placed on educational programs more recently, but the myriad programs and strategies initiated in the three districts lack any consistency of approach. While local vision and creativity are not bad, the vision or theory of the programs in the state-operated districts is unclear. In any event, developing capacity for local control does not appear to be among the primary objectives.

The state also never has performed a systematic external assessment of the progress or improvement in any of the state-operated districts. Key documents required by the takeover law apparently just have not been produced -- annual reports on the progress of each state-operated district by the Commissioner to the State Board of Education, the Governor and the Legislature; annual reports on the prospects for each district's return to local control by the Commissioner to the Joint Committee on the

Public Schools and to the Governor; a five-year report by the Joint Committee to the Legislature and the Governor, and perhaps most troublesome, the reports by the Commissioner on whether state operation should be extended in each of the three districts beyond the five-year statutory minimum. Several external consultants' reports have provided some useful information about individual state-operated districts, especially Newark, but the only comprehensive reports which have been produced regularly are the districts' own annual reports. Since those reports consist entirely of self-assessment, and the districts have not been provided with any clear, specific goals or benchmarks for their efforts, assessment of their progress has been haphazard.

This relative vacuum regarding how to define and measure progress in the state-operated districts has been filled, perhaps understandably, by undue emphasis on student performance on state assessment tests. The statute refers to achievement of certification as the standard for readiness for return to local control, and the state's system of district certification includes satisfactory results on student achievement tests. Moreover, achievement test results appear to provide an objective, quantifiable, publically-available picture of district performance every year and a means of tracking trends over time. These perceived values are largely illusory, however, considering the changes in the state testing program over the period of state operation of the three districts, changes in the current tests themselves, and the high rate of pupil mobility in urban districts. Given these factors, state test results provide only a crude measure of student performance over time, and they provide even less useful information about school district performance in areas of administration and governance. Reliance on student test scores has distracted

both the state and the state-operated districts from searching out more meaningful standards for measuring progress.

The State Department and State Board of Education have recognized that achievement test scores, and the certification indicators generally, are not useful or realistic measures of progress in the state-operated districts. In truth, few poor urban districts in New Jersey fully satisfy the certification requirements, and some fare significantly worse than the state-operated districts. Continuing to rely on these measures will ensure one of two results—state operation of virtually unlimited duration or reestablishment of local control despite the districts’ failure to meet the statutory standard. Neither is likely to be satisfactory or productive.

Other states, notably California, have established clear, comprehensive, objective standards and procedures for assessment of the progress of state-operated school districts toward reestablishment of local control. These standards include student achievement standards, but not to the exclusion of other measures of educational improvement and measures of district capacity to sustain improvement and govern and manage their operations without state control. New Jersey should consider the models adopted elsewhere, and establish its own comprehensive system of assessment of state-operated school districts.

#### Conclusions and recommendations for reform

New Jersey’s three largest urban school districts have been under state operation for long periods of time, with no clear understanding about what the state’s focus should be, or how and when they should be returned to local control. Some steps have been taken toward phased reestablishment of local control in Jersey City; some, though fewer,

steps have been taken in Paterson; and political pressure is building for similar movement in Newark. Without any consistent, comprehensive method of measuring readiness for return to local control, it is difficult to determine whether such movement is warranted.

This is not to say there has been no progress in Jersey City, Newark and Paterson under state operation. Indeed, numerous reforms have been instituted in each district, and pupil performance appears to have improved, at least in Jersey City and Paterson. Our conclusion, however, is that whatever progress may have been achieved has not been as a result of a coherent structure and plan, with clear and measurable standards and benchmarks and careful assessment of performance. The question now is how to reconstitute New Jersey's system of state intervention and takeover so that it can produce desired results in a time- and cost-efficient manner. Our answer is in the form of a set of recommendations for accomplishing this goal.

Many of our recommendations are not new or surprising. They are derived from our literature search, from prior studies of state-operated districts, from models in other states, from the Jersey City Transition Team recommendations, from bills relating to state operation that have been introduced in the New Jersey Legislature (especially A3030), and from public discourse about state takeover. This project's findings and recommendations are distinguished by their focus on an overall strategy designed to enable the state to play a meaningful role in local educational improvement without having to operate urban school districts for extended periods.

To a substantial extent, our findings and recommendations are forward-looking—they recommend a new structure for the future. But, we are mindful of the importance of effective transition back to local control of the three state-operated districts and have

addressed that challenge in some of our recommendations and, especially, in the roadmap that concludes this Executive Summary.

We begin with four conceptual recommendations for changes in the overall approach to state intervention:

A. Redefine the State’s Role to Emphasize Support of and Technical Assistance to Districts Delivered in a Collaborative Manner.

The State’s relationship to local school districts, both with regard to state accountability and generally, should be refashioned from one that emphasizes a command-and-control approach to one that focuses on support and technical assistance delivered collaboratively. Of course, in some cases the State may still have to make and enforce difficult decisions in districts unable or unwilling to correct major educational and administrative problems, but that should be a last resort after all other efforts have failed. The State Department of Education, or another state agency charged with responsibility for providing the necessary support and technical assistance to local districts, must itself have sufficient capacity to carry out these responsibilities effectively.

B. Make Local Capacity a Cornerstone of the State’s Interactions with Districts.

The State’s assessment of district performance, especially of districts that may be in need of assistance, should focus systematically on local capacity measures rather than primarily on student outcomes. State intervention, including possibly takeover, should be triggered by a determination of local incapacity to correct problems and improve outcomes. State intervention should be directed at enhancing local capacity, and full resumption of local

operation should be based on a measured, assessment-based judgment that local capacity has reached an acceptable level.

- C. Create a Unified System of State Oversight of Urban Districts, Combining the Monitoring and Assessment Process with a Process for Assuring Implementation of *Abbott* Reforms. At the present time, the *Abbott* districts must be distinguished from other New Jersey districts because they have been determined to have a history of special educational needs and inadequate resources to deal with them. Several consequences flow from that. First, while the goal is that the *Abbott* districts, like all others, will meet all of the general district certification standards, the *Abbott* districts are unlikely to meet those standards, especially those relating to student achievement on standardized tests, in the near future. Second, the *Abbott* mandates contain various programmatic and resource elements designed to enable these districts to substantially improve their educational outcomes, but the mandates also impose special responsibilities on those districts. This suggests that, at least in the near term, the system of state oversight of the *Abbott* districts must be different from the system for other districts. Nevertheless, it should be a single unified system, incorporating appropriate elements from the generally applicable monitoring and assessment process, from other state accountability structures and from *Abbott*, rather than two or more parallel and sometimes overlapping systems.

- D. Establish a Clear, Specific System of Standards and Benchmarks by Which

Districts Will Be Assessed, and, in the Case of Districts Determined to Require State Assistance, Ensure that Competent, Objective Periodic Assessments Are Carried Out to Measure Progress and that the Results are Promptly Communicated to the Districts. A primary problem of the current system is that state-operated districts have never been given a set of clear and specific standards and benchmarks by which they can determine when they have satisfied the State's expectations and have earned the right to resume local control. Nor have they had the benefit of periodic objective assessment of their progress toward those, or any other, standards and benchmarks. Rather, they have been left largely to their own devices, to fashion a corrective plan and to measure progress against it. The state needs a comprehensive set of district performance standards and a method of measuring compliance with those standards accurately and objectively. Those standards and the method of measuring compliance should be used to develop plans for further improvement in each of the state-operated districts, to determine the districts' needs for technical assistance, and to measure their capacity for local control. They also should be used to evaluate the performance of other districts, to determine their technical assistance needs, and to determine when further intervention is needed.

Next, we provide a larger set of recommendations that focus on implementation of these concepts and approach:

1. Implement Preventive Program. To minimize the need for state takeover, the state should develop and implement a well thought out preventive program

that might include improved monitoring of the districts' fiscal performance, mandatory financial and legal training for administrators, enhanced school-based management efforts, and a long overdue system for collecting, using and disseminating long-term student performance data.

2. Modify Takeover Statute to Increase Flexibility. The statute should be modified to give the state substantially greater flexibility as to the form and extent of takeover. The modifications also should expressly authorize gradual or staged reestablishment of local control after takeover, as evidence accumulates of enhanced local capacity.
3. Modify Statutes to Treat Local Capacity as a Deciding Factor. The statutes should be modified to emphasize local capacity as a factor in deciding whether or not state intervention, including takeover, is necessary; what role the state should play under state operation; and when, and under what circumstances and procedures, reestablishing local control should occur.
4. Build Local Capacity. Whenever the state decides to intervene in, or to take over, a school district, it should focus its efforts on building local capacity, which involves: (1) clearly defining local responsibilities; (2) employing adequate numbers of competent, committed staff to carry them out; (3) providing them with the necessary resources, support, training, professional development opportunities and technical assistance; (4) augmenting employee capacity through collaborations with area higher education institutions, businesses and community organizations; (5) requiring efforts to involve parents and community members to the maximum extent possible in all

aspects of local decision-making; (6) monitoring performance and results; and (7) achieving accountability by a system of rewards and sanctions, as appropriate.

5. Build Capacity at the School and Classroom Level. The focus of state intervention should extend to schools and classrooms within a district, not just to the district office. This is consistent with emerging evidence that effective school-based management, in New Jersey implemented through school management teams, can improve student performance at least as much as district-level reforms. Obviously, the district, too, has an important role to play in building school capacity, by fostering educational vision and leadership, collective commitment to success, appropriate organizational structures and management, and effective deployment of adequate resources. At the school level, capacity building involves school leadership that provides direction, guidance, and support; school goals that are clearly identified, communicated, and enacted; a school faculty that collectively takes responsibility for student learning; school discipline that establishes an orderly atmosphere conducive to learning; and school academic organization and climate that challenges and supports students toward higher achievement.
6. Strengthen the Entire Educational Delivery System. Broadly speaking, the goal is to have both district-level and school-level capacity directed at providing meaningful curriculum and programs, presented by competent, committed teachers and other professionals, to small classes of students, equipped with up-to-date books, materials and technology, in safe, modern,

attractive facilities, with necessary supplemental services to ensure that students can focus on learning, and with modern data systems that permit the monitoring and assessment of individual student performance. In addition to those broad categories, the Abbott mandates impose some special capacity requirements, including high quality, well-planned early childhood education for all three and four-year olds and whole school reform programs in all elementary schools.

7. Provide Technical Assistance. The state should develop and implement a system for providing effective, intensive technical assistance to administrators and supervisors in school districts found to be in need, both to avoid takeover and to increase district capacity during the period of state operation. The state should provide all districts in need, including state-operated districts, with ongoing technical assistance, especially with regard to the standards as to which those districts are not demonstrating adequate progress. There are many ways to structure an effective technical assistance program, but clearly that function should be separated from the state education department's compliance functions. In some states, a separate departmental division provides the technical assistance. Alternatively, a team of trained technical assistance providers drawn from current or former school district personnel can be established. The State already has taken limited advantage of the valuable resource that exists in the form of skilled, experienced superintendents, business administrators, supervisors and teachers who could

share their knowledge and experience. It should consider expanding the use of such personnel.

8. Create an Independent State Agency. As another possibility, New Jersey should seriously consider vesting responsibility for assessment of and technical assistance to school districts in an objective and expert state-level agency, which is independent of the state education department. California's Fiscal Crisis and Management Assistance Team is a promising model. This agency should not have authority to make ultimate decisions about state intervention, takeover or reestablishing local control, but rather should make recommendations to the Commissioner and/or State Board of Education. As an alternative to an independent agency, the state could arrange for a program of technical assistance to be organized and supervised by universities or other collaborators.
9. Clarify Expectations for State-operated Districts. As part of a recovery, or corrective action, plan, clear and specific standards and benchmarks should be established for state-operated districts so that they understand precisely what is expected of them during takeover and what they will be required to accomplish as a condition of reestablishing local control. The standards and benchmarks should emphasize building the capacity to govern and operate the district without state control. The recovery plan should be linked to the circumstances that triggered state intervention and to the technical assistance process that occurred prior to establishment of state operation. If poor student performance was a significant part of the problem that led to state

intervention, measures of student performance, including student test scores, should be included among the benchmarks, but they should not dominate the process. For *Abbott* districts, the goals and benchmarks also should clearly reflect the special requirements imposed by that decision.

10. Assess Progress Against Benchmarks, and Develop Timely, Responsive Reports. During the period of state operation, the assessment agency should periodically assess the district's progress against the established standards and benchmarks, and should widely disseminate the results.
11. Modify Statutes to Allow Return when Circumstances Indicate Capacity for Local Control. The decision about reestablishing local control should be thoughtful and responsive to the totality of relevant circumstances, not be a mechanical response to student test scores or other ostensibly objective measures. The basic standard should be capacity for local control. A phasing-in of local control should be permitted where appropriate. For instance, a board that demonstrates capacity to assume authority over policy development matters but not fiscal matters might be given authority over the former but not the latter.
12. Modify Statutes to Provide More Flexibility Regarding the Composition and Operation of the Board of Education. Under current law, the manner in which the board of education is constituted and functions throughout state operation and during the transition back to local control is inconsistent with our recommendations' major thrusts. The onset of state operation displaces the existing board and replaces it with a purely advisory 15-member body largely

appointed by the Commissioner. Four years later, a nine-member board is elected, if possible from the existing advisory board, and it may vote on district matters subject to the state superintendent's veto power. Within one year of reestablishment of local control, the takeover statute provides that the district's voters can decide whether to have an elected or appointed board, but whatever their choice the board presumably will from then on be similar in number and function as other boards of the chosen classification (*e.g.*, with nine appointed or elected members).

This approach has a number of major deficiencies. First, it undermines our emphasis on the building and use of local capacity from the earliest feasible time. Second, it increases the possibility that reestablishing local control might return the district to old patterns. Our strong recommendation is that a new system of "structured flexibility" be adopted instead. At the start of state operation, this system should permit the Commissioner, with the approval of the State Board, to continue the existing board of education in place, with appropriately reduced functions and powers, or to reconstitute the board in part or in whole. In either case, the Commissioner should be authorized to appoint additional members, on the recommendation of a local advisory body or the mayor, to represent higher education, business, civic and community organizations, and parents. This would institutionalize the contributions of these constituencies and reduce the possibility of a board falling back into old patterns that contributed to the need for state takeover. The board also should

include the state district superintendent and a representative of the Commissioner as non-voting members.

As the board of education and professional staff demonstrate increased local capacity to operate the district effectively, the board's functions and powers should be augmented appropriately. For a period of several years after reestablishment of local control, additional members appointed by the Commissioner should continue to serve on the board to ensure a full and effective transition. Thereafter, as under existing law, the local community should determine whether it prefers an elected or appointed board.

13. Provide for School Ethics. The School Ethics Law should be amended to eliminate any ambiguity as to its applicability to state-operated school districts and to provide that any board member or administrator who violates or refuses to accept its terms shall be disqualified from service.
14. Continue Oversight after Return to Local Control. Some heightened state oversight should continue after full local control has been reestablished. The assessment agency should continue for a specified number of years (such as five) to monitor the district's performance as measured against the established standards and benchmarks.
15. Use State Operation to Develop Urban Education Models. State operation of New Jersey's three largest school districts provides an extraordinary opportunity for the state department, in collaboration with area universities, businesses and other organizations, to develop models for other districts, especially urban districts. This could extend to a range of matters. As

suggested above, one that is specifically applicable to poor urban districts relates to implementation of Abbott’s requirements. Others could be even broader in scope. The state could use state-operated districts as models for restructuring of districts through school-based management, so that district offices increasingly function as service centers to schools and teachers. They could demonstrate how enhanced recruitment, retention and professional development of teachers could be put in place.

Taking all these recommendations into account, the following is an overview of the approach we contemplate for reestablishment of local control in the three state-operated districts. In our conversations with the State Department of Education, this overview has been referred to as a road map or blueprint for the process of reestablishing local district control. We prefer the term “road map” because it conveys a more dynamic sense than the term “blueprint.” (To some extent, it reflects the current situation in the existing state-operated districts under the current statutes. The road map might be different for other districts in which state operation might be established in the future, if the overall system of state intervention were changed, in line with our recommendations above.)

We note that this is a generic model, applicable to all three current state-operated districts. The standards of acceptable school district performance should be the same for all three, although the findings of the recommended comprehensive assessments will differ, as will the extent and type of technical assistance provided to each district, and the timing and extent of return of authority to the three boards of education. The model also

could be adapted for use in districts other than the state-operated districts that are found to be in need of assistance.

We recommend that the following road map be implemented as soon as possible:

1. The state should specify a comprehensive but manageable set of standards against which school district performance in areas such as curriculum and instruction, personnel management, professional development, policy development, community relations, finance and facilities should be measured.
2. These standards should be derived from multiple sources, including state certification standards, and also should reflect the *Abbott* requirements specifically imposed on urban districts.
3. The standards should emphasize capacity to govern and operate the school district, and they should be specific and objectively measurable. The state also should specifically define acceptable levels of performance – benchmarks – with respect to each of the standards.
4. The state, preferably through an independent agency or a collaborative arrangement with a university or private entity, should ensure that a comprehensive assessment is made of each district's performance on each of the standards. This should be done as soon as possible to serve as a baseline for determining how the State should proceed with respect to each of the districts.
5. If the assessment indicates that the district has achieved the performance profile specified by the state in each of the areas in which standards have been set, the Commissioner and State Board of Education should restore local

control in those areas. If a district is found to have met the standards in one or more areas already, local control in those areas may be restored immediately. If the district has met the state standards in all of the areas, full authority and control should be restored.

6. If a district does not meet the standards in one or more areas, the state should determine, based on the assessor's recommendation and in collaboration with the district, what type and extent of assistance should be provided to enable the district to meet those standards; and a recovery plan with provision for appropriate technical assistance should be developed and implemented as soon as possible. The plan also should enable the district to serve as a model of educational reform and effective school district administration for other districts.
7. An independent evaluator should regularly monitor, and report to the district and the department, specific results in terms of the district's progress toward acceptable performance levels. When the district has made sufficient improvement that it meets all the performance standards established by the state, full authority and control should be restored.
8. During the period of state operation, the board of education should include four appointed non-voting members, in addition to the nine elected members. The appointed members should include representatives of a local institution of higher education, the local business community, local civic or community organizations, and parents. They should be appointed by the Commissioner, upon the recommendation of the mayor or local governing body.

Additionally, the state district superintendent and a representative of the Commissioner should serve as non-voting members of the board.

9. Upon a determination that the board of education has the capacity to exercise authority in all areas of district operations, the board should be granted authority to initiate a superintendent search. With the appointment of a local superintendent, local control will be reestablished, subject only to several transitional measures. The board of education, as constituted when local control is reestablished, should remain in existence for a period of time, perhaps two years. Additionally, the state district superintendent might remain, in an advisory capacity, for a similar period of time. Under the Compton model, the state superintendent remains in a monitoring capacity for two years after the local superintendent has been appointed. Finally, a representative of the Commissioner should continue to serve as a non-voting member of the board for five years after reestablishment of local control.
10. By the end of the transitional period, as under the current takeover law, the local voters should determine whether they prefer an elected or appointed school board. Prior to that classification election, the board of education should be required to gather information and inform the public about the various forms of board structure, and to provide opportunities for meaningful public discussion.