

**SPEECH, MARVIN N. SCHOENHALS
UNIVERSITY OF DELAWARE
OCTOBER 2, 2008**

Thank you, Raye,

Good Afternoon.

Speaking as a banker, I can tell you that these last few weeks have been some of the most unusual times I have ever seen. While the banking that I know remains strong, these recent events have given rise to much discussion about long-term financial stability. We in Delaware are in the midst of a significant budgetary challenge that is likely to be with us for the next couple of years. In a time like this, we want to find the long-term fix to our financial challenge. Improving public education in Delaware is one of the significant keys to achieving that fix. If on the other hand, we use the financial challenges we face as an excuse to not change education, we will deepen our financial challenge.

I suspect every person in this room has heard of the Financial Center Development Act of 1981. The credit card industry relocated to Delaware because of that act. It was one of the most successful economic development initiatives ever undertaken by a state government.

However, when the credit card industry reached maturity and began consolidation, Delaware's phenomenal job growth of the 80's and 90's slowed and has now stopped. Therefore, people regularly ask, "What is the next FCDA for Delaware?"

The honest answer is that there is not likely to be another "silver bullet" like the FCDA. The world has changed into a marketplace of competing ideas. Instead of a major employer or industry, there will be a million new employers; entrepreneurs whose education enable them to explore ideas that have never before been thought, and who will translate those ideas into flourishing businesses.

If we create a world-class education system, we will enrich Delaware far better and for far longer than the FCDA ever did. Perhaps the biggest reason the FCDA was so successful was because Delaware did it first. Other states copied us, but no one ever caught up because we were too far ahead. We need the same competitive urgency about education. If we get education right, before any other state, we will have an insurmountable head start.

That is why our public schools can no longer do business as usual.

The model of public education in existence today was developed in the 1800s. It helped make the United States the most productive nation in the world, because we had the best education system in the world. However, by the middle of the last century, that model began to fail; and by the year 2000, other nations began to surpass the United States in educational achievement.

Today, our education system in America and Delaware is no longer the best in the world. It is about 18th. It's 18th because while we have remained about the same in terms of student achievement, others have moved ahead rapidly.

For those of you who still harbor some doubts about the validity of the need for reform of our public schools, please look at the performance of Delaware students on our own Delaware Student Testing Program – the DSTP. The three critical areas of DSTP are: reading, writing

and math. Over the last five years, the percentage of students that have met or exceeded our own state defined standard in 10th grade reading and writing has remained the same. In math, we have made minor improvement. Unfortunately, high school graduation rates mirror this they have not changed either.

These results are statewide averages. They cover the performance of approximately 120,000 students in more than 200 schools. Some schools have improved during this five-year period. In fact, there are some dramatic success stories that are quoted regularly in national presentations. An average hides those success stories, which we should all applaud.

Unfortunately, in spite of the success of some individual schools, the entire system has not moved forward.

Therefore, from a public policy point of view, we have to say that there has been virtually no improvement in the last 5 years in the key results of our system. Hardly a recommendation for letting the system remain as it is.

Let me make one thing clear, I am not here to condemn the people that comprise our education system. There are a lot of hard working and very dedicated people in our public schools. However, they work in a system that does not routinely encourage their individual or collective best. It is like putting some good baseball players on a team and asking them to win the World Series, but without a good training program, or proper equipment or a supportive coaching staff.

The schools I mentioned are “Islands of Excellence” and we are proud of them, but they have generally succeeded in spite of the system not because of the system. We must create a system that ensures excellence for all students all of the time, no exceptions, and no excuses.

But how do we bring world-class education into being?

Michael Barber, our speaker at lunch, made it quite clear there is plenty of evidence that our situation can be changed, Vision 2015 is based on that evidence. It is a data-informed plan that embraces the best educational practices from around the world. It was developed by Delawareans – based on world-class research.

Therefore, our discussion is not about what needs to be done. We know that. Rather, the focus must be on how we will implement the plan, and how we will muster the political will to create a viable future for our children and grandchildren.

In talking about the how, I will make many of you uncomfortable. You will be uncomfortable because we can no longer afford to take the small, incremental steps we have taken in the past. The data proves they have not worked. There has to be commitment to changes that are bold enough and transformative enough to truly make a difference; changes that will say to all of us, to the rest of the states, to the world, and more importantly, to the children of Delaware, that something significantly different is happening in Delaware.

That kind of change cannot be accomplished, without pain. It will require every single group that is part of the education process to give up some of its sacred cows; or, at least--as one of my colleagues said--take some of those cows out to pasture. However, whatever the pain caused by transforming our public schools, it must be endured, because failing to change our schools will condemn future generations to an even deeper and more chronic pain.

We adults are going to have to change how we do things if we want our children to perform better. So at the end my remarks, I will be issuing challenges for change to all of the groups represented in this room.

What I propose is not just a reorganized school system but also a change in the culture of public schools to a student-centered system. A system in which the important decisions about learning are made primarily at the school level.

In this country and in our state we have had more than 150 years of the command-and-control, central office dominated system. It worked in the past, but it does not work today. Moreover, in Delaware, the level of control is even farther from students and teachers because of school laws that in effect allow the General Assembly to micro-manage our public schools. The data shows this is not working.

There are four fundamental principles that must inform our discussion.

The first is the fact that the only result that matters is are children learning and is student achievement increasing? Every step we take must be directed at this goal. It is what is at the core of the Vision 2015 plan. Student success is the only valid measurement of education success.

Secondly, our decisions must be guided by data, not by our opinions.

One of the best management books of the last decade is by Jim Collins entitled, "Good to Great." In that book, he outlined the practices that companies generally followed, as they become great companies. One of the most important practices was a brutal focus on the facts, whether they told good news or bad news. Collins said; "You absolutely cannot make a series of good decisions without first confronting the brutal facts.

The good-to-great companies operated in accordance with this principle, and the comparison, or not so great companies, generally did not." To get a great education system, Delaware must face the brutal facts.

The third principle is that we must use the public's tax money extremely wisely.

The fourth principle is that education reform is multifaceted. To do it right we must make many, interconnected changes. Piecemeal change is a major reason reform efforts of the past have made so little progress.

The goal of our education system is for students to graduate from high school; and, when they do, to be well prepared for the workforce and/or college. As a result, we must collectively take responsibility for seeing that these two metrics--high school graduation rates and life preparedness--change dramatically. Every discussion about education must talk about these metrics. Otherwise, it is like asking that baseball team to win the World Series, without keeping score. It would be impossible.

The starting point for dramatically improved high school graduation rates is setting high expectations for every student. But, we do not do that. Delaware's definition of proficiency is no longer consistent with what it means to be world-class.

We must set the DSTP proficiency standard at the highest level of any state or country in the world. Let me state that again, we must set the DSTP standards at the highest level of any state or country in the world.

Many argue against this. They say that if we raise the standard we would lower the percentage of students achieving the standard today. This is exactly correct.

Dumbing down the standards so we look good is not the way to excellence. Instead let us be very clear about our aspirations. We want to be the best in the world. We are not interested in having lower standards so our results look good. We are dedicated to the brutal facts that will produce the best education system in the world. To do that, we must have the highest standards, and then consistently measure our progress toward achieving those standards. Anything less results in setting ourselves up to lose the World Series before the season even begins.

So how do we make sure that we are adequately holding public schools accountable for their performance? We must have an easily understood, reliable, and fair report card for each school. While there are many indications of performance for an individual school, a report card needs to powerfully summarize each school's student achievement results along with other key results. In the end, just like students, each school should get a grade.

What about our educators?

Research confirms what common sense tells us: the quality of the teachers is the most important factor driving student achievement. Studies have shown that the teacher's influence on student achievement scores is much greater than any other variable, including class size and student poverty. Having a top quartile teacher, rather than a bottom quartile teacher for four years in a row, is enough to close the achievement gap.

And how about principals? Good principals are teacher force multipliers. They inspire, motivate, and empower dozens of teachers. Conversely, a lousy principal can demoralize an entire faculty. A good principal working in tandem with the staff is a key to schools that provide a quality education to our children.

We know that we have talented people throughout our public school system, but, we don't have enough of them. We should attract the best and the brightest to public school teaching. However, to be blunt, we do very little to attract top talent into the profession, and once they are hired, we do virtually nothing to reward those with potential or proven results.

There is no question that teachers are undervalued as compared with other professions, and that must change. We need to respect teachers as true professionals and to compensate them based on their performance as professionals. Our current system does the opposite. Teacher compensation is divorced from any effort to recognize effective performance. While compensation is not the only factor motivating teachers, or any of us for that matter, compensation systems strongly influence behavior.

In Delaware, teachers receive raises based on seniority and graduate courses taken. The original intent of this approach was to protect teachers from discrimination. Today, however, it prevents schools from rewarding performance, attracting teachers to subjects with teacher shortages like math and science and from assigning high quality teachers to underserved schools.

This approach assumes that teachers are interchangeable and therefore, should be paid the same regardless of effectiveness. This concept that seniority trumps all other considerations comes straight from the factory floor. While it may have worked there, it has no place in a professional classroom. There is no profession, not doctors, not lawyers, not engineers, not any profession that I can think of that pays significant compensation to its practitioners that does not at some point link compensation to performance as opposed to seniority.

There are successful examples from around the country, where the integrity of the teachers' organization has been maintained, but where the teacher's pay is related to their performance of influencing student achievement, where career ladders are established for teachers that enable them to receive a much higher level of pay before they are middle aged. Delaware must figure this out.

This morning you heard about the initial exciting results of the Network. This effort has been supported largely by private sector funding. Now that its importance has been demonstrated, it must be expanded to all schools. To do that, current public education funds must be redirected to the Network initiative. Too much has been gained to let it slip away through public inaction.

Just as I believe each teacher should be treated with individual respect and rewarded for their skills and abilities, we must treat students that way as well. We know some children need lots of help; others seem to learn with minimal direction. Each school is different. The parents are different, the communities are different, and the needs of the children are different. Yet we manage our schools as if they were all the same. This does not work.

Best practices demonstrate that the schools that function best are those where most responsibility has been delegated to the school. Principals, and their leadership teams, are best able to assess the needs of their students and to establish a learning regime that is appropriate for them. Yet this is not the model in Delaware.

Unlike most other states, Delaware pays most of the cost of public education. However, the Delaware approach starts with mind-boggling restrictions on school funding in the General Assembly. Recently, I looked at the list of all of the programs under which money is allocated to schools by the state. There were approximately 50 programs and categories. Some of those programs have flexibility, most do not. It means that the people who could make the best decisions about educating students – their teachers and their principal – have little say in how the money is spent. In the best models of local school responsibility, 75% of the budget is controlled by the principals and their teams. In Delaware, only about 8% is under school control.

Vision 2015 calls for decision-making that is closest to the students.

Legislators, the Department of Education, school boards and superintendents, would most likely find this a difficult and painful change because it would mean entrusting some decisions and control to the schools instead of themselves. But while they must let go of the strings of micro management, they gain a much more important string, holding schools and districts accountable for results, results that matter, student achievement.

A guiding principle I mentioned earlier, was that we spend money wisely. We are not doing that. First, we have a system whereby all children are treated more or less the same, when in fact, the needs of children differ dramatically. This is not equal opportunity. Furthermore, our system of financing schools is so convoluted that only a few people really understand it. If we expect

Delaware taxpayers to support the transformation of our public schools, we must enable them to understand what is taking place. We need a simple system of weighted funding that is based on the principle of sending the money required to educate a child to our standards directly to the school where that child is.

Another indication that we are not spending our money wisely is the fact that on a per student basis, adjusted for the cost of living, Delaware is the eighth highest spending state. But our performance is only middle of the pack. We are not getting our moneys worth.

At the behest of the business community, the Governor created the Leadership for Education in Delaware Committee – the LEAD Committee. It sought to examine the \$1.6 billion Delaware spends on education, with an eye toward uncovering money that could be more effectively spent. The \$1.5 million cost of the study was funded by the Delaware Business Roundtable and the Rodel Foundation of Delaware. This is another example of the public-private partnership that has characterized Vision 2015.

The LEAD Committee report concluded that between \$86 and \$158 million of our current expenditures could be spent more effectively. Bluntly, we are wasting that money. Money that could be reallocated to make Vision 2015 a reality. But those who receive that wasted money are not eager to see it invested elsewhere. So they mounted campaigns to try to prevent the LEAD recommendations from being implemented. For the most part, they were successful. That is not acceptable.

It is imperative that the next administration and the new legislature exercise the leadership, call it political will, to ensure that we redirect a good portion of those wasted funds to change education in Delaware.

School district consolidation came up during the LEAD Committee study. The committee concluded that consolidation could result in approximately \$40 million in savings available for redistribution. However, we concluded that we should not start with full consolidation but should first consolidate many of the functions that are performed by all districts; functions like accounting, human resource administration, data processing, facilities management and school bus transportation. About \$25 million could be saved. Once these service centers were operational, the General Assembly could consider additional consolidation measures.

Earlier today Dr. Audrey Noble articulated what Delaware must do to make early childhood education effective. The necessary changes are dramatic and compelling. Like everything else in Vision 2015, they are data driven. If we are to provide an effective education for each child, then we must provide professional early care and education opportunities. Part of the reallocated money from the LEAD study must go into early childhood education.

Now, let me put all this together.

As school leadership teams finish their Vision Network training, they must be allowed to function as 21st century schools. This means that they must receive their money in a block grant; and, except within broad parameters, have no strings on how they use it. They must be treated to the same minimalist rules as charter schools are. They must have a vastly simplified teacher's contract, and they must be held strictly accountable for the educational achievement of their students.

To make these 21st century schools a reality, all of us will need to undertake some difficult challenges.

- First, I ask President Harker to reconvene this group about this time next year so we can all make an accounting of how we have responded to these challenges. I believe he has agreed to do that.
- On behalf of the Delaware business community, I challenge our next Governor to fully support the implementation of Vision 2015 and to work with the General Assembly to expand the Vision 2015 Network Schools and allow them to operate unfettered by the archaic rules and regulations that now impair teacher growth and student achievement. To set public targets for vastly improved graduation rates during this administration and to agree to be held accountable for the results. I further challenge the next Governor to name a secretary of education who is a change agent; who is committed to making Delaware's public schools the best in the world by 2015 – no exceptions, no excuses.
- I challenge the members of the General Assembly to release their iron-fisted control of schools and instead focus on the outcome of our schools – graduation rates and life preparedness. I challenge them to adopt the necessary laws and regulations that will permit flexible spending at local school levels and to place authority and accountability on school principals and their teams of educators. I challenge them to expand the Vision Network. I also challenge the members of the legislature to reallocate at least \$90 million of the \$156 million that the LEAD Committee identified as wasted.
- I challenge the Delaware State Education Association to become more of a leader in the task of transforming public schools to help expand the Vision Network. I challenge to recognize that the old lock-step approach to teachers' careers must be remodeled into a 21st century vehicle that allows for individual teacher growth and compensation, and then allow individual teachers to choose which system works for them. I further challenge the DSEA to be open to the idea that student achievement must be the major part of how a professional teacher is evaluated and that they cooperate in the effort to develop a fair system for doing so.
- I challenge school principals to demand of their superintendents and school boards that they be allowed to apply for entrance into the Vision Network. I challenge them to become better academic leaders, to spend at least 50% of their time in classrooms, and to take ownership of student achievement in their building.
- I challenge the 19 superintendents to become better leaders; to hire principals who think independently and to let them run their schools as they see fit; within broad parameters. I challenge the superintendents to hold principals accountable for the outcome of their schools and to guide them and mentor them as needed and replace them when necessary.
- I challenge Delaware school boards to provide stronger leadership. I challenge them to hold their superintendents strictly accountable for the academic success and financial well-being of their district. Where it exists, they must acknowledge the brutal facts of poor performance and have the will to demand solutions.

- I challenge the next education secretary to face the brutal facts about student achievement and to take the lead in developing the highest standards in the world for Delaware students--to develop a school scorecard that clearly grades school performance.
- Collectively, I challenge superintendents, DSEA and the new Secretary of Education to work together, outside of the traditional collective bargaining process; to develop a career ladder for teachers that goes from a novice teacher to a master teacher; based primarily on classroom effectiveness; to develop a model contract that minimizes work rules and helps ensure a professional school environment while protecting the basic needs of teachers.
- I challenge Delaware parents to demand excellence for their children. I challenge them to look honestly at their own schools and face brutal facts; to recognize that while some things are working well, much must be improved. I challenge parents to pressure the General Assembly to allow the changes that will in time make all schools in our state great.
- I challenge my colleagues in the business community to continue to support the crusade for excellence in public education that they began with the formation of Vision 2015. I remind my colleagues that once before in the early 1990s they led a reform effort that gained some success. But the business leaders lost some of their focus, significantly slowing reform. That must not happen again. The business community must continue its moral and, yes, its financial support for the crusade for school reform. Without them, the movement will fail again.
- Finally, a word to all of us. There is no silver bullet for education reform. The steps to true reform are many and they are all interconnected. Changes cannot be piecemeal. If we only do one or two of the actions, we will feel better, but we will fail.

As Raye said in her introduction, I have a passion for education. But that was not always the case. Yes, I was always interested in education and recognized that a quality education was the key to a quality life. How could I not, with two parents that were teachers.

And, I have always been distressed about the achievement gap--distressed, because that gap meant that a whole segment of students are being closed out from a high quality life. What a waste for them and what a waste for the rest of us.

Interested yes -- passionate no. So why passionate now?

I had a belief about the achievement gap – that there was little likelihood that it could never be overcome. I was of the opinion that the environmental factors of a poor home life, lack of parental involvement, lack of good role models, and just in general what it meant to grow up in poverty – that these problems were just too great to be overcome in the classroom. I now understand that many Americans and therefore probably many of you, believe that as well.

But about 8 years ago, I discovered something: I was wrong, dead wrong. I discovered that there were schools that had learned how to overcome the achievement gap. I learned that if school leaders and teachers are taught best practices, if they are working in an environment of

trust and respect and if there are high expectations of all along with high standards of accountability for all – the achievement gap can be eliminated.

So why am I passionate? Because I can now imagine Delaware without an achievement gap.

You've learned today that you too can imagine schools without an achievement gap; that you can imagine graduation rates over 90%; that you can imagine a school system that educates every child to their full potential, every time.

So it is time to take that imagination, that vision, and make it a reality. Imagine how it will feel to live in a state – our state – with that reality – the best education system in the world. It is within our grasp.

I look forward to seeing you next year as we all share the tremendous steps we have collectively taken toward that reality.

Thank you.