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LETTER FROM THE EDITOR

In this issue we are printing two letters received from longstanding ISEP supporters Belle Ruth Witkin and Roger Kaufman. Each letter is a response to the article "Needs Assessment Reassessed" by Laura Weintraub (*Educational Planning*, Vol. 6.4). Comments from readers are encouraged, and well-written, specifically-focused letters will be printed. The editorial policy established by the ISEP Board of Directors relative to *Educational Planning* is that, as a refereed academic journal, unsolicited manuscripts submitted to the editors are to be reviewed by members of our review board. After a brief editorial review for appropriateness and/or face validity, manuscripts are forwarded to our reviewers. Typically, this involves two reviewers although, occasionally, three are used. Reviewer comments are available to authors on request. This process generally requires from three to six months for completion. Any manuscript which receives acceptable reviews will be published as space becomes available. In the specific instance relating to the article in question, two favorable reviews were received. Interestingly, one of these reviewers, while believing that Ms. Weintraub's work was of sufficient value to be brought to the attention of our readers, subsequently provided a written disagreement with several points and allusions made with the work. This ability to see the potential contribution in a manuscript with which one has a professional disagreement is noteworthy and speaks well for the personal integrity of our reviewers.

NOTES ON CONTRIBUTORS

John Crawford and Susan Purser are with the Planning, Research and Evaluation Department of the Oklahoma City Public Schools.

Stanley Nyirenda is pursuing doctoral studies at the University of Pittsburgh. He is on leave from the University System of Malawi, where he is the University Planning Officer.

E. Robert Stephens is a Professor in the Department of Education Policy, Planning and Administration in the College of Education at the University of Maryland, College Park.

ANNOUNCEMENT

As part of the work to update some of my earlier research in needs assessment, I am doing an exploratory survey of the state of the art in *interagency planning*. If any readers have had experience with school-system/city or other agency joint needs assessment and/or planning, within the last 10 years, I would appreciate being notified. If you have not been personally involved in such a joint venture, but know another district that has, please let me know. I am also interested in such joint ventures by institutions of higher education, or county or state agencies.

Please write me at 201 Union Ave. SE, #132, Renton, WA 98056 or call (206) 271-1721.

Belle Ruth Witkin

LETTERS

To the Editor:

I just received a copy of the Spring, 1988 *Educational Planning* which published the Weintraub article. It is hard to know where to start first; with the author's indifferent scholarship[1]; her sloppy attention to detail and precision[2]; or simply the more inexcusable anti-rigorous jumping from unwarranted assumptions to foregone conclusions[3].

While serious students of planning and needs assessment might disagree[4], they hardly resort to juxtaposing death camp scenarios and non-sequitur-but-cutesy confusions[5] in rambling discourse which all-too-frequently substitutes reasoned thought with emotionally charged rhetoric. The distortions offered in this article are, frankly, too numerous to individually recount. I believe most readers of *Educational Planning* will have long ago spotted the contortions and turned their attentions to other more important and believable concerns.

While I applaud *Educational Planning* for providing a full range of scholarly thought, may I suggest that it restrict such future offerings to well-considered and well-grounded presentations?

Cordially,
Roger Kaufman

[1] She quotes secondary sources and doesn't read the original—if she had, she might have found, for example, that Kaufman & English was published in 1979, not 1977.

[2] E.g. footnotes are not associated with the proper referents; authors' names misspelled.

[3] So anxious is her rush to judgment that she doesn't take the time to (a) read the basic material to notice that some needs assessment models (for instance mine and Witkin's) strongly urge a humanistic partnership model which requires that all partners (including learners) both identify and select needs, and (b) the difference between scholars reporting models and endorsing them—something she confuses badly.

[4] For instance, Y.S. Lincoln and her observations concerning Witkin's 1984 book.

[5] Such as her confusing different types of dentists—those that remove cavities and those who straighten teeth.

To the Editor:

The following conversation was overheard recently in the administration offices of a large school district.

She: So, how's the needs assessment coming?

He: Chaos at the moment, but it's early days yet. Against my advice, the parent's advisory

council decided to do a "quick and dirty" survey, and the results were predictable—the kids want more pizza on the lunch menu and no homework, the parents want more homework *or* less homework, more discipline *and* more creativity; the teachers want smaller classes and larger salaries, and the administrators want a plan for desegregation and asbestos removal from five school buildings.

She: Sounds like par for the course. A typical set of wish lists, but not really an assessment of needs.

He: Yes, and now I've got to design a rational needs assessment for our long-range planning. But of course, I'm only a mindless bureaucrat.

She: Aha, you must have read Weintraub's recent article in *Educational Planning*. What did you think of it?

He: It was like seeing myself in a funhouse mirror. It *seemed* to be discussing needs assessment, but not anything that I'm familiar with. Lots of polemics but little reasoned argument. And who are some of these authorities that she cites?

She: Like Siirala—mimeo paper, no date. I wonder if she's ever actually done a needs assessment? Many of the models she objects to come from social services or economics, not educational planning, and several references were out of date.

He: Yeah—for instance, both Witkin and Kaufman have come up with new definitions and models since 1977.

She: It's too bad that she distorted their views by interpolating comments that they never made. Witkin never said that evaluators look backward "like Lot's wife." Our evaluator friends would be surprised to hear that they yearn for the delights of Sodom. Anyway, a better analogy would be to the Roman god Janus, who looks backward to appraise the past, and forward to the future.

He: Or is it better to let people turn to pillars of salt before they deal with problems? Anyway, as Dogberry put it, "Comparisons are odorous."

She: Right, and some smell worse that others—like the analogy of educational planners to the monsters of the Holocaust who sent the trains to Treblinka.

He (wistfully): sometimes I get nostalgic for BNA days.

She: BNA?

He: Right—Before Needs Assessment. Remember how program and curricular decisions were made? Unilaterally, by us mindless bureaucrats. No community meetings on goals and values, no nonsense about student and parent advisory committees, no focus group sessions to get the kids' point of view—

She: Perhaps things are simpler in Canada. I've tried to figure out Weintraub's reasoning: we fail to plan for education, or plan too much; needs assessment is based on a medical/dental model; if people have cavities, let 'em rot; there are no gaps to be filled, and in any case, we shouldn't try to fill them; we don't listen to the children.

He: Oh, we listen all right. What do you think has been happening to education in the good old US of A in the last 20 years?

She: Well, maybe we shouldn't get too shook up at high rates of illiteracy, dropouts, and our inability to compete with other countries in science and technology. After all, we mustn't put education in the service of the current economic order.

He: I guess we've been fooling ourselves that our schools have an obligation to prepare students for the real world—for productive work and responsible citizenship, among other things.

She: And we probably shouldn't pay any attention to the fact that some pretty important and socially conscious companies have refused to relocate their offices in cities that don't have excellent educational systems, and lots of activity in the arts.

He: Gosh, no! That would be pandering to society's needs and goals! Well, back to the drawing board. Now that Weintraub has set up her straw men and demolished them, what do you think is in store for needs assessors?

She: Put 'em all on the next train for Treblinka. What else?

Cordially,
Belle Ruth Witkin

PROMOTING INTERDISTRICT RELATIONS: THE PREFERRED POLICY OPTION FOR IMPROVING EDUCATION IN RURAL SMALL SCHOOL DISTRICTS

E. Robert Stephens

Policy communities in many states are confronted with a major dilemma as they strive for school improvement in the state system of elementary-secondary education. The old issue of how best to respond to the needs of rural small school districts, a majority of local school systems enrolling from one-fifth to one-fourth of the public school population, must be addressed again with renewed urgency. How well this is accomplished will determine the outcome of even the best state-sponsored initiatives. One policy option promoted in the past that is receiving renewed interest is the promotion of interdistrict or interorganizational arrangements among rural districts.

The plan of this paper is to first establish a rationale for the greater use of interorganizational arrangements among rural districts. Next, a brief comparison of the two basic forms of interorganizational relations (cooperation and coordination) is presented. The identification of several core propositions that should guide policy planners and decision makers in the design of interorganizational relations concludes the paper. These propositions are grounded in the growing body of research particularly germane to a rural small school setting.

THE CASE FOR THE GREATER USE OF INTERORGANIZATIONAL ARRANGEMENTS

The argument for greater interorganizational arrangements for improvement of education programming and for strengthening the organizational capabilities of rural small school districts rests on three principal points: (1) Their numbers are significant, even in the most urbanized states, and thus require a renewed commitment if the promising beginnings of the school excellence movement are to be sustained; (2) Many rural small school districts have had difficulties in providing breadth and depth in educational programming. The new pressures now converging on all educational systems will have a particularly devastating impact on rural small school systems. The traditional policy option of mandated district reorganization is not likely to enjoy widespread political feasibility. A brief discussion of each of these three lines of argument follows.

Number of Rural Small Districts

Estimates of the number of rural small school systems ranged from one-fourth to one-third of the public school districts in 1983. These variations reflect the fact that there is no universally accepted definition of a rural small school system (American Association of School Administrators, 1984).

Stephens and Turner (1987) offer a working definition judged superior to any single one presently in use; it will be used to support the claim that the number of rural districts is significant: "enrolls fewer than 2,500 students and is located approximately twenty-five miles

outside of an urban center having a population of 50,000 or more" (p. 11).

While an upper enrollment of 2,500 may seem high to some, it can be argued that it is low in that it excludes such county-wide systems as those in the southeastern states that have many more students but are rurally oriented in many ways (e.g., without a large urban center, large numbers of small enrollment sites, economy based on agriculture or forestry).

Use of the definition cited above results in the estimate that there were 8,900 rural small school districts in 1983-84, the latest year for which data are available. (The procedure used to arrive at this estimate is outlined in Table 1.) This number is over one-half (57.8%) of the 15,398 public school systems in that year. Equally important, virtually all state systems have large numbers of rural small districts (Census of Government, 1982, p. 17).

The Combination of Old Needs and New Pressures

Many rural small systems have historically had to contend with a number of issues that hamper their efforts to offer high quality programs. These issues alone warrant consideration of the greater use of interorganizational arrangements. However, the combination of old needs and new pressures confronting rural small districts makes a compelling case for the merit of this policy option.

The continuing needs of rural schools are well documented. Virtually all observers of rural schools, supporters and critics alike, cite these chronic problems facing many rural districts: inadequate financial resources, recruitment and retention of staff; lack of breadth and depth in the instructional program; and inadequate instructional and management support systems. As Sher and Tompkins (1976) remind us, many of these problems are inherently associated with sparsity of population, or isolation. Others are the result of the small-scale operations of the district that make difficult the economical justification for offering some programs and services and/or the employment of some specialists. Whatever the cause, the continuing needs of many rural schools would alone warrant renewed policy attention.

However, it is the combination of the continuing needs of rural small districts along with new pressures facing rural schools in the closing half of the 1980s that add urgency for a response from the policy communities. While many of the nation's larger enrollment size school systems will have difficulty in adjusting to the new set of circumstances facing education, it is the rural small school district that will experience the greatest crises of all.

What is the nature of these new developments and how are they likely to impact on rural small systems? Six kinds of new pressures are briefly discussed here. First, there is the general, though not uniform, decline in the nation's public elementary-secondary school-age population underway over the past decade or so, with the greatest losses occurring in the Northeast and Midwest, both regions with large numbers of rural small districts (The Condition of Education, 1985, p. 20).

Secondly, the changes in the demographic characteristics of the school-age population, well documented by Hodgkinson (1985), promise to add to the burden of rural schools in providing programs and services to special need populations that are projected to grow in type and in number.

Then, there are the long-term fiscal declines in the economic support base of many rural communities, particularly those that are predominantly agricultural, that Hart (1985) has suggested are the most far-reaching since the Depression years of the 1930s that will compound the perennial rural school problem of securing adequate funding.

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TABLE 1

FOUR-STEP PROCEDURE USED TO ARRIVE AT
ESTIMATED NUMBER OF RURAL SMALL SCHOOL DISTRICTS
1983-84

Step	Actual or Estimated Number
#1. Establish number of operating public school systems	15,398[1]
#2. Establish number of operating public school systems that enroll fewer than 2,500 students (criterion #1)	11,848[1]
#3. Establish estimated number of operating public school systems enrolling fewer than 2,500 students that are located approximately twenty-five miles from an urban center having a population of 50,000 or more (criterion #2)	
3.a number of districts inside SMSAs	3,783[2]
3.b number of districts outside SMSAs	8,354[2]
3.c estimated number of districts inside SMSAs that are approximately twenty-five miles from an urban center having a population of 50,000 or more	500
#4. Establish estimated number of rural small school districts (#3.b & #3.c round to nearest 00's)	8,900

Notes:

1] *Digest of Education Statistics, 1985-86*, Office of Educational Research and Improvement, U.S. Department of Education, Center for Statistics, Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. (Table 55, p. 64).

2] *1982 Census of Governments*, Volume 1, Governmental Organization, U.S. Department of Commerce, Bureau of the Census, August, 1983 (Table 14, p. 46). The U.S. Census Bureau uses a different procedure that is not critical here for counting school district governments from that used by the U.S. Department of Education. I used the Census Bureau data for one primary purpose and that is to establish the number of districts located inside or outside an SMSA. This was needed to establish the estimate of the number of districts inside an SMSA but at least twenty-five miles from an urban center of 50,000 or more population.

The new realities of staffing caused by more rigid state certification requirements and an aging profession is a fourth new pressure that will compound the perennial rural school problem of the recruitment and retention of quality staff, particularly in the secondary sciences and mathematics fields.

The fifth new development is the acceleration of state-sponsored and mandated school improvement initiatives that, no matter how meritorious they might be, will likely exacerbate already difficult circumstances in many rural districts. For example, Odden (1984) estimates that the revenues for education would need to be increased by approximately 20 percent to fund most of the recommendations of the 1983 report, *A Nation at Risk*.

Finally, the dramatic decline in the number of parents having children in school will make it difficult for this increasingly powerful school support interest group to remain effective in public policy debates that affect rural schools.

The six new pressures outlined above have produced what Stephens (1986) has called "an unprecedented set of circumstances facing rural schools that constitute the gravest threat to rural education in the history of the nation" (p. 2). A meaningful policy response is needed to aid the still significant rural small schools sector, and as will be suggested below, the policy options that are available are few to begin with. It may be argued that these are further limited when the important consideration of political feasibility is factored in. This is especially true for alternatives that would embrace features of the traditional response that guided the thinking of many in the past as they wrestled with the rural small school "problem."

Major Policy Alternatives

The major policy alternatives appear to be extremely limited. The approach used almost exclusively in the past was forced district reorganization. Guthrie (1980) observed that the school reorganization movement during the past half century "reflects one of the most awesome and least publicized governmental changes in this nation during the 20th Century" (p. 120). It was achieved in most states where it occurred through the use of mandates and incentives and disincentives. As a research action brief issued by the ERIC Clearinghouse on Educational Management (1982) cautions, it was driven by the virtually unchallenged advocates of economic efficiency and instructional effectiveness that were to be found both within and outside the profession.

The combination of mandated reorganization and incentives and disincentives to achieve the same policy objective was largely responsible for the huge declines in the number of school districts in this nation that occurred between 1931-32 and 1982-83—from 127,531 to 15,398 (Digest of Education Statistics, 1985-86, p. 64). Most of this decline occurred prior to the mid-1970s when the use of this option declined appreciably.

The lack of widespread appeal in recent years of mandated reorganization for addressing the rural small school "problem" is no doubt attributable to a number of factors. Certainly the exposition of the flaws in the principal arguments used by advocates of this option precipitated caution in the policy communities. The work of the Education Research Service (1971), Sher and Tompkins (1976), Fox (1981), the ERIC Clearinghouse on Educational Management (1982), Nachtigal (1982), Peshkin (1983), Sher (1986), Monk and Haller (1986), and others who offered powerful arguments that the research literature supporting the creation of larger administrative units was at best mixed and hardly warranted the support it enjoyed. It is important to note that the cautions, or in some cases, direct challenges, to the conventional

wisdom offered by the earliest of these critics have gone largely unchallenged in the ensuing years.

Still another important constraint on those in the policy communities anxious to launch another massive round of school reorganization is the growing realization that many of the findings of the last ten to fifteen years of exciting work on effective schools suggest that there are substantial similarities in the characteristics of effective schools advanced by a number of researchers (Edmonds, and Purkey and Smith, 1983) and those of good rural small districts (e.g., small classes, individual attention, low drop-out rates, safe, orderly environment, development of student leadership qualities, strong faculty identity and commitment to the school, active parent involvement, strong community support for the schools).

A third and final contributing factor to the lack of political feasibility for a return to the mandated district option to be cited here is perhaps the most critical of all. In relative terms, there presently are a greater number of rural school advocacy groups at the national level and in an increasing number of states than was true as recently as five years ago. The effectiveness of these groups to influence public policies affecting rural education is being demonstrated all across the country.

It is true of course that significant changes are occurring in rural America and reorganization efforts that make good educational sense are likely to, indeed should, be supported. However, efforts to engage in another round of massive, and largely indiscriminate forced reorganization are likely to fail, and policy actors who would put their energies behind this option will be disappointed. The recent experience in several states, notably Illinois and Nebraska, should stand as vivid reminders of the continuing absence of the political feasibility of forced reorganization. In both states, rural interest groups mounted successful campaigns that defeated state efforts to bring about large-scale reorganization.

Where does this leave the policy communities seeking ways to strengthen the rural small school component of the state system of education if the promising beginnings of the school excellence movement are not to flounder? In my judgment there are a small number of viable alternatives.

One alternative used by a few states in the past is to provide services to rural small districts by regionalizing the state education agency (SEA). In these arrangements, practiced most extensively in Georgia, Illinois, Massachusetts, New Jersey, North Carolina and Ohio, staff of the state agency are housed in regional branches and provide technical assistance and other instructional and management support services to local districts. The themes of the main arguments advanced by advocates of this alternative are: (1) the state has the ultimate responsibility for education; it follows then that the administrative arm of the state, the SEA, should provide all necessary programs that cannot be provided locally; (2) the provision of programs by the SEA will more likely result in the best use of state monies in the furtherance of state priorities; (3) the administrative costs of programs can be reduced if monies do not have to pass through another agency; (4) improved communication will result if the provider of the service, the SEA, is in direct contact with the user of the service, the local district; (5) local district membership is mandatory; and (6) as arms of the state, the regional branches enjoy a degree of organizational legitimacy and organizational stability, and a relatively definite funding support base.

There is much merit in these arguments. However, as is true of any major issue, there are those who take an opposite position. The themes of those who do not hold much promise for the effectiveness of this alternative are: (1) the administration and operation of programs by the

SEA may tend to distract the state unit from its generally accepted and needed role—that of providing leadership, coordination, and planning for the state system, serving as the principal advocate for elementary-secondary education, and functioning as the legal monitoring agency for the state system; (2) the administration and operation of programs by the SEA may tend to seriously drain its human, fiscal, and other organizational resources; (3) the administration and operation of programs by the state may promote undesirable standardization of practice; (4) the impact of programs provided by the state may be lessened because of the built-in conflict in the dual role of service provider and regulator; (5) in most states, there are far too many local systems to be adequately served by the state unless a major increase in personnel is provided; and (6) local control of education would be further eroded.

Which of the arguments of the two schools of thought on this issue will prevail? The fact that there has not been much recent movement in the direction of more state adoption of this alternative (most of the current systems have been in place for a number of years; and, germane to our position here, most have encouraged the simultaneous development of a parallel form of interorganizational arrangement) would suggest that the arguments of the opponents are most persuasive. However, it is also possible that the full impact of the new twin needs for strengthening the state system of education and the increased difficulties facing rural small districts has not yet been realized, and renewed interest in this policy option might be forthcoming.

The third major policy option is the implementation of some form of family choice. This concept is being promoted in Minnesota, which has inaugurated a comprehensive family choice program whereby junior and senior high school students can attend another public school or post-secondary institution. The same concept was authorized by the legislature and then defeated in a subsequent referendum in South Dakota. The concept has also been endorsed by the Task Force on Parent Involvement and Choice of the National Governor's Association (Time for Results, The Governors' 1991 Report on Education, 1986, p. 86).

In my judgment, the concept of family choice has merit, but only in situations when its use is directed at promoting competition within a single public school system having large numbers of attendance centers where program diversification can truly operate. In these instances, it would not be substantially different from an open enrollment policy currently used by some large systems. Its indiscriminate use in an entire state system having large numbers of districts with a single elementary or a single secondary site, as is the case for many of the smallest rural districts, would have policy consequences that are likely to far outweigh the benefits. The effect of a family choice option that would permit students to move from one district to another will ultimately prove to be catastrophic for many rural small school districts by compounding already difficult situations caused by small enrollments and limited resources. For these reasons, I do not believe the concept will enjoy widespread use.

A fourth policy option for strengthening a state system is the promotion of the greater use of telecommunications technology. While the benefits of the use of this option for enriching the programs of rural districts are being demonstrated in an increasing number of sites all across the country, I doubt if even its most ardent advocates envision that its use will ever substitute wholly for the full range of instructional programming that is required in a comprehensive educational program. The costs alone of such an undertaking would represent a major obstacle, even if other educationally oriented issues could somehow be adequately addressed and resolved. There is no question that the use of this option has merit, particularly when combined with other policy options, such as the one advocated here.

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A COMPARISON OF THE BASIC FORMS
OF INTERORGANIZATIONAL ARRANGEMENTS

The literature on interorganizational relations has mushroomed in the past two decades as the concept has increasingly been viewed in the policy communities and in academia as a desirable means for increasing the quality of public services and for improving efficiency in the delivery of government services. Numerous terms are in use to define the concept (e.g., collaboration, coalition, consortium, federation, council, cluster, special district or cooperative education service agency).

While acknowledging that many of the definitions in use are intended to reflect different design properties, I find it useful to regard interorganizational relations to be of two basic types: interorganizational cooperation and interorganizational coordination. Each differs appreciably in its intent and in its design properties, although much of the literature on interorganizational relations either obscures differences between the two or treats the two as synonymous.

I accept Schermerhorn's (1975) definition of interorganizational cooperation as one of the most useful: deliberate relations between otherwise autonomous organizations for the joint accomplishments of individual operating goals (Schermerhorn, pp. 846-856).

I find Milford and Rogers' (1982) definition of interorganizational coordination to have the greatest conceptual clarity and descriptive validity of any thus far advanced in the literature:

> Because of the common use of decision making by specialists and practitioners, we define interorganizational coordination as the process whereby two or more organizations create and/or use existing decision rules that have been established to deal collectively with their shared task environment (p. 12).

Milford and Rogers offer this rationale for the use of their definition:

> It is useful because it: (1) emphasizes that decision rules can be established by a third party or created by the participants; (2) underlines the importance of shared task environment; (3) focuses on the role of the collectivity and its attainment of a unique level of goals; and (4) stresses joint decisions and action (p. 12).

The Milford and Rogers definition draws a clear distinction between interorganizational coordination and interorganizational cooperation. As Milford and Rogers remind us:

> ... for more than a decade specialists have discussed the unique aspects of coordination that distinguish it from other forms of interaction. It has been shown that cooperation and coordination differ in terms of presence of decision rules, degree of formalization present, kinds of goals emphasized, amount of resources involved, primary actors, relative threat to autonomy, and implications for vertical and horizontal ties (p. 12).

Their synthesis of the research literature on these major distinguishing process characteristics of the two basic forms of interorganizational relations is presented in Table 2.

TABLE 2

A COMPARISON OF COOPERATION AND COORDINATION PROCESSES

Criteria	Cooperation	Coordination
1. Rules and formality	No formal rules	Formal rules
2. Goals and activities emphasized	Individual organizations' goals and activities	Joint goals and activities
3. Implications for vertical and horizontal linkages	None, only domain agreements	Vertical or horizontal linkages can be affected
4. Personal resources involved	Relatively few--lower-ranking members	More resources involved--higher-ranking members
5. Threat to autonomy	Little threat	More threat to autonomy

Source: Milford, Charles L. and Rogers, David L. (1982). Definitions and Models. In David L. Rogers and David A. Whetten (Eds.), Interorganizational Coordination: Theory, Research, and Implementation. Ames: Iowa State University Press (p. 13).

Emphasizing the major distinctions between interorganizational coordination and interorganizational cooperation is not only important for reducing the conceptual ambiguity presently surrounding interorganizational relations, but, it follows, has implications as well for the development of policy and practice.

SOME PROPOSITIONS ON THE PLANNING AND IMPLEMENTATION OF INTERORGANIZATIONAL RELATIONS

Which of the two basic forms is preferable? Clearly, each has its advocates and opponents who are eager to argue the relative merits of the form of interorganizational relations they endorse. On close examination, however, the arguments for each form seem to be based largely on frequently competing value systems and differing world views, more than reflecting research findings, since good, solid comparative analysis is simply not available at the present time. My own view of this matter at this point is that both variations can contribute to the policy goal of enhancing the quality of education in rural small school districts and that either option is preferable to the limited number of other policy choices that are available. Moreover, common sense suggests that policy formulation in a state system must be considered in the context of the traditions and economic, geographic, and political characteristics of a particular state and regions within a state, and that these vary appreciably.

So, where does this leave the policy planner and decision maker? Are there no guidelines concerning the design of interorganizational relations? Fortunately the growing body of literature on the topic has produced a number of propositions to aid in this task. What follows are seven propositions that are judged to be the most critical ones for the planning and implementation of interorganizational relations that apply equally well to both basic forms. The

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seven core propositions represent a synthesis of what is regarded to be the best of the work done thus far on the topic. Particularly useful here is the work of Levin and White (1961), Warren (1967), Schermerhorn (1974, 1975), Van de Ven (1976), Crandall (1977), Northwest Regional Educational Laboratory (1980), Yin and Gwaltney (1981), Rodgers and Whetten (1982), and Halpert (1982).

Most students of interorganizational relations are in agreement concerning factors that promote or facilitate its use. There is widespread support for the following propositions concerning factors that cause an organization to seek out or be receptive to engage in relations with another organization:

* when the organization is faced with a situation of resource scarcity or other perceived need
* when the organizational leadership perceives the benefits to outweigh the costs
* when the organization has a common mission and perceives that attainment of its goals is more likely to be realized through interorganizational arrangements than by acting alone
* when there is a history of good relations, a positive view of the other, and both are in close geographic proximity
* when the organization can maintain its organizational identity
* when the organization members can maintain their prestige and authority
* when the organization has few or no other alternatives.

A similar level of consensus exists in the literature concerning factors that inhibit interorganizational arrangements. In that these tend to the converse of the seven core propositions concerning determinants cited above, they will not be discussed further here.

However, there is more to be said regarding the promotion of interorganizational arrangements. One also needs to think about how best to implement this policy choice, once the decision is made to promote its use and design configurations are agreed upon. While implementation considerations are implied in a number of the seven previously cited core propositions, direct reference to this issue has received scant attention by specialists in the field. Therefore, what follows is one additional proposition that is directed to this important phase of public policy development. This proposition in particular flows from my own study and observation of state and local planning and implementation efforts to promote interorganizational arrangements that have extended over two decades (Stephens, 1967, 1975, 1979, 1987):

* the successful implementation of widespread interorganizational arrangements is dependent upon a strategy of using state-induced external incentives to motivate local decision makers to seek out or be receptive to such efforts.

State-induced incentives can take several forms. At a minimum, the pronouncement of a state policy commitment to promote interdistrict relations is required. So, too, is the development and use of state-sponsored planning guidelines that would establish a clear rationale for the functional areas that lend themselves to sharing that are being encouraged, and should also

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include a statement of criteria on the preferred interdistrict organizational configurations. Another prerequisite is the provision of financial incentives to promote its use, especially when this is coupled with the denial of monies in the state aid program for districts that persist in unilaterally expending state funds for programs in areas previously established as those lending themselves best to a form of interdistrict arrangement.

SUMMARY

The large number of rural small school districts to be found in virtually all state systems of elementary-secondary education pose a serious threat to the promising beginnings of the school reform movement in many states. Many of these districts have traditionally lagged in needed depth and breadth in course offerings, experience difficulty in the recruitment and retention of staff, have less than desirable instructional and management support systems, and are inadequately financed. These core problems are likely to be exacerbated by the heretofore unparalleled convergence of a series of new pressures. While these new developments are impacting all of education, they are likely to be particularly devastating for a rural small school district.

The policy communities face an imposing challenge in dealing with the rural small school issue. A return to the use of the policy option most frequently employed in earlier times, mandated school reorganization, does not enjoy political feasibility and is not likely to be exercised widely. Most other policy alternatives available have serious constraints on their widespread use.

The one policy option that does have substantial merit is that of the promotion of interorganizational arrangements. If the benefits of rural interdistrict relations are to be realized, policy planners must pay attention to a number of planning and implementation considerations that are integral to the design of such efforts. Seven core propositions that are grounded in what is judged to be the best of the growing body of literature on interorganizational relations were established as building blocks to guide policy planners. The position was also taken here that one additional important prerequisite for promoting interorganizational collaboration is the use of state-induced external incentives to motivate local decision makers to seek out or be receptive to such efforts.

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PERSPECTIVES ON SCHOOL-BASED PLANNING
John Crawford and Susan Purser

This paper describes the perspectives, roles, and activities of district staff in planning for educational outcomes. Groups composed of central office administrators, principals, and teachers form the focus of the discussion. The planning projects are being carried out in a large, urban school district with approximately 38,500 students.

CENTRAL OFFICE ADMINISTRATORS

There are at least two distinct roles for the central office administrators in school improvement efforts. One role is that of "conduit" or provider of data for school-based planning, and the other role is as "consumer" of school-level data (as are principals and other school staff). Central office and service center departments are also being ranked in similar documents on factors taken as indicators of climate and productivity. These documents are to be used in the goal setting process within each department.

Fostering Feedback Loops: Data Provided to the Schools

The Planning, Research, and Evaluation Department for the last two years has produced several reports for school-based staff to use in setting instructional priorities and goals. An earlier paper by Shepard and Crawford (1987) discusses achievement (and other kinds of) feedback to schools. One such feedback document is the *Statistical Profile* (1988). That report has school-level information in it, organized by *school*. This is the easiest way to retrieve information for a particular school — all data for each school is contained in the three pages allocated to each school.

The most recent version of the *Statistical Profile* also has three years of historical data on most topics. This allows principals and others to examine long-range trends and set goals accordingly. In addition to use for goal-setting, the information in the profile has also proved useful in completing forms for applications such as the North Central Association accreditation process. Table 1 (pp. 19-20) shows a sample 3-page report for a school from the *Statistical Profile*.

In addition to the *Statistical Profile*, another document is produced expressly for the purpose of data-based decision making. The *Planning Indicators on Selected Educational Topics* has been produced for principals and teachers to use in writing objectives for the 1986-87 and the 1987-88 school years. In contrast to the *Statistical Profile*, the planning indicators document is organized by *topic*, with schools sorted in relative rank-order within each topic. This document provides a quick reference as to how the schools rank on indicators of educational quality. Each school's ranking within grade-level is shown, along with a visual marker — a horizontal line — representing the mean for each distribution. Local research (e.g., Crawford, Fink, and Raia, 1987, and Crawford and Raia, 1988) has examined many of the factors related to achievement gains at the school level. Table 2 (pp. 21-23) shows a sample topic with school names removed (principals receive the data with school names printed).

Topics were selected for inclusion as planning indicators if (1) research indicated that a topic was likely to be related to school achievement — for example, results from the Edmonds (1986) work and the Fuller (1986) chapter, (2) the topic has fiscal implications, or (3) the topic was

Table I

NAME OF SCHOOL

Street Address: Principal:
Oklahoma City, OK   Board District:
Telephone Number:

Student Characteristics

	1985-86	1986-87	1987-88
Enrollment (End of First Quarter).	177	209	218
Average Daily Membership	181.6	210.6	235.1
Attendance Rate (Percent of Days Present).	93.9	93.7	93.7
Percent of Students			
Who Are Asian/Pacific Islander.	2.3	1.5	1.0
Who Are Black	11.9	18.1	15.5
Who Are White	81.3	77.0	76.6
Who Are American Indian/Alaskan Native.	0.5	1.0	2.7
Who Are Hispanic.	4.0	2.4	4.2
Who Are Male. . . . . :	54.2	49.3	48.2
Who Are Female.	45.8	50.7	51.8
Who Are From Low SES Families	39.0	41.8	41.8
Served by Special Education	13.6	15.8	12.8
Served by Chapter 1	9.0	-0-	-0-
Served by Language Acquisition			
(Bilingual) Program	3.2	2.4	0.9
To Be Retained in Same Grade.	2.8	2.4	0.5
Receiving Summary Suspensions	11.9	N/A	8.7
Enrolling After Beginning of School	15.1	13.2	15.7
Moving During School Year	16.9	12.2	16.2
With Transfers from Another School.	27.1	19.6	17.0
Promoted with Honor	N/A	N/A	20.2
Promoted with High Honor.	N/A	N/A	17.0
Promoted with Highest Honor	N/A	N/A	20.2

Staff Characteristics

	1985-86	1986-87	1987-88
Number of Certified Teachers	8	7	12
Average Teaching Experience (Years)	11.4	13.4	12.0
Attendance Rate (Percent of Days Present)	95.3	89.8	95.0
Percent of Certified Teachers			
Who Are Asian/Pacific Islander.	*	-0-	-0-
Who Are Black	*	28.6	33.3
Who Are White	62.5	71.4	66.7
Who Are American Indian/Alaskan Native.	*	-0-	-0-
Who Are Hispanic.	*	-0-	-0-
Who Are Male.	-0-	-0-	-0-
Who Are Female.	100.0	100.0	100.0
With Advanced Degrees	25.0	28.6	33.3
Percent of Building Staff with Instructional			
Effectiveness Training.	N/A	71.4	100.0

*37.5% Non-White

Parental/Community Involvement Characteristics

	1985-86	1986-87	1987-88
PTA Membership	0	91	116
Number of Parent/Teacher Conferences	N/A	151	228
Number Attending Open House.	N/A	320	348
Number of Volunteers	36	30	59
Number of Volunteer Hours.	648	700	N/A
Number of Adopt-A-School Organizations	9	11	4

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Table I, continued

Facility Characteristics

Date of Original Building: 1951
Date(s) of Additions to Original Building: 1954, 56
Gross Square Footage: 33,607
Number of Acres in Site: 9.38

	1985-86	1986-87	1987-88
Utility Costs.	N/A	$17,254.26	$15,589.00
Vandalism Costs.	$147.50	$127.72	$245.50

Media Center Characteristics

	1985-86	1986-87	1987-88
Number of Books.	8,941	8,806	9,010
Number per Student.	50.5	42.1	41.3
Number of Non-print Materials.	754	458	475
Number per Student.	4.3	2.2	2.2

Standardized Achievement Testing

Percent of Students At or Above the Fiftieth Percentile

Content Area	1985-86*	1986-87**	1987-88**
Reading	86.2	78.8	79.0
Language	95.2	84.2	89.0
Mathematics	89.7	86.1	90.0

*California Achievement Test
**Metropolitan Achievement Test

School Effectiveness Goal Met for 1986-87: None

School Effectiveness Goal Met for 1987-88: Reading (Effective);
Language (Highly Effective); Mathematics (Highly Effective)

Feeding Pattern of School

Schools Into Which (Name of School) Feeds

Fifth Grade Center: Classen

Middle School: Taft

High School: Northwest Classen

Special Programs/Other Information

Self Contained Educable Mentally Handicapped
Self Contained Learning Disabled
Prime Time

Accredited by North Central Association of Colleges and
Schools

Recognition by State Department of Education as one of the top
eight schools in Oklahoma

	1985-86	1986-87	1987-88
Employee Contributions to United Way	$254.54	$1,637.00	$213.12

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Table 2

Attendance of Teaching Staff (by School)
Oklahoma City Public Schools, 1987-88

Level	Rank	School	% of Days in Attendance	Mean # Days Absent
Elementary	1.0		97.78	4.86
	2.0		96.79	5.81
	3.0		96.55	6.24
	4.0		96.31	6.68
	5.0		96.28	6.72
	6.0		96.06	7.14
	7.0		95.98	7.28
	8.0		95.97	7.30
	9.0		95.88	7.48
	10.0		95.72	7.75
	11.0		95.67	7.81
	12.0		95.58	7.83
	13.0		95.54	8.00
	14.0		95.33	8.08
	15.0		95.20	8.46
	16.0		95.05	8.54
	17.0		95.01	8.66
	18.0		94.98	8.96
	19.0		94.97	9.04
	20.0		94.96	9.08
	21.0		94.91	9.10
	22.0		94.80	9.13
	23.0		94.77	9.21
	24.0		94.61	9.25
	25.0		94.56	9.48
	26.0		94.56	9.75
	27.0		94.40	9.84
	28.5		94.40	9.85
	28.5			
	30.0		94.30	10.13
	31.0		94.25	10.13
	32.0		94.06	10.30
	33.0		94.03	10.31
	34.0			10.41
	35.0		94.02	10.75
	36.0			10.80
	37.0		93.85	10.83
	38.0		93.78	11.13
	39.0		93.77	11.25
	40.0		93.76	11.27
	41.0		93.66	11.29
	42.0		93.36	11.47
	43.0		93.28	12.02
	44.0		92.85	12.20
	45.0		92.78	12.94
	46.0			13.07
	47.0		92.61	13.30
	Average			13.38

SCHOOL NAME APPEARS HERE

Days absent included: personal business, sick leave, leave without
pay, and paid "miscellaneous". (Teachers earn 13 days per year (10 for
sick leave and 3 for personal business).

Table 2, continued

Attendance of Teaching Staff (by School)
Oklahoma City Public Schools, 1987-88

Level	Rank	School	% of Days in Attendance	Mean # Days Absent
Elementary				
	48.0		92.43	13.70
	49.0		92.22	13.88
	50.0		91.97	14.53
	51.0		91.77	14.89
	52.0		91.38	15.63
	53.0		91.06	16.14
	54.0		90.44	17.30
	55.0		90.10	17.92
	56.0		89.67	18.87
	57.0		89.09	19.75
	58.0		88.31	21.16
Averages			94.0231	10.8181
Fifth Year				
	1.0		94.10	10.68
	2.0		94.05	10.77
	3.0		93.35	12.21
	4.0		93.20	12.31
	5.0		91.74	14.05
Averages			93.2804	12.1480
Middle School				
	1.0		94.56	9.85
	2.0		93.78	11.24
	3.0		93.09	12.51
	4.0		92.81	12.64
	5.0		92.64	13.33
	6.0		92.82	13.35
	7.0		92.40	13.76
	8.0		90.78	15.73
	9.0		90.10	17.92
Averages			92.6300	13.5864

SCHOOL NAME APPEARS HERE

Average

Average

Days absent included: personal business, sick leave, leave without pay, and paid "miscellaneous", (teachers earn 13 days per year [10 for sick leave and 3 for personal business].

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Table 2, continued   Oklahoma City Public Schools, 1987-88

Level	Rank	School	% of Days in Attendance	Mean # Days Absent
High School				
	1.0		94.48	9.98
	2.0		94.40	10.13
	3.0		94.10	10.67
	4.0		93.58	11.62
	5.0		93.50	11.78
	6.0	SCHOOL NAME APPEARS HERE	93.06	12.57
	7.0		92.39	13.78
	8.0		91.86	14.73
Averages			93.4227	11.9050	Average
Special Center				
	1.0		97.88	3.83
	2.0		95.03	9.00
	3.0		94.49	10.45
	4.0		93.60	11.59
	5.0		92.04	14.40
Averages			94.5558	9.8540	Average
TOTAL				
Averages (District-Wide)			93.7978	11.2264

Days absent included: personal business, sick leave, leave without pay, and paid "miscellaneous"; teachers earn 13 days per year (10 for sick leave and 3 for personal business).

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related to a current goal of the Board of Education.

The ranking topics were organized into three sections: Instructional Environment, Achievement Outcomes, and Context. The following is a listing of the selected topics in the 1987-88 planning indicators report. These will be discussed in the section on principals' goal setting.

Instructional Environment

Teacher Attendance
Staff Instructional Effectiveness Training
PTA Membership
PTO Membership
Number of Parent-Teacher Conferences
Open House Attendance
Adopt-a-School Participation
Student Attendance
Dropouts (Middle and High Schools)
Vandalism Costs
Percent of Students Retained in Grade
Percent Teaching Staff with Advanced Degrees

Achievement Outcomes

Reading
Mathematics
Language Arts
Science
Social Studies

Context

Socioeconomic Status of Schools
Prior Year's Achievement (Reading and Math)
Percent Minorities in Student Population

The feedback on achievement in the planning indicators document presents the school-level means on the five major subtests. Other achievement-related feedback also goes from the research departments to the schools. Hall (1988) summarizes analyses of school performance on school effectiveness criteria.

In the Oklahoma City Public Schools, an "effective" school is one in which both *quality* and *equity* criteria are met. "Improving" schools are recognized if they are making consistent progress toward becoming an effective school.

The *quality* standard is met if half or more of the students at a school demonstrate standardized achievement test scores at or above the fiftieth percentile in reading, math, and language.

Equity is defined in three parts: (1) the difference between the average percentile scores for

males and females is five or less, (2) the difference between the average percentile scores for low SES and middle SES students is ten or less, and (3) the difference between the average percentile for blacks and whites, blacks and others, and whites and others is ten or less.

Specific feedback reports are tailored to these definitions. Ms. Hall and others in the research department spend time discussing the printouts with principals and working with them in using the data to establish priorities.

PRINCIPALS

The principals are the major consumers of the information produced for data-based goal setting. In addition to the "statistical profile" and planning indicators documents, they often also carry out needs assessment surveys and other data collection for the North Central Accreditation or the site-based school improvement program (discussed in McBee and Fink, 1988).

This discussion will focus on topics in the planning indicators report and how the information can be used in setting goals. The appendix contains examples of objectives written by principals for the 1987-88 school year, organized by each of the district's Board of Education goals.

Teacher Attendance

The percent of days in attendance averaged 93.86% across all the schools. Twelve schools were 2% or more below the district average. Schools were encouraged to set objectives to increase attendance. Annually the district spends about $1.5 million on substitutes. Even a 10% decrease in absenteeism could save the district $150,000. Some local research has also shown correlations between the schools' teacher attendance rates and school-level achievement.

Instructional Effectiveness Training

Approximately 72% of the district's instructional staff have completed the instructional effectiveness staff development series since it was first offered in the fall of 1986-87. Schools with relatively lower percentages of staff trained set objectives to increase their training percentages. This indicator has correlated with achievement in several analyses.

PTA Membership

PTA membership in the district has shown dramatic increases in the last three years. At the end of the 1987-88 school year, only three schools did not have either a PTA or a PTO organization. Still, the current level of PTA participation could be increased even more, especially in the upper grades. Many schools write yearly objectives to show increases in their PTA memberships. PTA membership was related to end-of-year achievement in the 1987-88 analyses.

PTO Membership

PTO groups are parent-teacher organizations not affiliated with the national PTA organization. There were 13 PTO organizations in place during the 1987-88 year.

Parent-Teacher Conferences

The data on parent-teacher conferences were derived from a district-wide "conference day" on which all schools were expected to meet with students' parents. At elementary schools and fifth-grade centers, the number of conferences divided by the number of students showed that more than 3 in 5 students were represented in parent-teacher conferences. The K-5 schools below that ratio were able to write objectives to increase their rates. Rates at upper grade schools were lower; for example, they were encouraged to write objectives to show at least 10% increases in rates. This indicator is strongly related to year-end achievement *and* to growth in achievement.

Open House Attendance

At the elementary level, there was nearly one person in attendance per student at the 1987-88 open house meetings held during the fall semester (97.1% of students represented). Rates for open house attendance in upper grades were 7 of 10 students represented at the fifth-grade centers, almost 1 of 2 at the middle school level, and 1 of 3 at the high school level. As with parent-teacher conferences, upper grade schools were encouraged to set objectives to increase their open-house attendance rates.

Adopt-a-School

Districtwide growth in the adopt-a-school program has accelerated in recent years. Schools averaged nearly seven adopting organizations per building in 1987-88. In 1986-87, schools averaged fewer than four adopters. The increase amounts to a 75% growth over the last two years. Continued growth in support from businesses and the community would be beneficial. The resources put into the schools can foster a more positive climate, which can lead to greater student achievement.

Student Attendance

Student attendance at the district level averaged about 92%. In addition to being related to school-level achievement in virtually all analyses, attendance is important because the district could qualify for additional state monies under the allocation formula, if student attendance increases by a sufficient amount. Many schools wrote objectives and action plans focusing on ways to increase student attendance.

Dropouts

The two-year trend shows a large decrease in the dropout rates at the high school level. The rate for the middle schools increased somewhat, though the overall district rate went down. One high school that had the highest rate in 1986-87 has the next-to-lowest rate in 1987-88. That school has several focused programs designed to keep "at risk" students in school. Objectives and action plans spelled out activities and timelines for the program at that site.

Vandalism Expenditures

Vandalism costs constitute an indirect measure of climate as well as a direct indicator of monies that could be used for instruction. At the district level, vandalism costs decreased by approximately $13,000 from 1986-87 to 1987-88.

Percentage of Students Retained in Grade

Student retention rates increased at the elementary through middle school grades. Middle schools showed the greatest increase — from 3.4% of students in 1986-87 to 11.1% in 1987-88. As expected, the district's newly adopted retention policy did produce an increase in retention of students who did not master the basic skills defined by the district.

Percent of Teachers with Advanced Degrees

At the district level, 42.8% of teachers who taught in 1987-88 possessed an advanced degree. This school-level indicator has shown relations with achievement growth for two years in a row. Teachers with advanced degrees may have more specialized abilities in a particular area and/or, as a current or recent student, be relatively more up-to-date on educational research regarding effective teaching.

Average Achievement Performance

In addition to the above "instructional environment" indicators, principals use data on their school's relative standing on achievement measures in writing objectives. All five major subtests measured by the Metropolitan Achievement Test are included in feedback to principals — reading, math, language arts, science, and social studies.

Context Indicators

The philosophy and rationale of the effective schools movement is that quality education can overcome background deficits. Principals were encouraged to set goals to demonstrate this rationale. For example, a school with about 50% low SES students could set a performance objective to score as high as the highest achieving school with only 25% to 30% low SES students. Setting (and meeting) objectives like this could, over the course of several years, cause the correlation of SES and achievement to decrease. The context variables included prior achievement, minority percentage in the student body, and percent low SES.

TEACHERS

In the 1987-88 year, the Planning, Research, and Evaluation department carried out a pilot program for planning and goal-setting at the teacher level. We worked with one school to test procedures for a within-school version of the planning indicators project.

In the same sense that principals were expected to use the school-level rankings on educational indicators to set school goals, we worked with teachers in this building to set personal goals based on their relative rank order on similar topics. The only major procedural

difference at the within-school level was that the rankings were printed with an anonymous coding system, instead of listing teacher names. Each teacher was told what his or her codes were, while the principal was provided with a master list. Teachers could see their own relative standing in each distribution but did not know the identity of the teachers at the other data points.

The within-school pilot proceeded on the assumption that the teachers had to have significant input into the project. Initial meetings were held with the full school staff to explain the project and enlist support. Follow-up meetings were held with members of the planning staff and a select committee of teachers who decided what topics were to be included in their within-school document. In the 1988-89 year, this project is being expanded to include eight of the districts' 85 schools.

The topics selected for inclusion in the pilot project overlapped considerably with the school-level planning indicators document. The indicators measured at the teacher level included:

Instructional Environment

> Parent-Teacher Conferences
> Open House Attendance
> Student Attendance
> Educational Level of Teacher
> PTA Membership
> Teacher Attendance
> Staff Development Points
> Rate of Homework Completion

Achievement Outcomes

> Reading Achievement
> Math Achievement
> Language Arts Achievement
> Science Achievement
> Social Studies Achievement

Context

> Socioeconomic Status of Students
> Achievement from Prior Year
> Student Mobility

SUMMARY

The coordinated planning efforts of district staff offers the prospect of improving the educational experience of the students for whom we do our work. As principals, central office administrators, and teachers work together to meet local Board of Education goals, it is possible to see the payoff in improvements in outcomes such as higher student achievement and a more positive school climate. Table 3 below summarizes the changes in planning indicators data for

the past two years.

Table 3

COMPARISON OF PLANNING INDICATORS DATA
1986-87 vs. 1987-88

	Elementary	Fifth	Middle	High	Special	Overall
INSTRUCTIONAL ENVIRONMENT						
Student Attendance	Up	Down	Up	Up	Up	Up
Teacher Attendance	Down	Down	Down	Down	Up	Down
Kelwynn Training	Up	Down	Up	Up	Up	Up
PTA Membership	Up	Up	Up	Up	--	Up
Parent-Teacher Conferences	Up	Up	Up	Up	Up	Up
Open House Attendance	Up	Down	Down	Up	Down	Up
Number of Adopt-A-School Participants	Up	Up	Up	Up	Down	Up
Number of Dropouts	--	--	Up	Down	Down	Down
Vandalism Costs	Down	Up	Up	Down	Up	Down
Retention Rate	Up	Up	Up	--	--	--
Teachers with Advance Degrees	Down	Up	Down	Up	Up	Down
ACHIEVEMENT						
Reading	Up	Up	Up	Up	Up	Up
Math	Up	Up	Up	Up	Up	Up
Language	Up	Up	Up	Up	Down	Up
Science	Up	Up	Up	Up	Up	Up
Social Studies	Up	Up	Up	Up	Up	Up

In addition to an improvement in the educational process indicators at the school level, the district's achievement scores have increased significantly in the last two years. Figure 1 shows the two-year comparisons on the complete battery score. District-wide, scores increased by 3 to 6 national percentiles, depending on grade level.

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FIGURE 1

Metropolitan Achievement Scores, Complete Battery by Grade Level
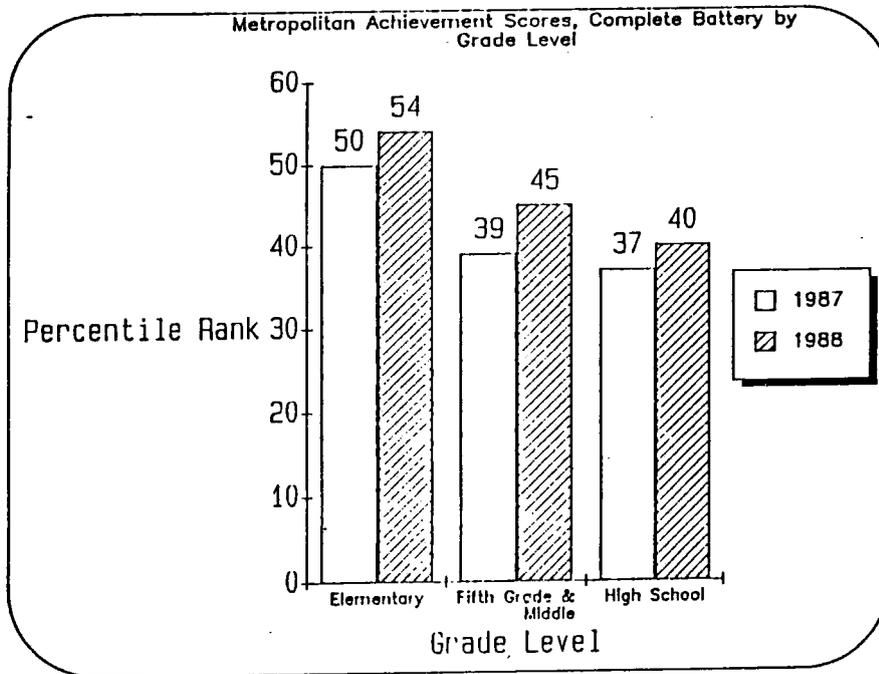
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APPENDIX
School Objectives

The following group of objectives were taken from Oklahoma City Public Schools (school-based) objectives for the 1987-88 school year. All grade-levels are represented.

Goal 1: Generate excellence in student achievement.

- Increase by 5 percent the number of students scoring above the 50th percentile in reading, mathematics, and language.

- Each class will master at least 65% of grade-level essential skills or score above the 22nd percentile in reading and math.

- Increase the total percentile average in the areas of science and social studies to at least the district-wide total average.

- Promote student participation in state, regional, and national academic competition by participating in four academic contests.

- Coordinate staff emphasis for raising of SAT scores by:

    A. Use NASSP instructional program for 35 advanced students with potential of scoring 488 Verbal and 535 Math.
    B. Distribute to targeted students the testing timeline information.
    C. Extend "College Night" information through specific sessions.

- Increase the number of tenth and eleventh graders taking the PSAT test by 30 percent by October, 1987.

Goal 2: Promote equity, including affirmative action, pride, and success for all students and staff.

- Reduce to 10% or less the racial (equity) differences on the MAT.

- 100% of students will interact on a quarterly basis with students of the assigned school (in the Student Interaction Plan).

- Continue to achieve (building-level) staff affirmative action goal.

- Develop "Student of the Month" program to promote pride and self-esteem in students.

- Implement co-officers of minority and majority ethnic groups in clubs and organizations.

Goal 3: Create a positive teaching-learning climate in each school.

- To plan and implement incentive awards and recognition for attendance and citizenship by October 1, 1987.

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A. To solicit assistance from the Adopters by October 15, 1987 for awards/recognition.

B. To solicit assistance from community and PTA by November 1, 1987 for awards/recognition.

- To increase parent attendance at school functions to at least 125 persons per event (10% above 1986-1987).

- To decrease vandalism costs to no more than the average of the other district high schools.

Goal 4: *Upgrade the instructional effectiveness of teachers and the instructional leadership of administrators.*

- To have 100% of certified faculty members participate in the Instructional Effectiveness inservice.

- Building administrator will allocate at least 60% of time to instructional matters, including formal and informal classroom observations.

- Schedule and conduct two faculty meetings per semester to review the instructional effectiveness materials.

- Implement and interrelate concepts in the Instructional Effectiveness Program, North Central Accreditation, and Assertive Discipline Program.

- Require course outlines from teachers, to be reviewed for congruency with student expectations on the MAT test and with district and state course outlines—by October, 1987.

Goal 5: *Implement effective financial planning to achieve short-term as well as long-term goals.*

- Fifty percent of student activity fund money will be targeted to provide replacement materials and needed supportive materials.

- During 1987-88, meet North Central Accreditation standards for library media materials.

- Develop routing building-level mini-fund activities with the student council (to raise $1000); develop two major fund raiser activities with the staff (to raise $10,000).

- Monitor all financial transactions, including building records, every two weeks.

- Strengthen support for our Adopt-a-School community agencies by:

A. Provide facilities for agency use.

B. Increase contacts for teaching staff for resource speakers from two departments to five departments.

C. Recognize Adopt-a-School agencies for financial and service support.

Goal 6: *Build harmonious working relationships among the Board/Superintendent, all employees, parents, and other interested parties.*

- Work with current PTA to build membership and participants by more than 100%.

- To increase open house and conference day participation by 10% through parent contact and student award programs that are tied to parent participation.

- Increase Adopt-a-School sponsors (by 25%) from four in 1986-87 to five in 1987-88.

FINANCING EDUCATION IN MALAWI
Stanley Nyirenda

1.1 Introduction

In times of economic buoyancy investments in social services, including education, escape much scrutiny and the development of education programs can be quite rapid. This is because resources are less scarce and governments have a wide variety of sources of revenue for financing such developments. Much of the world including the developing countries experienced an economic boom following World War II in the 1950s and 1960s. However, from the mid 1970s a deep recession set in and many developing countries including Malawi have not as yet recovered from it. Their educational systems continue to suffer under-investment, while relying heavily on government subsidies which under serious financial constraints have remained fixed in the face of inflation and rising demand for education. This paper looks at Malawi's case study in financing education. It looks briefly at the early financing arrangements where there was a sharing of costs between the providers (church organizations) and the beneficiaries, and then at the current economic situation and how it has impacted on the provision, quantity, and quality of education. It emphasizes the great difficulties the economy is experiencing and will experience in the foreseeable future, examines some strategies for mobilizing resources that have been suggested, and finally offers some comments on these strategies in respect to Malawi.

1.2 Education in Pre-Independence Malawi

Much of the education that took place in Malawi was by missionary organizations as was the case in most of the countries in colonial Africa (e.g. Lesotho). These missionary agencies financed the physical infrastructure, the salaries for teachers, accommodation for both students and staff, as well as feeding expenses for boarding schools. Part of the costs was offset by the students fees -- tuition, board and lodging fees. These agencies received a small subsidy from government in the amount ú4,000 per annum. The government's conviction at the time of independence in 1964 was that if it was to effectively influence the course of development of the country it was desirable to take greater control of the educational system. Thus in 1965, 77% and 5%, respectively, of primary and secondary school enrollments were private. In 1979 only 10% of primary enrollments were private while secondary increased to 13%. At the same time the 13 missionary-run teacher training colleges were taken over by government and turned to secondary schools in 1976. In their place three new teacher training colleges were created. It is true that some schools remain under private control, but at the secondary level, out of some 80 schools, only two are entirely private. There are still some schools that are government aided. What this means is that the government pays the teachers' salaries and for primary schools these account for 95% of all expenditures. The point to note here is that the government subsidy is quite significant, and perhaps on reflection a more modest subsidy to the missionary effort would have assured a more efficient provision of education.

1.3 Some Achievements and Setbacks in System Expansion

In absolute terms much has been achieved in system expansion in Malawi as the following table shows. In real terms however, enrollment ratios of 62% for primary, 3.8% secondary and .4% for higher education (Wolff 1984, Padambo 1986, World Bank (a) 1984), are among the lowest in the Eastern and Southern African Region whose average ratios are between 50% and 90% for primary, 8% to 15% for secondary and .7% to 1.1% for higher education.

Table 1: Enrollment in Education in 1964, 1974, 1985

Year	Primary	Secondary	University	Primary Teacher Training	Vocational Education & Technical Training
1964	359,844	5,951	-	1,368	381
1974	611,678	13,900	1,059	1,306	480
1985	942,539	25,177	1,974	1,954	560

SOURCE: Educational Statistics Malawi, 1986 p. 3 (adapted).

As regards quality there is need for some improvement. For example, according to the World Bank, which has been associated with the development of education in Malawi since 1962, only 23% of children who enter grade 1 complete the full cycle of eight years of primary education. The student teacher ratio of 66:1 at primary level is among the highest in the region, and on average it takes 16 years to complete eight years of primary education. The per unit costs of secondary and higher education, expressed as multiples of GNP, are 1.5 and 18.6 respectively, which are among the highest in the region (Wolff, 1984, World Bank (a) 1984). It must be noted, however, that these figures are based on inadequate data which do not fully reflect the real per capita income for the traditional sector of the Malawian economy. It is inconceivable that one can survive on a per capita income of $200 as per World Bank Report of 1986. Most people produce their own food which is not fully accounted for and the services rendered by members of the household are not fully taken into account in this average figure or the public accounting.

1.4 The Economy

Like most developing countries, slow economic development over the next 5-10 years will limit funds available for social services (Wolff, 1984, Jimenez, 1986) and the share of government revenues devoted to education may continue to decline unless the economic situation gets better. Otherwise there is urgent need for alternative funding strategies to be considered. In support of this observation the table below demonstrates the gravity of the funding situation facing the social services. To maintain the services and the development momentum the government has had to borrow both locally and internationally rather heavily, to the extent that as of 1986/87 its debt ratio was more than 35% (Malawi Government Economic Report, 1987).

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Table 2: Real Growth Rates of GDP and Government Recurrent Expenditures: 1973/74 to 1984/85

Sectors	Annual Growth Rate (Percent)		
	1973/74-1979/80	1979/80-1984/85	1973/74-1984/85
Total Government	10.0	5.1	7.8
Education	4.4	0.4	2.5
Other Social Services	9.1	-1.9	4.0
Defense	26.7	-3.6	11.9
Other Administration	11.3	-0.5	5.8
Economic Services	6.8	4.0	5.5
Debt Service	14.1	18.0	15.9
Miscellaneous	4.2	0.1	2.3
GDP	6.3	1.7	4.2

SOURCE: Education Sector Credit, Republic of Malawi, World Bank (b) 1987, p. 2.

In the 1970s the Real GDP of the Malawian economy grew by an average of 5.9%, reaching a high of 8.3% in 1978. However, the effects of the deep recession which gripped the entire world have had very adverse effects on Malawi in the 1980s (Malawi Government, Economic Reports 1985, 1986, 1987). In 1986 the real rate of growth in Gross Domestic Product was -0.3%. This contrasted with rates of 4.5% and 4.4% for 1984 and 1985 respectively. In 1987 the Real GDP grew by about 1.5%; considering that the growth of the population is 3.2%, this and other low growth rates have had the effect of reducing the real GDP per capita. All these adverse factors have meant that the resources available to education have continued to decline. Raising government revenue through additional taxation is not feasible in view of the fact that Malawi, with a maximum income tax of 50% for taxable income in excess of K222,000*, is among the highest taxation systems in the world and yield from increased taxes is unlikely to be substantial since the majority who live in the rural areas pay a minimum tax of K3.50. To increase this rate would not have much political support.

1.5 Subsidies for the Education System

The economic argument for a government subsidy for any good or service is based on two criteria: that its consumption must be non-rival and that exclusion of any person from its

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* One Kwacha (K) equals approximately $1.60 U.S.

consumption is impossible. Education fails to meet these two criteria because the education that the rich have may not be available to the poor, and moreover it is quite possible to exclude certain persons from consuming the education they may desire through pricing. This notwithstanding, subsidies in education have been justified in many countries for the following reasons:

(1) benefits from education flow not only to the individuals but also to society at large (i.e. the externalities argument)
(2) small private providers operate inefficiently (economies of scale argument) since their concern may be for maximization or optimization of profit rather than welfare
(3) financial and labor markets are distorted and the majority of citizens particularly in a country like Malawi operate without adequate information
(4) the cost of collecting fee revenue can be quite considerable (Jimenez, 1986).

To the extent that there are social benefits which private providers are not able to meet, subsidies are justified. The question of interest however, is how much should the subsidy be? or, more importantly, who benefits from the subsidy (i.e., cui bono)? Who pays and who should pay needs to be addressed. Economics may not fully answer these questions but can and often does offer a significant input.

In Malawi as in many other countries, both developed and developing, private returns to investment in education are higher than social returns at all levels of education (Heyneman, 1980). Table 3 below shows the rates of return to education in Malawi for various levels.

Table 3: Private and Social Costs of Education and Rates of Return by Level of Education in Malawi, 1983

Educational Level	Number of Years in Cycle	Annual Direct Cost Kwacha Per Annum		Qualification	Rate of Return	
		Private	Social		Private	Social
Primary	8	41	53	Std. 8	19	18
Lower Secondary	2	230	405	JCE	37	30
Upper Secondary	2	230	405	MCE	30	27
University	4	230	3,936	BAs	70	20

Key Std.8 = Primary School Leaving Certificate, JCE = Junior Certificate of Education MCE= Malawi Certificate of Education

SOURCE: World Bank (a): Financing and Efficiency of Education in Malawi 1984, p. 43.

Unlike many other countries however, the highest social returns are at secondary school level and the highest private returns are at university level. Assuming that the data are correct this reflects a relatively higher rate of recovery at secondary school and a very low rate at university. These rates may be modified if economic costs are taken into account and these according to the World Bank as at 1984/85 (World Bank (b) 1987) as shown in Table 4. It is clear from the two tables (i.e. 3 and 4) that the subsidy is least at primary school level and

Table 4: Unit Economic Cost of Various Levels of Education, 1984/85
Kwacha per student

	Recurrent Expenditures	Annualized Capital Cost	Non-fee Private Cost	Economic Cost
Primary	19.20	93.26	301.29	414.96
Secondary	264.00	1,083.24	731.53	2,078.77
University	4,405.60	3,404.75	1,225.60	9,035.95

SOURCE: World Bank (b) (1987) Education Sector Credit, Republic of Malawi 1987 p. 23.

highest at University. Yet literature shows that externalities are greatest at the primary level suggesting that this level is most deserving of all levels of education. Furthermore in terms of equity it has been argued that subsidies which favor those in higher education benefit the few rich people disproportionately and reflect an inequitable distribution of resources. In any case the picture that emerges regarding the financing of education in Malawi is one of a heavily subsidized system and given declining government revenue, is difficult to sustain in the foreseeable future.

Given the current financial constraints, increase in population at about 3.2%, and a constant or declining subsidy, the education system in Malawi has three policy alternatives, notably, increase internal efficiency, recover costs through increased user fees, and reduction in service (Thobani, 1983; Wolff, 1984; Tan, Lee and Mingat, 1984; World Bank (a) 1984 and Plank, 1987). The last is only a policy option almost by default in that no government would wish to appear to openly advocate squeezing the educational system, the only hope for upward social mobility for the majority of people in Malawi. Thus the rest of this paper considers the other two strategies.

1.6 Increasing Internal Efficiency

The question of interest here is to what extent can the Malawi educational system increase its educational output (however one defines output) by better husbandry of its existing resources. At primary level perhaps not much can be achieved through increasing internal efficiency because this level is in desperate need of additional resources for expansion and improvement of its programs. At present for every student enrolled at this level there are two outside the system and the situation can only get worse with a fixed subsidy (World Bank (a) 1984). This notwithstanding there is need for improvement in the management and delivery of education at this level. For example grade retention is 17% for grades 1-7 and 38% for grade

eight, 73% of students enrolled in grade one drop out by the time they reach grade eight, and finally it takes 16 years on average to complete a primary cycle of eight years. All these factors make the primary school system less cost-effective and suggest that greater efficiency could release resources for increased enrollment and more instructional materials, including the expansion of physical plant.

At secondary school level many would point out that a boarding system means that a lot of resources are tied up in maintaining boarding facilities which account for 32% of capital costs (World Bank (b) 1986) as well as the subsidy element of food charges. A more economical alternative would be to provide day school facilities. The problem with this alternative is that in a rural country students would have to travel long distances to secondary schools and many would drop out in the process. Furthermore, children of poor rural people would be placed at a disadvantage in the event that boarding secondary schools were abolished-- such a move might run against the equity concerns.

At the university level the staff student ratio of 1:8.3 is quite low, although by the standards of the universities in Eastern and Southern Africa, it is among the highest four (the highest is 13.8 for Ethiopia and the lowest is 1:3.8 for Tanzania -- World Bank (a) 1984). It may be argued therefore that the university enrollment ratio of .4% could be increased on the basis of the existing resources and thus take advantage of economies of scale. However, care would have to be exercised to ensure that expansion in enrollment is in those disciplines which will not exacerbate the unemployment problem.

1.7 Recovering Cost Through Charging User Fees

Faced with a fixed or declining subsidy for education due to lack of economic growth in the past and the foreseeable future, there is a view that increasing user fees is a viable and feasible way of mobilizing financial resources for the educational system in Malawi. There is sufficient excess demand for education at all levels. As already pointed out, for every student enrolled at the primary level there are two outside. What is not clear however is whether those not enrolled are prevented by the cost of education because even when it is highly subsidized, consumers have to incur certain costs. At secondary and university levels, for every place offered there are nine and four qualified candidates, respectively, who do not get admitted.

Whenever there is excess demand for a service, the price of the service should be raised, and the additional revenues should be invested in the expansion of the service at the level which optimizes social demand for the service (Thobani, 1983; Tan, Lee, Mingat 1984, and Jimenez 1986). It must be realized that the fees cannot be raised to an indefinite level without discouraging the consumers of the service. According to Thobani, the optimal level of the charge is that at which the social benefits are optimized.

In considering the increase of fees in Malawi, the assumption made by both Thobani and Tan et al. is that the demand curve facing the private consumer of education is inelastic. In other words a large increase in the price of education results in a small proportion of the dropouts that give increase in fees as a reason for dropping out. Tan et al. carried out a study on the Willingness and Ability to Pay Increased Fees in Malawi in 1984, in which they surveyed 2,000 primary (2.8% of the target population) and 1,000 secondary (6% of the target population) school children. The survey instrument was designed to assess the willingness and ability to pay more for education. They found that factors which significantly predicted household enrollment included mother's education, urban residence, residence in the Northern Region of

the country (there are three regions - the Northern, the center and the South), proportion of girls in the family (i.e. negative correlation between number of girls in the family and enrollment), while father's income was not significant. This confirmed the inelasticity of household enrollment and thus was interpreted to mean that households were willing to borrow in order to educate their children. The study did carry out some sensitivity analysis and came to the conclusion that it would take substantial increases in fees for a significant dropout rate to result.

Thobani argues that increasing and charging user fees for education in Malawi would not only be efficient but equitable as well. He contends that those who benefit most from subsidies, the rich, can afford to pay more than the poor. Furthermore more resources are committed to higher education where externalities are lowest. The 70% private returns that accrue from higher education, if the data are accurate, suggest that university students should use their future income to finance their educational investment.

1.8 Policy Implications of Thobani's Analysis

At the primary school level government school policy was and is to move toward Universal Primary Education (UPE), reduce the average class size to 50, and find a way to finance expenditures in education (Thobani, 1984). It bears to note here that primary school fees are intended to meet the cost of instructional materials (textbooks, charts, chalk) and other building level expenditures. The government subsidy covers teachers' salaries, school buildings and teachers' houses as well as administrative expenses. A significant proportion of physical plant (i.e. school buildings and teachers' houses) in rural areas is constructed through self-help by local communities.

The policy objectives at secondary school level include producing a sufficient number of secondary school graduates for direct employment and tertiary institutions, to continue to collect boarding and tuition fees subject to regular review of such fees to take account of inflation levels (Padambo, 1986). Finally, at university level the policy was and is to consolidate the existing facilities and programs, with expansion only in those areas where demand justifies it and is consistent with national priorities (Office of the President and Cabinet, 1988). A medical school and part-time programs are examples of developments that are on the drawing board.

The recommendations arising from Thobani's study through the World Bank had some support from the policy-making group in Malawi. The recommendations were that at primary level the fees should increase from K2 to K3 (i.e. 50%) for grades 1-5, and K4 to K9.00 for years 6-8 (125%). At secondary level Thobani's suggestion was that fees should increase from K20 to K30 -- tuition fees (i.e. 50%), and from K30 to between K75 and K100 -- boarding fees (i.e., 250% to 333%), and that the scholarship system should be expanded so that it is based on merit and need. Thobani's proposals on the University were more vague than at the other levels, but pointed to the need for reducing the subsidy by using discriminatory pricing so that those who could afford should pay something, a scholarship scheme and a loan system. It was suggested that at this level a start would be made by withdrawing the K144 payable to all university students who are nationals for out-of-pocket expenses per year, then students would pay for their board and lodging and eventually tuition and all other expenses.

In 1982 the government increased primary school fees from K2 to K3.50 (75%) for grades 1-5, K4 to K5.50 (37.5%) for grades 6-8 for rural schools; K3.50 to K4.50 (28.6%) and K6.50 to K7.50 (15.4%) for urban schools. At secondary level tuition increased from K20 to K30 (50%), boarding from K30 to K75 (250%). At the university level, no immediate changes took

place but in 1984 a fee of K200 was charged, although the personal allowance of K144 continued to be paid. In effect this meant that at university students paid K56 per annum. Through budgetary measures however, the government has since 1980 systematically reduced the university subvention from 25% of the total education budget to 18.95% in 1986.

It is clear that the original recommendations were not adopted without modifications, especially at the primary school level. The effects of the increases between rural and urban were regressive and the incidence was greater on the rural than the urban as testified by increases of 37.5% to 75% versus 15.4% to 28.6%, respectively. The rural people are the ones who can least afford increases in fees and one wonders whether equity concerns were taken into account in arriving at such a policy. At secondary school level the World Bank's recommendations were adopted. At the university level the net contribution of K56, given that the recurrent per student cost as at 1987 was K4405.60, was only 1%, thus making education at this level virtually free. It might be argued as Klees (1984) does that adequate studies were needed before the World Bank made the recommendations as decisions about increasing fees are important and complex. Market pricing of educational services may be an economic ideal which has to be looked at through the counterpoint of political, economic, social and cultural forces.

One way of assessing the impact of the increase in fees introduced in 1982 is to examine the pattern of enrollments especially at primary level for years 1981, 1982, 1983 and 1984. The total enrollment in 1981/82 just before the new rate of fees was 882,903. It dropped to 866,849 in 1982/83 and 847,157 in 1983/84, a drop of 4%, before increasing to 899,459 in 1984/85. While admitting that a more rigorous study would be needed to establish whether or not such a decline in enrollments was a random fluctuation, its significance cannot be denied. The fact that since 1982 further attempts have not been made to increase fees at primary schools in Malawi confirms the sensitivity of policy in this area. In the meantime, however, the quality of education is being sacrificed because instructional materials cannot be replaced. Students at primary school share a textbook among five in the essential subjects of English, mathematics, and Chichewa; most schools have no desks and no chairs for students; and most school buildings are in a state of disrepair (Heyneman, 1980).

1.9 Some Comments

Given that hard choices have to be made about financing education under declining public revenues as reviewed in this paper, raising fees has a strong economic rationale -- excess demand at all levels of education and rather large private returns at university and secondary levels. Both Thobani and Tan et al. do make certain recommendations as regards how fees might be raised. For example Tan suggests that the fees in primary schools could be increased to K12 for rural schools and K20.00 for urban schools. It seems to me that recommendations with far reaching implications for a national education system would require more careful study. There would be need for replicating the two studies by Thobani and Tan et al. Willingness to pay and ability to pay are not the same and surveying students may not yield dependable data on family income and ability to pay.

There is also a proposal that in order to correct capital market imperfections, loans could be offered aimed particularly at the nation's poor families. A well-conceived loan scheme could work well but needs to be carefully considered. At what level would the scheme operate? Would it include the primary school level or only secondary and above? Who would administer the scheme? These and other questions become urgent. The determination of the deserving applicants could be difficult especially if the scheme affected the entire system. Given the

current level of development of the banking system, the government may have to provide the loans to avoid exorbitant interest charges that the commercial banking system may impose in order to cover the risks involved.

It seems to me that privatization of education might help. Government could effectively facilitate such a development by making it easy for private entrepreneurs to establish educational institutions and allow them to make a reasonable income for efficient running of the institutions. However, in view of the externalities involved in education government should give some subsidies to these private entrepreneurs who should not be taxed. This would have great promise at secondary level where excess demand is quite visible.

1.10 Conclusion

In conclusion, it seems that more studies are needed on the financing of education in developing countries especially in sub-Saharan Africa, than has hitherto been the case. Generalizations from studies from one country should not determine policy in another country since different countries may need different interventions for their financing of social services. It bears to note that decisions relating to financing social services are a part of a much larger resource allocation process and economic considerations can and should be an important input in that process.

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