

**PUBLIC SCHOOL PRIVATIZATION:
THE DECISION IN BALTIMORE**

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(ABSTRACT)

This is a case study of the decision in Baltimore City Schools to privatize some of their schools. This study investigated the reasons why this decision was made and how it was made. The Garbage Can Model of decision making (Cohen and March, 1986) was used as a way of organizing the study. The single case study method was used to examine this decision. The issue of privatization is somewhat new and controversial. It is also one in which there is relatively little written in the literature. While there is much written on decision making models in general, non-rational models, such as the Garbage Can Model, are not often used to examine the decision making process. This study depended largely on information gathered from interviews of participants who were active in the decision making process in Baltimore and also on the examination of relevant documents. Participants were asked a series of

prepared questions which were based on the components of the Garbage Can Model. Those questions focused on the problems, solutions, participants, and choice opportunities which were in the system at the time the decision was made. The superintendent, board members, city council members and other key participants were interviewed in the first round of interviews. The second round of interviews was largely from names obtained in the first round.

The data gathered was reduced, organized according to the streams of the Garbage Can Model, and displayed in tables and matrices. The conclusion presents the findings in terms of the Garbage Can Model and reveals the factors which influenced the making of this controversial decision.

The findings of the study support the theory of Cohen & March (1986) that educational organizations often make decisions in ambiguity and that the Garbage Can Model can help explain the decision making process used in such organizations. The decision in Baltimore was made by the mayor and the superintendent without significant input from other participants or groups. The school district's problems and potential solutions were noted. Recommendations for school districts interested in contract management of schools are included.

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CHAPTER ONE

Introduction

The educational community has watched with interest as the privatization movement has gained momentum during the last several years. Privatization has both been hailed as a much needed educational reform and condemned as an abdication of the authority and trust given to the local school district by the taxpayers. It may, in truth, contain some elements of both views.

There are many ways in which privatization may be manifested in the public schools. Privatization may range from involvement in such minor activities as the hiring out of the custodial services or transportation services to a private contractor, to the contracting of the operation of special purpose schools or even to such comprehensive activities as the operation of an entire school building or school district. An entire industry has grown up around the notion of private business working in public education for profit. Notable among these are the Edison Project (Whittle), Public Strategies Group, and Educational Alternatives Incorporated (EAI).

Among the public school districts which have recently experimented with the privatization of the schooling process, there are three which have contracts with EAI. These districts are Baltimore, Maryland; Miami,

Florida; and Hartford, Connecticut. In each of these school districts, EAI has taken over the management and operation of one or more public school buildings providing educational services to the children in the same way as the regular public schools. The motivation of the school districts is, ostensibly, to improve the quality of the educational programs in those particular buildings. The motivation for the contract company is that this business venture is designed to provide the company with profits from the savings realized from the increase in efficiency.

Not all privatization sites operate in the same way. Public Strategies Group (PSG), a Minneapolis firm, provides the Minneapolis Public Schools with consultant services and a superintendent, Peter Hutchinson. Hutchinson, through PSG, runs the entire Minneapolis school district. This arrangement was made primarily for fiscal efficiency.

In Baltimore, EAI contracted to operate nine schools (eight elementary schools and one middle school.) In addition to these original nine schools, contracted in 1992, three more were added the following year for management services only. These contracts are different and involve different decision making processes in the administration of the schools. In Miami, it operated one new elementary school, an arrangement which ended in June 1995. The firm had also contracted to run all of the schools in Hartford on a partnership basis with the Hartford School Board. These agreements are generally five year contracts between EAI and the school districts.

EAI runs its schools through a site-based type management under the districts' regular superintendents and principals. According to the arrangement, EAI was provided with an average per-pupil dollar amount, which was slightly more than that given to the other schools in the district. EAI also had the freedom to select books, materials, and often even teachers. Although EAI used its own method of instruction known as *Tesseract*, it still followed the Baltimore City Public Schools curriculum.

To better understand why various forms of privatization are being adopted in school districts, it is important to understand how and why the decision is made at the school district level.

Research Questions

The main research question which directed the inquiry in this study was, how and why did the Baltimore school district reach the decision to privatize its schools? Several related sub-questions further guided the study: What problems were identified which privatization would correct? What role did various individuals and interest groups play in the decision to privatize? What other solutions were available? What forces caused the school district to make this decision when it did? How was the decision to contract with a company made?

Purpose of the Study

The purpose of the study was to find out how and why a school district made the decision to hire a private firm to operate its public

schools. The decision to privatize schooling was a major one for Baltimore. The decision making process in any school district is often complex, uncertain, and difficult. This study will use the Baltimore privatization decision as an example of how major decisions are made in a large school district.

The issue of privatization is fairly new, although a great deal has been written about the subject in recent years. While the privatization of schools and school related functions appear to be becoming a trend in American education, it also seems that school privatization is a rather extreme measure. It is an attempt to have the business world solve problems for which contemporary American urban education has thus far been unable to find a remedy.

The emphasis of this study will be to examine the dynamics of the decision by a major school district to adopt privatization in its regular public schools. The study will explore how the Baltimore school district made this important decision.

Significance

Many important decisions are made in school districts each day. While many of the decisions are routine, some are controversial and even fundamental to the way we educate. Some of these decisions may change our very assumptions of what public schools are and how they operate. From the point of view of an educator, it is important to understand the process by which such decisions are made, who makes them, and the other

components which enter into such decision making. From the point of view of a parent, student, taxpayer, or citizen, such decisions have a tremendous impact on the quantity and quality of the service rendered by the local public school and how tax dollars are being spent. Therefore, understanding the decisions being made, and the decision making process itself, is critical.

There are individuals and interest groups in the educational field and in business interested in the decision making process in major school districts. Some of these may seek to understand the decision making process because they wish to influence the decisions which are being made. Information about this process is of great concern to these parties.

It is extremely important that educators investigate new ideas with an open mind. Privatization of education is an area in which opinions are sometimes formed without an adequate background in the literature. Leaders in education need to know about privatization, the conditions which exist in schools or school districts which are experimenting with it, and how and why privatization has been selected in those districts which have adopted the practice. Since there is little current work in this area, this study is needed to provide this information for those persons in a school district who are charged with making decisions regarding privatization. The study will provide the reader with insight into that process.

Theoretical Considerations

Organizational theorists have long sought to explain how decisions are made in organizations. Many models have been developed and offered to explain the decision making process of an organization. Most of these models perform on a logical step-by-step basis. Some models account for contingencies which affect the outcome of the decision. Certain models perform better than others for certain types of organizations.

Cohen and March (1986) theorized that educational institutions operate differently than many other organizations. They presented a non-rational model of decision making in which "decision opportunities are fundamentally ambiguous stimuli" (p. 81). They define a choice opportunity as "an occasion on which an organization is expected to produce a decision" (p. 81). As such, a choice opportunity may be viewed "as a garbage can into which various problems and solutions are dumped by participants" (p. 81). Several things will affect the outcome of the decision including the nature and number of problems in the garbage can, the number of cans available, and the speed with which garbage is put in the cans. Cohen and March hold that in a Garbage Can Model, there are four independent, although interacting, streams:

1. Problems - concerns from inside and outside the organization which require attention,
2. Solutions - an answer to the question and sometimes an answer actively in search of a question,

3. Participants - who may come and go, and exert varying amounts of influence, and,

4. Choice opportunities - the expectation that a decision will be made.

Problems, solutions, and participants interact in the garbage can with each other until a choice opportunity is presented to force a decision.

This Garbage Can Model can be useful in guiding a study of the decision made by the Baltimore school system to privatize some of its schools. In so doing, one must determine the problems which existed which were to be resolved by privatization. What were the problems? How were they identified? How severe were the problems? What evidence is there that a solution to the problem was needed?

Cohen and March (1986) theorize that in the field of education as well as in some other organizations, solutions often precede the problem. In other words, there are lots of solutions around which are in search of a problem. Therefore, one must also examine solutions. Were there other solutions to the problems? What were they? Were they seriously considered? Were other solutions attempted? If not, why not? If so, what was the result? What kinds of "reforms" were attempted in the last few years, before privatization began?

Participants in a decision are perhaps the most important aspect of how a decision is made in an educational organization. Many factors enter into the nature and extent of participation in decision making. Some of these factors, including an individual's personality and group dynamics,

may never be explained or fully understood. Individuals do not participate on an equal footing. Dahl's famous study of New Haven, Connecticut (1961), demonstrated that power and influence are not distributed equally. The power and influence wielded by an individual depends in part on that individual's position or rank in the organization, political clout, financial status, social rank, moral affirmation, political connections and many other factors. Dahl (1961) also demonstrated that participants need not always be individuals. Parties, factions, and interest groups are often key players in making governing decisions.

Just as Dahl's study explored the formal and informal channels of power and decision making, this study will explore the various individuals and groups on the inside as well as on the outside of the system who had an influence on the decision. It will take a look at those which had formal as well as informal influence on the decision that was made.

Problems, solutions, and participants were the ingredients in the Baltimore School system's garbage can. With these factors churning in the garbage can, the Baltimore school system came to a choice opportunity. The decision which came out of the garbage can was the decision to privatize some of the schools in Baltimore. An examination of the contents of the garbage can will be necessary for an understanding of how that decision was made.

Definitions

The following definitions will serve to clarify some of the terms used in this study:

Privatization: The operation of one or more of a district's regular public schools by a private, corporate enterprise, for profit.

Target schools: Public schools which were chosen for privatization by the school district.

Contract Management: Management of a public sector function by a private sector firm through a written agreement and for profit.

Limitations

This study will focus on the decision to privatize some of the public schools in the city of Baltimore. The findings may not be generalizable to how decisions are made about privatization in other cities or to how school districts make decisions regarding other critical areas of concern to educators.

Organization of the Study

Chapter One will provide an introduction to the research problem, state the research questions, the purpose of the study, the significance, the theoretical considerations relevant to the study, the definitions of useful terms, and the limitations of the study. In Chapter Two the researcher will present some of the literature available on privatization which will give a background for the examination of the Baltimore case. A second part of

the chapter will give attention to literature on the decision making process in organizations in general and in educational settings in particular. Chapter Three will establish the research methods to be used in the study. This will include the methods and procedures used, the subject of the case study, the data needs, the instruments used, the data gathering procedures, and how the data was analyzed. The fourth chapter will describe the site which is to be studied. Chapter five will present the findings which will be organized according to the streams of the Garbage Can Model. Conclusions will be found at the end of each section or stream. The last chapter will present a discussion, explain obstacles and limitations, suggest some practical applications of the study, and make recommendations for future studies in this area.

CHAPTER TWO

Related Literature

Privatization

In general, privatization means the divestiture of public enterprise. Public enterprise refers to public production for private consumption. In most cases divestiture is achieved by the sale of the enterprise (the total assets) to the private sector or by encouraging the private sector to enter a market previously dominated by or exclusively held by public enterprise. In such cases, private enterprise eventually assumes all or most of the production (Jones, Tandon, & Vogelsang, 1990).

While the idea of privatization has been around as a theory since the late Eighteenth Century, the concept began to attract worldwide attention in the late 1970's. It was then that Prime Minister Margaret Thatcher began selling off public industries, communications, and service providers. Since then, over 100 countries have privatized over 10,000 state-owned enterprises (Ernst & Young, 1994). The trend toward privatization of government owned enterprises has spread throughout the world including Western Europe, Eastern Europe, the former Soviet states, Africa, and Latin America. Thatcher's example contributed more to the spread of privatization than any other government official or government. "A number of governments in Eastern Europe and the former Soviet Union

have implemented or are discussing 'mass privatization' programs" (Ernst & Young, 1994, p.11), which will ultimately lead to citizen ownership of shares of state owned enterprises. Governments are turning to privatization to increase economic efficiency and to reduce the national debt, operating subsidies, and the scale of government. Privatization is not only expanding in democracies. A "trend toward privatization is evident in every continent and within nations of widely different political systems "(Lieberman, 1989, p. 11). In the U. S. privatization received a big boost in 1983 when the Privatization Task Force of the President's Private Sector Survey on Cost Control in the Federal Government issued a report which staunchly advocated the privatization of numerous governmental activities (Lieberman, 1989).

Donahue (1989) provided an excellent graphic representation of the privatization issue. His two dimensional representation placed the delivery of services on one axis and the financing source on the other. The two by two model allowed four possible scenarios.

Collective payment refers to payment which comes from general revenue funds. Individual payment refers to payment which is made by or on behalf of the consumer. In terms of American public education, most services are delivered in the upper left quadrant, collective payment and public sector delivery. Most efforts at privatization currently underway in the U. S. are found in the lower left quadrant, that is, collective payment and private sector delivery. A parent who places his child in a private school would be represented in the lower right quadrant (see Figure 1).

	Collective Payment	Individual Payment
Public Sector Delivery		
Private Sector Delivery		

(Donahue, 1989, P.7)

FIGURE 1. Dimensions of Public/Private Sector

Privatization in education does not necessarily mean the delivery of instructional services. Dervarics (1993) revealed that 29% of U. S. school districts contracted out transportation to some degree, about 5% contracted out food services, and an unspecified percentage of districts contracted out maintenance services. School districts must evaluate which services they deliver efficiently and which they do not. Those things which can be performed better or cheaper by a private contractor can be privatized at a savings to the district. However, saving money is not the sole reason for the privatization trend. Mistrust and suspicion of big government also is a factor in the privatization movement. Myron Lieberman (1989) pointed out that "' increased efficiency' is not just a fiscal concept. Instead, it should be viewed as a response to widespread dissatisfaction with government services; the belief that the private sector can deliver services more economically is only one factor underlying the growth of privatization" (p. 11).

Lieberman was particularly adamant about the need for privatization of education in the United States. He contended that "it is not widely ;

recognized that the United States has been prosperous and democratic not because of government provision of education, but in spite of it."

Lieberman maintained that "public education as we know it is a lost cause" (Lieberman, 1993, p. 2).

Lieberman (1989) identified eight modes of privatization some of which may be applied to the field of education. They are listed below along with an explanation of each.

1. ***Contracting with independent contractors***: "The contracting out of public services is defined as the contractual utilization of nongovernmental entities to provide or help provide public services" (Lieberman, 1989, p. 7). Nongovernmental entities may be individuals, partnerships, companies, nonprofit organizations, or independent contractors whether for profit or not.

2. ***Vouchers***: Vouchers are payments made by the government to consumers or on behalf of consumers, which may be redeemed for governmental services at government approved providers. In the case of education, the voucher may be issued by the school district to be used at selected schools, either public or private, as previously determined and approved by the school district.

3. ***Load shedding***: Load shedding is the withdrawal by the government of both the funding and the rendering of the service. This is not a popular method for privatization of schooling among academics or educators. In terms of education, load shedding would be tantamount to

closing all public schools and discontinuing any financial support for schooling.

4. **Franchise:** A franchise is close to contracting out except that money may not necessarily change hands between the government agency and the provider. A private business may be awarded monopoly status in providing a service which the consumers may purchase with their own funds. An example of franchising would be if the school district awarded a food service franchise to Marriott Corporation or McDonald's as an alternative to operating their own cafeteria program.

5. **Subsidies:** Subsidies are incentives, payments, or credits from the governmental agency to the supplier of the goods or services. These could take the form of tax incentives to the provider to minimize the provider's costs. These incentives would encourage providers of services to enter an otherwise profitless enterprise.

6. **Voluntary service:** Voluntary service is the arrangement for unpaid personnel to perform regular services for the school. This could be in the form of parents and other volunteers, or services from the community, business, or other contributing agencies.

7. **Sale of government assets:** "The sale of government assets is a transfer of property rights to tangible assets from government to the private sector for an agreed upon price" (Lieberman, 1989, p. 7).

8. **Leaseback arrangement:** In a leaseback arrangement, the governmental agency, for example a school district, may agree to lease a capital asset, such as a building, provided by the private sector. Under

such arrangements, the private sector provider agrees to finance and construct the building which will be leased by the public sector agency, for example a school, for a specified amount of time at an amount agreed upon prior to construction. At the end of the agreement period, the capital asset typically would revert to the private sector provider.

The franchise mode of privatization is often used for such non-instructional services as maintenance, food service, and transportation. For instructional services, the method of contracting out seems to be the preferred mode of privatization. Except for vouchers, most other forms of privatization, while practical in some circumstances, do not offer a viable alternative for the actual educational process. Vouchers are currently undergoing various legal and political reviews in school districts and states in the U. S., and are not the subject of this study.

There are several businesses which have entered the privatization field in schools. Most of these have contracted for various non-teaching operations in the schools. Ryder Systems, Incorporated and Mayflower Group, Incorporated offer school districts transportation services. Marriott Corporation is one of the largest companies which provide food services to schools. ARA Group and Service Master offer a variety of non-teaching operations. Public Strategies Group, Inc., a Minnesota firm, offers administration and financial management services only (NEA Today, 1994). There are many other private sector firms offering services such as these to school districts in their areas. In addition to these non-

teaching contractors, there are several firms which have entered into the business of offering instructional services to public school districts.

The Sabis Foundation, an international for-profit firm based in Vaduz, Leichtenstein, recently entered into a five year contract with the Springfield, Massachusetts School District to take over an existing elementary school with a student population of about 450 in grades K-7. Sabis is scheduled to open the school in September of 1995. The firm presently operates several private college preparatory schools in the U. S. and has done so for nearly a decade. This is their first foray into American public education for profit. They are currently seeking other public schools for privatization (Walsh, June 7, 1995). Also this spring, the Wilkinsburg, Pennsylvania School District voted to hire Alternative Public Schools, Inc. a firm based in Nashville, Tennessee. The company, formed in 1992, has never managed a school before. The school district is negotiating a contract to turn over its three elementary schools (Lindsay, March 29, 1995). Another firm currently bidding on school privatization opportunities is Public Educational Services, Inc. (PESI), of Woodbridge, Virginia. PESI is part of a corporate family which includes Richard Milburn High School, a series of alternative education schools operating in several school districts. Richard Milburn High School has been offering private sector delivery of instructional services to public school districts for nearly two decades (PESI executive summary, 1994).

A recent request for proposals for privatization of school management in Portsmouth, Virginia, elicited bids from seven contractors

including PESI, Whittle, and EAI. Also included were bids from individuals and organizations with no experience in educational delivery or school management.

Christopher Whittle is a major contender in the school privatization field. The media entrepreneur and founder of the Edison Project was gearing up to privatize several public schools as early as September of 1995. Whittle announced that \$30 million in new investments his firm has received would allow his Edison Project to open several schools in the fall of 1995. The public schools slated for privatization included an elementary school in Mount Clemens, Michigan, an elementary school in Wichita, Kansas, and the Boston Renaissance Charter school (Walsh, March 22, 1995; Healy, March 21, 1995). Whittle also planned to open partnership schools in Worcester and Lowell Massachusetts for the fall of 1995. Whittle is based in Knoxville, Tennessee, and the Edison Project has offices in Washington and New York.

Educational Alternatives Incorporated (EAI) is currently the largest and most experienced in the field of public education for profit. The Minnesota firm was founded in 1986 and opened private schools in Eagan, Minnesota and Paradise Valley, Arizona in 1987 and 1988 respectively. In June of 1990, EAI entered into a five year contract with the school board of Dade County, Florida. The company was to assist in the development and management of the county's new South Pointe Elementary School (EAI, Annual Report, 1994). EAI has affiliated itself with three other firms which together form The Alliance for Schools That

Work. The other firms are Johnson Controls, which provides facility management services, KPMG Peat Marwick, which provides accounting and financial management consultation, Computer Curriculum Corporation, a firm established in 1967 which specializes in technology-based learning systems. South Point opened its doors in the fall of 1991. Within six months, EAI entered into a short term agreement with the Duluth Minnesota School Board.

Voters in Duluth had rejected a \$55 million bond issue and had replaced most of the board members who requested it in a recent election. The newly elected board clashed with the school superintendent, who subsequently resigned. EAI stepped in to offer to fill the vacant superintendency, prepare the upcoming budget, and assess the administrative, curriculum, and facility management needs of the district for a sum of \$40,000 (Johnson, 1992, November 15). Local businessman Michael Maxim, chairman of the new board, was excited by the prospect of injecting private enterprise into the troubled school district. At the end of the four months, there was no thought of inviting EAI to continue to manage Duluth's public schools. There were questions over management style, compliance with Minnesota's open meeting law, divided loyalties of the new superintendent between EAI and the board, and the wisdom of some of the suggestions offered to solve the district's problems. "The question is, Did they perform up to expectations? The answer is no. Were the expectations realistic? Maybe not,' Mr. Maxim said, stressing that EAI fulfilled the contract to the letter" (Johnson, 1992, November 15, p. 3B).

It is interesting that there is no mention of the Duluth experience in any of the literature which EAI distributes to prospective school districts or investors. In Duluth, Michael Maxim summed up the experience in this way: "Given the experience we had with Education Alternatives, I'm beginning to wonder if it's possible for a private business to manage a public entity" (Johnson, 1992, November 15, p. 3B). In April of 1992, a deal similar to the Duluth contract fell through for EAI when voters in the Green Brook, New Jersey School District ousted board members who had advocated contracting with EAI (Schmidt, June 17, 1992).

Two months later Baltimore announced that an agreement was in the works with EAI. On July 22, 1992, the city's Board of Estimates in a 3-2 vote, approved a five year \$26.7 million contract with EAI to operate nine of the city's schools. By the time school opened in September, teachers had boycotted EAI training sessions, picketed city hall, and asked the mayor to intercede for them in getting EAI to alter some of the plans it had for the schools that EAI was contracted to manage (Schmidt, September 16, 1992). In December of 1993, EAI signed five year consulting contracts for two more Baltimore schools. These schools, designated as "enterprise schools" have authority to contract out any instructional services or services for facilities, financial resources, or programs. In March of 1994, the Baltimore City Public Schools contracted with EAI for services for another school bringing EAI's total involvement in Baltimore's schools to 12 schools (EAI, Annual Report, 1994).

In October, EAI announced a "groundbreaking public-private partnership to improve education for more than 25,000 students" (EAI, October 3, 1994). The school board in Hartford, Connecticut had voted 6-3 to approve a contract with EAI to manage its 32 schools. Scheduled to open school in September of 1995, EAI plans met with resistance from the teachers' union, parents, and community groups. In June EAI announced that it would scale back its ambitious plans for Hartford from 32 schools to five. An EAI spokesman emphasized that despite the scale down, EAI "would manage some aspects of all 32 schools, including general administration" (School-Management Firm, 1995).

More recently, EAI was under fire in Baltimore and Miami. In March, 1995, the mayor of Baltimore publicly announced suggested changes to EAI's contract with the schools or possible outright cancellation of the contract. This may be as a result of genuine concern over what Baltimore is receiving or not receiving from its agreement with EAI or perhaps it may merely be election-year rhetoric (Thompson & Daemmrich, 1995, March 17, March 20). In Miami, the Dade County School Board ended its experiment with EAI when the contract ended in June of 1995. EAI's showcase school at South Pointe rejoined the ranks of public schools in Miami. Whether the privatization trend is losing momentum or whether EAI is losing ground in the movement is something still too early to forecast.

A Brief Overview of Decision making

Decision making is one of the most important functions of management. This is no less true in public administration where additional considerations such as politics, public money, and public trust are involved. Lloyd Nigro (1984) wrote, "The decision making function is the conceptual glue that joins the elements of contemporary definitions of the administrative role" (p. 1). Although a great deal of administrative work may be routine and bureaucratic, decision making is still central. "If one tracks the historical evolution of ideas about the administrative role, it becomes clear that *making decisions* is a unifying and uninterrupted theme" (Nigro, 1984, p. 1). The process used to make decisions in an organization has important consequences for both the organization and the decision being made.

The classical decision making models tend to be based, to a great extent, on a rational model. Rational models dominate theories of decision making because of their power to present a predictable and testable model of human behavior. The problem inherent in the rational models falls on how rational humans may or may not be.

Rational decision making models find their origins in the works of Frederick Taylor and Henri Fayol and their efforts to bring management to a science. It is in this same spirit that classical theories of decision making view the process as orderly and rational (Burns, 1978). According to rational models, managers make decisions which maximize efficiency and economy. This scientific approach to decision making emphasized neutral

input from the manager decision-maker allowing an impartial scientific process for decision making. In spite of this approach, used in various rational models, the process has not been as orderly in practice as the models have assumed in theory. The decision making process is difficult to observe and seldom has stages which can clearly be identified and separated as the models demonstrate (McCall & Kaplan, 1978). As a result, decision making, especially in the public sector, is often an ambiguous and disorderly process (Cohen & March, 1986). One criticism of the rational model lies in the nature of the decision to be made. Different kinds of decisions lend themselves to different processes. The classic studies of community power, such as those by Dahl (1961) and Hunter (1953, 1980), indicate that as issues change, so do the participants in the decision and even the approach to decision making (Bell, Hill, & Wright, 1961). Another criticism of the rational models involves the decision-maker. The models assume that the decision-maker has the competence to identify the goals, identify alternative means of attaining the goals, and identify the consequences of each alternative decision. It also assumes that the decision-maker will be unbiased and rational. Thus while rational models, on the whole, may have predictive value, they also have inherent problems. These problems often increase when the decision to be made is in the public sector.

As early as the 1950's, critics rejected the idea that the rational model accurately described the decision making process in the public sector (Lindblom, 1957). The concepts of limited rationality and non-

rational processes and models began to be explored as theorists attempted to "explain the apparent irrationality and happenstance of actual decision making" (Hoy & Tarter, 1995, p. 59). Humans are only intentionally rational. Charles Perrow (1986) describes this phenomena clearly in the following passage:

They attempt to be rational but their limited capacities and those of the organization prevent anything near complete rationality. For one thing, they do not have complete knowledge of the consequences of their acts. There will be both unanticipated and unintended consequences of action. Second, they either do not have complete knowledge of the alternative courses of action available to them or they cannot afford to attain that knowledge. That is, the individual does not sit down and prepare an exhaustive list of alternatives before making every decision, and even if he or she tried to do so, the list could not be exhaustive. Therefore, people grossly simplify alternatives and select the first acceptable one. Third, even when the individual has several alternatives, he or she can neither accurately rank them in terms of preferences nor be sure which is the most desirable and which is least desirable. These limitations on humans conflict sharply with statements by Simon regarding rationality, efficiency, and the 'one best decision.' (p. 121)

Is it natural for human beings to be rational or is it more likely that feelings, values, and emotions guide decision making? Hoy & Tarter (1995) believe that nonrational choice is the natural state of human

decision making. Cohen & March (1986) also dismiss what they call "the primacy of rationality" (p. 218). Emphasis on rational techniques, they argue, rejects two other procedures for choice, intuitive decisions and decisions based on tradition and faith. Rationality also "assumes the prior existence of a set of consistent goals" (Cohen & March, 1986, p. 218). This assumption is not always true in organizations, and especially in educational institutions which often operate in uncertainty. They offer the Garbage Can Model as a theory to explain how decisions are made in such organizations. Hoy & Tarter (1995) explain how this model relates to organizations.

The so-called garbage can model of decision making is most likely to occur in organizations with extremely high uncertainty. Such organizations are typically characterized by problematic preferences, unclear technologies, and fluid participation.

Problematic preferences are ambiguities that prevail in the decision process. Unclear technology simply means that cause and effect relationships within the organization are virtually impossible to determine: There is a lot of random activity. The notion of fluid participation underscores the rapid turnover in participants and the limited time available for any one decision. (p. 60)

Even though no organization may perfectly fit the Garbage Can Model, it appears useful in understanding organizational behavior which would otherwise seem to be completely irrational. The Garbage Can Model therefore explains "why solutions are proposed to problems which

do not exist, why choices are made which do not solve problems, why problems exist in spite of solutions, and why so few problems are solved" (Hoy & Tarter, 1995, p. 61). Cohen & March (1986) identified the independent streams of problems, solutions, participants, and choice opportunities. When these streams mesh, some problems may be solved. Obviously in the chaotic conditions which may exist in some organizations, many problems are not solved.

A good decision occurs when organizational participants agree that a problem matches an existing solution. The process relies on chance rather than rationality. Administrators scan for matches among existing solutions, problems and participants. The garbage-can metaphor is a description of how things sometimes happen; it is not a suggestion for action. (Hoy & Tarter, 1995, p. 61)

Cohen & March (1986) developed the Garbage Can Model to explain how decisions are made in educational organizations amid ambiguous and inconsistent goals, fluid participation, and an unclear understanding of its own decision making processes.

CHAPTER THREE

Methods and Procedures

Introduction

This chapter consists of the research methods and procedures which were used in this study. Sections of the chapter include: an introduction, the method, the subject of the case study, the data needs, triangulation, the instrumentation, the data gathering, and the data analysis.

The Method

The method to be used is the single case study approach. There are several reasons for the selection of this method. The case study is an excellent method for examining phenomena which are new to the literature. It is not limited to traditional means of gathering and analyzing data. It allows for tracing the development of events over a period of time which corresponds to the needs of the study. The case study can also include data not limited to quantification. A case study permits the researcher to focus on one site which is studied thoroughly. The method is flexible enough that it "allows the evaluator to collect information on outcomes not known to be important or anticipated during the design of the study (Spirer, 1986, p.15)." The case study method is also flexible

enough to be used to study a variety of human endeavors. Selltiz, Jahoda, Deutsch, and Cook (1959), wrote, "Scientists working in relatively unformulated areas, where there is little experience to serve as a guide, have found the intensive study of selected examples to be a particularly fruitful method for stimulating insights and suggesting hypotheses for research (p.59)." The case study method is not, however, without limitations as a research method.

Some problems inherent in the case study method are problems often associated with social science research in general:

1. Participants may modify their role in order to be seen in a more favorable light. It is difficult to determine a participant's actual intentions as opposed to their reported intentions.

2. Researcher bias or error may affect the outcome in a number of ways: (a) by not asking the right questions, (b) by not determining if the data might not support other interpretations, and (c) by suppressing, dismissing, or failing to gather data because of bias.

3. There are often concerns about reliability and generalizability (Yin, 1994; and Spierer, 1980).

On the whole, however, case studies allow the investigation of many areas of study not otherwise available to researchers, and encourage a high degree of realism in research.

The boundaries of this case study limit it to the decision making process in the Baltimore City Public School District regarding the decision to privatize schools. The study will only involve the original contract with

EAI and be limited to the events which led up to the decision to enter into an agreement with EAI for the management of nine of Baltimore's public schools.

The Subject of the Case Study

The subject of the study was the Baltimore school district, which contracted with EAI for management and instructional services in nine of the schools in July of 1992. The schools which were privatized are referred to as target schools. While the target schools themselves are not the subject of this study, the way that those particular schools may have played a role in the decision to privatize may be important.

In addition to the school district personnel, the study included input into the decision making process from other sources including EAI, community leaders, interest groups, and other individuals.

One reason for choosing Baltimore for this study was the regional proximity of Baltimore. The use of convenience sampling is usually the most common method of selecting a site, according to Spirer (1980). Yet it is the least desirable reason in the absence of other rationale for site selection (Spirer, 1980). Other rationale for why Baltimore was an excellent choice for study are:

1. Baltimore had a five year contract with a private firm, EAI, to operate several school buildings in the school district devoted to educating regular students.

2. EAI had an unprecedented degree of autonomy in the management of the original nine sites.

3. The expectation by the contractor, EAI, of realizing a profit on this business venture.

4. The obligation of the contractor to improve student performance and operational efficiency.

5. An evidence of continued commitment to the contract management concept by the school district as shown by the expansion of the project from the original nine schools to twelve.

6. The fact that EAI had contracts with three major school districts involving dozens of schools and many thousands of students.

The site was, therefore, an excellent example of a privatization case and an excellent example of an important, fundamental decision made by a major school district. These reasons make the site selected particularly suitable for study. There is probably no such thing as a *typical* case of school privatization. There are simply not enough examples of privatization at the present to make a determination of that kind. There are, however, the several aspects of the Baltimore privatization listed above which may lead one to believe that the Baltimore case is a good example of privatization. There are also not enough data available about privatization of schools to determine whether Baltimore would be a *critical* case. Suffice to say that it is a case which will be adequate for the purposes of the study.

Data Needs

Information on how and why Baltimore reached the decision to privatize its schools could only be obtained by interviewing the participants in the decision making process. These data included an analysis of the problems identified in the district and in the target schools which led Baltimore to turn to privatization for a solution, other possible solutions to these problems which may have been considered to resolve these problems, and the role of the participants who took part in making the decision.

To understand how and why the Baltimore schools reached the decision to privatize, informed authorities in the school district were interviewed. Interviews were also attempted with decision makers and others knowledgeable about the making of the decision. These persons included the school superintendents, principals, school officials designated to work on the privatization process, school board members who were involved in the decision to privatize, representatives of teachers organizations, and corporate personnel from the contractor. Those who were interviewed were asked to explain how and why the decision to privatize was made. They were asked about the problems, solutions, participants, and the choice opportunity which forced the decision to be made when it was. Specific questions are shown on the interview instrument. There was also ample opportunity for the interviewee to expand on questions or to offer new information. The first stage of interviews conducted with the school superintendent, Dr. Walter G.

Amprey, city council member Carl Stokes, Irene Dandridge, the president of the Baltimore Teachers Union, and the President and members of the Board of School Commissioners at the time of the decision. Also attempted in the first stage of interviews were Baltimore's mayor, Kurt L. Schmoke, Mary Pat Clarke, city council president, Jacqueline McLain, the comptroller of the city, and John Golle, CEO of Education Alternatives, Inc. The interviews, of course, depended upon the consent of the prospective interviewee. While Clarke was unavailable for the first round of interviews, she was subsequently interviewed. Schmoke, McLean, Golle, and several other key players either refused to be interviewed or, as in the case of McLean, were unavailable.

A second stage of interviews were then conducted using names of interviewees which were suggested by persons interviewed in the first stage. Those persons sometimes provided names for subsequent interview stages. Relevant documents, available through the Freedom of Information Act, were also studied to obtain information pertaining to the decision and its components.

Triangulation

Triangulation is a term taken from surveying. It implies that if three points of a triangle are known, there is a measure of agreement. On the other hand if only one or two points are known, then there is some question of the size and shape of the triangle (Miles & Huberman, 1994, p. 287). In qualitative research, triangulation refers to the use of multiple

sources to document findings. There are several kinds of triangulation in qualitative research. Triangulation can be:

1. "By data source (which can include persons, times, places, etc.)," Miles & Huberman, 1994, p. 267),
2. By method of gathering, such as interviews or observation,
3. By researcher, each researcher observing the same phenomena or reaching the same conclusion,
4. By theory, although theoretical triangulation can be problematic for researchers, such as if two conflicting theories predict the same result, which is found to be correct? and
5. By data type, such as quantitative or qualitative (Miles & Huberman, 1994).

Different kinds of measurements are desirable. The main goal, however, is to "pick triangulation sources that have different biases, different strengths, so they can complement each other" Miles & Huberman, 1994, p. 267).

Triangulation of data in this study was achieved by asking interview questions to participants who were in favor of privatization as well as those who were against it. Participants were to be found at various levels of the decision making process, including informal and formal channels. Some of those interviewed were from within the decision making process while others were merely observers of the process. Some of the persons interviewed are no longer employees of the Baltimore City Public Schools system. The interview respondents were grouped into three groups:

School board employees, school board members, and city council and others. Responses of the groups were compared to verify the accuracy of information collected and to challenge data which cannot be verified. Triangulation was, therefore, mainly by data source. Several relevant documents, including letters and reports which were useful in explaining what happened, were also examined. This strategy yielded triangulation by method.

Instrumentation

An interview protocol was developed to gather basic information from each subject interviewed. Follow-up questions were sometimes given to persons interviewed based on the information which the subject had to offer. In some cases it was possible to bypass some of the questions if the interviewee had answered them previously while expounding on another part of the instrument. Some questions were discontinued as the interview process proceeded due to the fact that the questions did not produce useful responses. This problem is further discussed in the section on data analysis. The questions on the protocol were related to the four Garbage Can Model streams of problems, solutions, participants, and choice opportunities which led to the decision (see Appendix).

Gathering the Data

Nearly all of the data were gathered from field interviews and the study of relevant documents. Interviews were conducted with the decision makers themselves as well as those knowledgeable about the making of

the decision. Information was gathered from various participants whether they were for or against the decision. The instrument was designed so that those interviewed were able to discuss the decision freely without being led or structured into certain responses. Therefore, the data collected were qualitative. Most interviews were in person. Some out of necessity were made by telephone, depending on the availability of the subjects to be interviewed. Permission to interview was obtained from the school district prior to commencement of the study. Introductory letters were sent to the subjects prior to the interviews. All subjects were offered strict confidentiality. An informed consent release form, which indicated that participation in the interviews was completely voluntary and could be terminated at any time by the interviewee, was prepared by the researcher. All persons interviewed in person were be asked to sign the release to acknowledge the voluntary nature of the interview. Those who were interviewed by telephone were allowed to consent orally.

The responses to the interview questions were written down by the researcher as the interview progressed. Permission to tape record the interviews was granted in about half of the interviews held. These tapes were later transcribed and reviewed. The tapes were also available for review during the data analysis.

Data Analysis

Yin (1994) recommended that analytic approaches be developed early on in the formulation of a study. He stated that he "has known colleagues who have simply ignored their case study data for month after

month, not knowing what to do with the evidence" (Yin, 1994, p. 102). Miles and Huberman (1994) recommended an interactive model of analysis wherein the data collected is subjected to three types of analysis activities: reduction, display, and conclusion drawing/ verifying. "The researcher steadily moves among these four 'nodes' during data collection and then shuttles among reduction, display, and conclusion drawing/verification for the remainder of the study" (Miles & Huberman, 1994, p. 12).

In this study of Baltimore's privatization decision, the interview protocol was developed to conform closely with the four streams of the Garbage Can Model of Cohen and March (1986). That model focuses on problems, solutions, participants, and choice opportunities. All but two of the interview questions can be placed in one of the four categories. The two questions which do not lend themselves to these categories are questions of a general and exploratory nature which may contribute to the understanding of more than one stream of the model or the process itself.

Following each interview, the responses were summarized on a data reduction sheet which grouped the responses according to the four streams of the Garbage Can Model. This scheme promoted data reduction and assisted in the development of tables displaying the responses. Responses for each individual stream were displayed by the interview rank number. This display was developed as a table which graphically depicted the kinds and frequency of responses for each stream. A matrix of responses was also developed and presented by group. The matrix was developed

from the tapes and transcripts as well as the interview notes and data reduction sheet. There were three groups of persons interviewed. One group was composed of present and former school board employees. This group included superintendents, deputy and assistant superintendents, central office staff, and building level administrators. There were six members of this group. A second group included only present and former school board members. This group also numbered six. The third group included two members of the city council, the teachers union president, and a community leader. There were four members of this group. Thus there were sixteen successful interviews in all. The matrices were organized according to the four streams of the Garbage Can Model and included direct quotations on the components identified for each stream. Both the charts and the matrices facilitated the drawing of conclusions. The conclusions were presented at the end of the section related to each stream. Using this method of data analysis, the four components of the Garbage Can Model, as they applied to this particular decision, were described. These descriptions were then used to explain the decision making process in the case under study.

Originally there was a desire to have interview respondents analyze the problems and solutions. For the problem stream, there were questions in the protocol regarding how the problem was identified, the severity of the problem, and evidence that a solution was needed. For the solution stream, there were questions about what solutions had been attempted and the result of these attempts. These protocol questions were developed

before enough was known about how the decision was made (see Appendix). It was quickly determined, given the nature of the process involved in the EAI decision, that no analysis had been done and that questions of this nature were not fruitful in generating useful responses. Therefore the questions were not used in subsequent interviews.

CHAPTER FOUR

The Site

Introduction

Baltimore is a Mid-Atlantic port city at the head of the Chesapeake Bay. It is the thirteenth largest city in the U.S. according to the 1990 census. The 1994 revised population figures indicate a population of 736,014. The population density of 9,200 persons per square mile place it in the top ten most densely populated municipalities in the nation. Unemployment in Baltimore, currently at 10.7%, is significantly higher than the state average of 6.2%. Per capita personal income lags behind the state average, and the population has steadily declined over the past 40 years (World Almanac, 1995). Please refer to Table 1.

Table 1

Baltimore Population by census year

1990	1980	1970	1960	1950
736,014	786,741	905,787	939,024	949,708

(Source: The World Almanac and Book of Facts, 1995.)

The current mayor of Baltimore is Mr. Kurt L. Schmoke. The legislative body is the city council, which is headed by the president of the council. Matthew Crenson (1983) using Dahl's Who Governs? (1961) approach in analyzing Baltimore's city government, concluded that neighborhoods, powerful business executives, and municipal executives blend formal and informal powers to govern Baltimore.

A Historical Overview

Baltimore was founded in 1729 and took its place as a major commercial center during the Revolutionary War and the early Nineteenth Century. The city was incorporated in 1797, and was the site of the naval bombardment of Fort McHenry during the War of 1812. The Star Spangled Banner was written in Baltimore by Francis Scott Key in 1814 during that attack.

The leading exports in those days were grain and tobacco; the major imports included sugar and coffee. The coming of the railroad was a leading factor in the growth and development of Baltimore. The Baltimore and Ohio Railroad (B&O) was chartered in 1827. It was complete to the Ohio river in 1855 (Fee, Shopes, & Zeidman, 1991). The city prospered from the combination of its fine harbor and its lucrative, well located, railroads. This prosperity was interrupted only by the Civil War, which saw the strategic harbor and railroad hub occupied by Union forces, the bloody B&O Railroad strike of 1877, and the depressions of the late 1800's.

Although Maryland was a slave state, "slavery did not play a significant direct role in the city's development" (Fee, Shopes, & Zeidman, 1991, p. xv). While Baltimore had only 1% of its population in slavery in the years before the Civil War, it did have the largest urban free black population in the nation. Many of these people found work in the shipyards, railroads, foundries, and service industries of the busy, blue-collar, port town. Their jobs were often the dirtiest, hottest, and most dangerous. The pay given blacks in Baltimore was only a fraction of that received by whites. Opportunities for advancement were almost non-existent (Fee, Shopes, & Zeidman, 1991).

Like many other large cities in the Post-Civil War era, Baltimore fell to the control of a political machine. The Rasin-Gorman machine dominated Baltimore, and to some extent Maryland, politics from the 1870's until almost the beginning of World War I. Reform efforts of the 1890's led to the decline of the machine's power at the turn of the century. The great fire of 1904, which destroyed 70 blocks, 1,526 buildings, and more than 2,500 business (Crooks, 1968) galvanized the citizens to build a new and better Baltimore. Even the city's two major newspapers, the *Sun* and the *News*, which were burned to the ground, did not miss an issue of publication (Crooks, 1968).

Today, the city's 80 square miles provide a contrast which includes a large business and financial district, shipping industries, tourist and cultural centers, modern single family homes, and miles of urban squalor. An observer in 1976 called it "row house city" (Olson, 1976, p. 3) and

noted that only 40% of Baltimore's residents lived in single family, detached homes. Row houses were home to about 50% of Baltimore's households, with "black tarred roofs sloping back to the alley's by the hundreds and thousands" (Olson, 1976, p. 3). The resultant heterogeneous population presents the school district with some unique challenges.

The Schools

The Maryland Constitution of 1867 charged the localities with establishing a system of free public schools. There was, of course, a dual system of schools; one for black children and one for white children. This course was affirmed by the famous *Plessy v. Ferguson* decision of 1896. That decision stated that separate, but equal, facilities were acceptable in providing services for the different races. While the case itself had nothing to do with schooling, it was soon accepted as a precedent for all services including schooling.

Integration in the schools came relatively early in Baltimore. In 1952, the Baltimore Board of School Commissioners voted to admit 10 qualified black students to Baltimore Polytechnic Institute, a male-only public secondary school for math and engineering. This opened the way for challenges to other selective programs even though the *Plessy v. Ferguson* doctrine of separate, but equal, still ruled admission in the other public schools (Orser, 1994). Following the *Brown v. Board* decision of May 17, 1954, the board moved quickly to address the issue. On June 3, 1954, at a regular meeting of the board, School Superintendent John Fischer and Board President Walter Sondheim recommended, and the

board adopted, a provision for the immediate end to school segregation. Adoption of an open enrollment plan "gave Baltimore the distinction of being the first segregated school system to approve a plan to integrate" (Orser, 1994, p. 71). The opening of school the following September saw the enrollment of 3% of the city's black children enrolled in previously all-white schools (Orser, 1994). In other cities in the South, massive resistance to the court's decision led to the closing of public schools.

Today, the Baltimore City Public Schools serve a population of over 112,000 students from pre-kindergarten through grade 12. The city's 179 public schools include 119 elementary, 28 middle, 14 high, 10 special education, 5 alternative, and 3 vocational/technical schools (Baltimore City Public Schools, 1995).

The mean of the 1993 and 1994 data revealed that approximately 15% of the students in the district received special education services. Approximately 20% of Baltimore's students received Chapter 1 services and 69% received free or reduced school meals (Baltimore City Public Schools, 1995). The 1994 dropout rate was 15.19%, down from 18.53% in 1993.

The school population is rather transient with 15% entrants and 23.8% withdrawals in 1994. In per pupil wealth, Baltimore reported \$124,486 compared to the state's average of \$229,445. Baltimore was the third lowest school district in the state in per pupil wealth. In many other measures, Baltimore schools compare rather unfavorably with the state levels (see Table 2).

Table 2

1994 Norm-Referenced Assessment - Comprehensive Test of Basic Skills
Median Percentile Scores

Grade	Reading Comprehension	Language Total	Mathematics Total
Grade 3			
Baltimore	39.00	39.00	39.00
Maryland	53.60	49.10	48.80
Grade 5			
Baltimore	32.00	40.00	41.00
Maryland	48.40	51.40	51.20
Grade 8			
Baltimore	38.00	38.00	29.00
Maryland	54.50	49.40	47.90

High School Program Completion
Graduation Requirements

	University of Maryland System	Occupational Program	Both University and Occupational
Baltimore	31.70	19.5	0.7
Maryland	48.10	14.9	3.4

Adapted from Maryland School Performance Program Report, 1994, Baltimore City Public Schools; and Maryland School Performance Report, 1994, State and School Systems, Maryland State Department of Education.

The Organization of the School System

The city of Baltimore was given full power to establish a system of free public schools by the General Assembly in 1868. Prior to the constitution of 1867, there was no provision for the appointment of school commissioners for the city of Baltimore (Annotated Code of Maryland, Article VII).

The Board of School Commissioners is composed of nine persons, each appointed by the mayor to six year terms, such that three of them expire every two years. The members serve without compensation and are chosen from the residents of the city for "their intelligence, character, education or business experience" (Baltimore City Charter, Article VII, Sec. 58).

The mayor designates one member to be president of the board. He may withdraw that designation at his pleasure and designate another member to be president of the board. Religious and political affiliations are to be disregarded in all appointments of board members.

The board has the authority to appoint a superintendent of public instruction. He serves at the pleasure of the board. Assistant superintendents are appointed by the board upon the recommendation of the superintendent and serve at the pleasure of the board. They may be removed by the board at the recommendation of the superintendent. Professional employees below the rank of assistant superintendent are employed in accordance with the Code of Public General Laws and may only be removed for cause.

CHAPTER FIVE

Findings of the Study

Decision in Baltimore: A Chronology

The EAI contract with the Baltimore schools was negotiated and signed under the administration of Superintendent Walter G. Amprey in the summer of 1992. However, the concept of privatization of schools in Baltimore originated during the administration of Dr. Richard C. Hunter, the immediate predecessor of Dr. Amprey. Dr. Hunter, in a recent interview, recalled that he was approached by Dr. Floretta McKenzie, a former superintendent of schools in Washington, DC, in the late summer or early fall of 1990. Dr. McKenzie, a friend of Dr. Hunter's, was working for the Washington, DC law firm of Hogan and Hartson, a firm which represents EAI and has an office in Baltimore. Dr. McKenzie urged Dr. Hunter to meet with EAI founder and CEO John Golle. McKenzie told Hunter that EAI's *Tesseract* method of schooling had tremendous potential to positively impact education in Baltimore (R. C. Hunter, personal communication, November 8, 1995). On October 19, 1990, Golle had a telephone conversation with Dr. Charlene Cooper Boston, assistant superintendent, in which they discussed initiatives in Baltimore to bring about change and the kinds of change which EAI might

help to bring. In a follow-up letter, Golle suggested that the next step might be a meeting between Hunter and Golle in Baltimore to determine whether there was sufficient interest to proceed with a proposal (J. Golle, letter to C. C. Boston, October 19, 1995). He also hinted that a foundation may assist in funding the project.

A meeting between Dr. Boston and John Golle took place early in November of 1990. Golle suggested to Dr. Boston "a proposal similar to that which was implemented in Dade County, Florida, whereby his company worked with school officials and teachers to design a school similar to the Tesseract School " in Minnesota (C. C. Boston, memo to R. C. Hunter, November 5, 1990). The Dade County model, of course, involved only *one* elementary school. Apparently that is what Golle had in mind for Baltimore as well, should a decision in favor of the project be made. Dr. Boston reported that Golle told her that EAI could secure up to \$200,000 in foundation funding in the event that Baltimore officials became "interested in implementing this program in one of our schools" (Boston to Hunter, November 5, 1990).

In the meantime, Robert Embry, president of the Abell Foundation, which supports many programs in the Baltimore City Schools, and chairman of the State Board of Education, had been following EAI's venture in Florida through articles in the Wall Street Journal. Embry contacted Golle and found that contact with Hunter's administration had already been initiated. Embry was interested in private sector experimentation. He met with Golle and took him to see Mayor Kurt

Schmoke. Embry told Schmoke that the Abell Foundation would pay to have the idea considered but only if the project had the Mayor's blessing, because ultimately this would become a political decision. Embry recalled telling Mayor Schmoke that "this was a white firm, it was from out of town, it was for-profit; and if the school system thought it was educationally worthwhile, would he kill it because it wasn't politically acceptable?" (R. Embry, interview, July 26, 1995). The Mayor told Embry and Golle that he was open to the idea and thought that the school system should consider it. He said that he was willing to take a chance on the project if the school system thought it was worthwhile (Embry, July 26, 1995). Mayor Schmoke, who refused to be interviewed for this study, would only comment, "I strongly supported the decision to contract with EAI" (K. L. Schmoke, personal communication, December 20, 1995).

Dr. Hunter and John Golle met late in 1990 or early in 1991. According to Dr. Hunter's recollection, the two men met alone and discussed Baltimore's needs as well as what EAI could offer. Dr. Hunter agreed to send a delegation to Eagan, Minnesota, where EAI owned and operated a *Tesseract* school (Hunter, personal communication, November 8, 1995). While this was a private school supported by tuition payments and had a middle class student population, Golle insisted that the principles would work just as well in an inner-city public school. The Baltimore delegation to Minnesota visited the small private school located in a small suburb of Minneapolis on March 14 and 15, 1991. Dr. Boston chaired the group which included school employees Harold Johnson,

director of Compensatory Education, and Shirley Johnson, principal of Edgewood Elementary School. Irene Dandridge, president of the Baltimore Teachers Union (BTU), and Matthew Joseph, program officer of the Abell Foundation, were non-school members who completed the group (C. C. Boston, 1991, April 3). The Abell Foundation paid for the expenses of the group on this trip. The report of the group was overwhelmingly positive. A second group visit was recommended as was the appointment of a task force to study and guide the decision making process. Dr. Boston wrote, "All of the members of the team agreed that we should consider replication in Baltimore in 4-5 schools" (Boston, 1991, April 3). The report further recommended selecting EAI as the responsible agent and contracting with them for the per-pupil budget amount. According to Dr. Boston, this would be a "cost neutral" way to obtain EAI's services (Boston, 1991, April 3).

By March of 1991, however, there was little that Superintendent Hunter could do about school privatization or any other major issue in the Baltimore schools. For some time he had felt little more than a figurehead in all but the routine operations of the school district. Now he was sharply at odds with the power structure in Baltimore and was facing non-renewal of his contract in June (Hunter, personal communication, November 8, 1995). The following summer he was replaced by Dr. Walter G. Amprey, a charismatic, Baltimore-born-and-raised, career educator. Confident, empowered, and intuitive, Amprey came into office with no set agenda

except to study the system and develop long-range plans (W. G. Amprey, interview, July 25, 1995; Bowler & Gately, June 6, 1995).

Amprey was still wrestling with what he called "the numbness of the newness" (Bowler & Gately, June 6, 1995), when he was directed by the Mayor to consult with Joseph Smith, president of the Board of School Commissioners, "as soon as possible to make a final decision on moving ahead with an association with Education Alternatives, Inc." (K. L. Schmoke, Letter to J. Golle, September 9, 1991). In reporting that progress to EAI chief John Golle, Mayor Schmoke continued, "I believe that it would be consistent with our vision for Baltimore City Schools to have some of our schools operated by EAI. Hopefully, the discussions now under way with your firm will bring about positive educational changes for our children in the near future" (Schmoke to Golle, September 9, 1991). There are very few school districts in the nation where a mayor has such unprecedented authority over school matters. In this particular matter, Mayor Schmoke was solidly behind the venture.

During this time, Golle was writing a flurry of letters to the Mayor, to Robert Embry, and anyone else who may have influence in the decision or on decision makers. While garnering much support for EAI with this lobbying, Golle also created resentment in some circles. On September 16, 1991, an EAI presentation before the Board scheduled for September 24, 1991, was cancelled on rather short notice. Golle wrote a letter to Joseph Smith, chairman of the board of school commissioners, on September 23, apologizing for any confusion caused by his actions. "I've

been informed that I'm perceived as someone who is trying to work outside the 'system,'" Golle wrote. "So there is no misunderstanding, I respect and accept the School Board's authority and responsibility in using or not using our services. I have not consciously done nor would I do anything to usurp this authority" (J. Golle, Letter to J. Smith, September 23, 1991).

Smith's term expired at the end of the year, as did many other of the Board members. Thus, several new Board members took their places in February of 1992. Board member Phillip Farfel became president of the board in February of 1992. The former president, Joseph Smith, was reluctant to be interviewed about the EAI decision. "It didn't happen on my watch," he quipped (J. Smith, personal communication, July 27, 1995). Smith did acknowledge that the Board of School Commissioners was asked to let EAI come in and present their ideas. "I had no problem with the concept of looking at models," he said. "I was just not happy about the lack of accountability in the EAI model" (Smith, personal communication, July 27, 1995).

The year 1992 began with a new Board of School Commissioners, a new board president, and a relatively new superintendent. The elements for doing things differently were certainly there. In reflecting on the EAI decision in light of these changes, the president of the Board of School Commissioners, Phillip Farfel, noted, "I can tell you that the last superintendent and the last board ... there was not the level of support there. I don't believe **that** superintendent would have recommended this

and I don't believe **that** board would have approved it" (P. Farfel, interview, July 25, 1995). That notion was supported by Dr. Amprey. Amprey stated that the old Board of School Commissioners was hesitant to even engage in exploratory studies of privatization for Baltimore Schools. Dr. Farfel and the new Board were much more amenable to change (W. Amprey, interview, July 25, 1995).

Shortly before Christmas, 1991, Dr. Amprey, vacationing in Scottsdale, Arizona, took a side trip to the Tesseract School at Paradise Valley, Arizona. He was encouraged by the *Tesseract* philosophy, which he found to be in such close agreement with his own beliefs about learning and human nature. Yet he realized that the experience of *Tesseract* in a small private school setting might be difficult to transfer to a large, urban, inner-city setting and that there were many issues to resolve which were inherent in that shift (W. Amprey, interview, July 25, 1995; W. Amprey, letter to S. Silverstein, Director of Tesseract School, January 2, 1992).

There were many issues to consider, but Dr. Amprey was under pressure to reach a decision. Some of the pressure was from the Mayor, some from Golle, and increasingly more pressure from himself to make a decision with enough preparation time for school opening in September. Amprey wanted to meet a deadline which would ensure opening with Tesseract in September. Delay might have resulted in "talking this thing to death" (W. Amprey, interview, July 25, 1995). Gentle nudging from EAI continued too. Golle wrote Amprey, "We've now been working with BCS for 15 months. I have a pretty good feel for the time it takes to get

things done there" (J. Golle, letter to W. Amprey, January 2, 1992). He continued, "...we're short on time ... BCS needs to act promptly" (Golle to Amprey, January 2, 1992). Amprey and Golle slowly began to develop a relationship. Soon they were corresponding on a first name basis. Yet the constant pressure from Golle for action continued, although in a more subtle way. In January of 1992, Golle wrote Dr. Amprey:

Walter, quite frankly, it's been frustrating for us to have been talking to so many different people for so long with seemingly such little progress. In Baltimore we hang in there simply because the need in your city is so great and we're absolutely convinced we can make a meaningful impact on the quality of education for the children of Baltimore I hope we have a chance to work together. (Golle to Amprey, January 2, 1992, p. 3).

In March John Golle wrote yet another letter urging immediate action because EAI was receiving so many requests for services from other school districts.

Walter, The rapidly approaching problem is that soon we'll be out of capacity to meet Baltimore's needs --- we must take districts on a first come, first serve basis. Aside from capacity, of course, is simply having enough time to do an analysis for Baltimore yet this school year. (J. Golle, letter to W. Amprey, March 5, 1992)

There was no evidence that EAI's services were in such demand from any other school districts.

Dr. Patsy Baker Blackshear, deputy superintendent, was asked to select a sample of schools for EAI to assess. The sample of four to eight elementary schools which were to be representative of the various elementary schools in Baltimore was requested by EAI. The list, which included two schools from each of the district's four administrative regions, eight in all, was sent to EAI on March 11, 1992. Dr. Blackshear emphasized in her letter that the list would not restrict the final decision of the school district should a decision be made to contract with EAI (P. B. Blackshear, letter to J. Golle, March 11, 1992). Ultimately the eight schools selected by Dr. Blackshear for EAI were the ones included in the original contract. What began as a sample from which a school or schools would be selected, quickly became the final selection list. Within the next two months all schools on the list were slated for the EAI project. In addition, a middle school, Harlem Park Middle, was added to the original eight at the insistence of the superintendent. Conditions at Harlem Park Middle were so deplorable that the superintendent felt that they just couldn't wait any longer for reform (Amprey, interview, July 25, 1995). A high ranking school official who asked to remain anonymous stated, "EAI didn't ask for a middle school, they didn't want a middle school, and they had no track record with a middle school. The middle school was pushed off on them as a part of a package deal" (Name withheld by request, interview, July 27, 1995). Another high ranking official noted that the decision to go forth got caught up in the assessment process, and the decision got ahead of the process. It was likened to a runaway freight

train: once it started down the track there was no stopping it and the destination was inevitable (Name withheld by request, interview, December 14, 1995).

On May 18, 1992, a Baltimore delegation went to Dade County to see the *Tesseract* model in operation at an inner-city school. The apparently smooth transfer of the *Tesseract* model to South Pointe Elementary School convinced the team that the principles of *Tesseract* could work in Baltimore. Irene Dandridge, president of the Baltimore Teacher's Union, was among the educators on that trip. She returned with glowing reports of what was taking place at South Pointe. She hoped that the group would get together shortly after their return from Miami and make recommendations to the Board of School Commissioners (I. Dandridge, interview, July 25, 1995). The meeting never happened. Later, the Mayor told her that he might not have approved the project had she not been so enthusiastic about the South Pointe visit. Dandridge bristled at the suggestion that her enthusiasm for the *Tesseract* model helped bring EAI to Baltimore. "If they had wanted to rely on what I thought, they would have asked me before making the decision," Dandridge insisted (interview, July 25, 1995).

On June 9, 1992, Dr. Amprey held a news conference to announce the signing of a letter of intent with EAI to run the nine schools which were in the original EAI contract. The letter of intent had been drawn up by EAI officials and sent to Dr. Amprey on June 3. School officials signed the agreement on June 5. The announcement on June 9 caught

everyone by surprise. There had been no public discussion, no city council vote, and no Board of School Commissioners vote. The principals of the nine schools in the EAI contract were not even aware that their schools were in the contract (Dandridge, interview, July 25, 1995). "The decision making process was not open, it was not inclusive, ... and it certainly did not involve those people who had seen the program," Dandridge said (interview, July 25, 1995). Soon after the press conference, negotiations to work out the final contract began.

The time between the announcement of the letter of intent and the approval of the contract on July 22 was short. No public hearings were held nor were interested parties such as the teachers union involved in any discussion. EAI brought a rough document to Baltimore and a team from Baltimore met with EAI officials and developed that document into a final contract. The contract was presented to the Board of Estimates, a body which must approve all contracts to which the city is a party. The Board of Estimates consists of the president of the city council, the city comptroller, the mayor, the city solicitor, and the director of public works. The president of the council and the comptroller are elected city-wide. The mayor appoints the city solicitor and director of public works and, thus, controls three of the five votes on the Board of Estimates. The president of the city council serves as the president of the Board of Estimates. When the contract was presented to the Board of Estimates, Mary Pat Clarke was president. She recalled that the EAI contract took them by surprise. Normally contracts of this magnitude are discussed by

the council or at least sent to the Board of Estimates well in advance of the vote. This did not happen with the EAI contract. "It was not even included on the advance agenda of the Board of Estimates. It just happened. ... I guess we all had 24 hours ahead of time ... a notice was sent out and I got my hands on a contract" (M. P. Clarke, interview, August 4, 1995). Mary Pat Clarke and Comptroller Jacqueline McLean, voted against the contract; the mayor and his appointees voted for it and thus it passed 3-2 on July 22, 1992. President Clarke argued that this was not a cost neutral arrangement and that any school would benefit by receiving the direct cost-per-pupil; this was, in effect, giving EAI more money to run the schools than the schools would have ordinarily received. Comptroller McLean was suspicious of the fact that EAI insisted on having the salaries of faculty and staff included in the contract amount. Since the city never relinquished its obligation to pay salaries, this tactic would serve no objective other than to make the dollar value of the contract larger for purposes of appearance (Clarke, interview, August 4, 1995).

This whole process took place without a vote from the Board of School Commissioners. In fact, Dr. Farfel, president of the Board of School Commissioners, did not even know what the superintendent would recommend at the June 9 press conference. He recalled that sometime in June of 1992, at a board meeting, he made a statement

on behalf of the board requesting the superintendent to move ahead with the EAI contract, to get it drafted, and to get it sent to

the Board of Estimates. ...With something as large and important and unprecedented as this one, obviously the superintendent needed to know that he had his board approving this management contract. (P. Farfel, interview, July 25, 1995)

There are two important considerations regarding this statement. First, Dr. Farfel's statement was not authorized by any vote of the board. Second, the statement was not made prior to Dr. Amprey's press conference announcing the letter of intent. In fact, the statement was made less than a week before the Board of Estimates voted on the final contract. It was not even on the agenda of the board for that meeting. Dr. Farfel's statement at the July 16, 1992, board meeting, as transcribed verbatim from recording, was as follows:

On behalf of the board, Dr. Amprey, I want to give you our position on Tesseract which is to support this educational concept, that we find it to be exciting, in particular, the individualized approach, the technology emphasis, the hands-on learning piece to it, and that we believe that it is consistent with the major goals of the school system which are: increasing student achievement, school based management, and looking for increased efficiencies, reducing of administrative costs, and we would like you to, as you complete this contract, send it to our mayor and the Board of Estimates for further review, and I'd also like to thank you, Dr. Amprey, for keeping our major constituencies, our parents in particular, our unions, involved

and informed in the process. (Board of School Commissioners of the City of Baltimore, Meeting, July 16, 1992. Verbatim transcript of an excerpt of a statement made by Dr. Phillip Farfel)

One would have to assume that by the time this statement was made, the contract was nearly complete. Parents and unions were not kept involved and informed. The contract was not sent to the Board of estimates for further review; it was sent for a final vote.

Revisiting the Garbage Can Model

The Garbage Can Model of decision making (Cohen & March, 1986) holds that there are four streams which influence the making of decisions in the educational field. These streams are: problems, solutions, participants, and choice opportunities. While these streams are independent, they may be linked when an opportunity for decision is presented to an organization. Cohen & March (1986), however, argue that most often this does not occur. The organization may actually focus on a solution which does not address the problem.

Data on each of the streams of the Garbage Can Model, as they related to the decision in Baltimore, was gathered, sorted, and tabulated. The results are presented here.

The Problem Stream

Of the 16 persons interviewed who considered themselves knowledgeable about the problems of the Baltimore District, 12 of them offered opinions on the major problems which may have led to this decision. Of these 12, 8 indicated that poor test scores and low academic achievement were serious problems in Baltimore. Bob Embry summed up the way most of these respondents felt when he pointed out that "the children weren't learning adequately." Embry said that the city entered into the contract with EAI in order "to improve the educational performance of the children" (interview, July 26, 1995). City Councilman Carl Stokes (interview, July 25, 1995) agreed that "poor test scores" were a major problem in Baltimore. "The Schools were in big trouble," said Mr. Stokes, who also served as chairman of the city council's education committee (interview, July 25, 1995). Irene Dandridge, president of the Baltimore Teacher's Union, said that EAI was brought in "to improve achievement" (interview, July 25, 1995). She noted that no improvement in achievement had been demonstrated in the three years that EAI had been in Baltimore. City Council President Mary Pat Clarke, an opponent of the EAI contract from the beginning, agreed with Dandridge's assessment. EAI was supposed to "improve the schools" (interview, August 4, 1995) but had not lived up to its promises. Dr. Phillip Farfel, president of the Board of School Commissioners, cited the need to "improve student performance" (interview, July 26, 1995). He revealed that the city had an "expectation for higher student performance" as a

result of the EAI contract, but that the final outcome was still "inconclusive" (interview July 26, 1995). Superintendent Amprey lamented what he called "a general decline in education" (interview, July 25, 1995). He hoped that EAI and the *Tesseract* method would provide a way to turn things around. Another high-ranking school official agreed that current strategies in schools were inadequate to meet the needs of Baltimore's youth. The city needed to find a way "to reach urban children to improve achievement" (Name withheld by request, interview, December 14, 1995). A building level administrator stated that at the time of the decision, a major problem facing the schools was "the problem of achievement" (Name withheld by request, interview, July 27, 1995). In all, test scores and achievement were the problems most frequently named by the interview participants. Please refer to Table 3 for a display of all of the data on the problem stream.

Six respondents indicated that bureaucratic red tape and the need to do business differently was a problem which led to the decision. Superintendent Amprey said that merely to get a building painted or make a minor repair sometimes took weeks or even months. He and others hoped that privatization would help "pierce the bureaucracy" which hamstrung the system and delayed needed changes (Amprey, interview, July 25, 1995). EAI could avoid the bureaucracy because they could spend the money which was given them in their contract without having to wait for various approvals in the bureaucratic system of Baltimore City and the Baltimore Schools. A high ranking school official who worked in

Table 3

The Problem Stream: A Tally of Responses of Interview Participants Who Cited Particular Problems in the Baltimore Schools Which May Have Led to the EAI Contract.

	Test Scores Achievement	Bureaucracy Red Tape	Financial Management	Lack of Efficiency	Building Maintenance	Need for Better Teaching Method	Lack of Computer Technology
Interview*							
1	X		X		X	X	X
2	X		X				
3	X	X	X	X	X	X	X
4	X	X		X			
5		X					
7		X		X			
8	X				X		
9	X				X	X	X
11							
13		X	X	X		X	
14	X						
16	X	X					

Table 3 continued on the following page

*Interviews which identified no problems were omitted from this table.

Table 3 - Continued

The Problem Stream: A Tally of Responses of Interview Participants Who Cited Particular Problems in the Baltimore Schools Which May Have Led to the EAL Contract.

Interview*	Attendance Absenteeism	Parental Involvement	Drop Out Rate	Teacher/Pupil Ratio	Competition Between Schools	Lack Of Capital	Lack of Confidence in System
1	X	X	X	X			
2				X			
3				X	X	X	
4	X		X				
5							
7					X		
8							
9		X					
11							X
13						X	
14							X
16							

Table 3 continued on the following page

*Interviews which identified no problems were omitted from this table.

Table 3 - Continued

The Problem Stream: A Tally of Responses of Interview Participants Who Cited Particular Problems in the Baltimore Schools Which May Have Led to the EAI Contract.

Interview*	Develop A Model	Change	Student Discipline	Safety	At Risk Population
1					
2					
3					
4	X				
5					
7		X			
8					
9			X	X	X
11					
13					
14					
16					

*Interviews which identified no problems were omitted from this table.

finance stated that school officials needed a way to "cut through the bureaucracy" (Name withheld by request, interview July 26, 1995). A building level administrator said that school officials were seeking a way to "bypass the bureaucracy" (Name withheld by request, interview, August 3, 1995). Another high ranking school official agreed that the bureaucratic system took too long to get things done. EAI would help "change the way we do business" (Name withheld by request, interview, December 14, 1995). Two members of the Board of School Commissioners also indicated that the bureaucracy was a problem. Chairman Farfel said that the Baltimore schools had to learn to "do business differently" (interview, July 26, 1995) and hoped that private business, in this case EAI, could teach them how to do that. A former school commissioner said that "breaking the bureaucracy" (Name withheld by request, July 26, 1995) was an important consideration in the EAI decision. It is interesting to note that the only persons interviewed who mentioned the bureaucracy as a problem which may have led Baltimore to consider a contract with EAI were school officials or members of the school board.

Four of those interviewed said that financial management was a problem which privatization would help solve. EAI and its business partner, accounting firm KPMG Peat Marwick, would be able to show ways to cut waste, save money, and channel funds to priority projects. In the words of one building level administrator, they wanted to "get more dollars into the classroom and less into central office" (Name withheld by

request, interview, August 3, 1995). There was a general belief that the public sector could not do that as well as the private sector. BTU President Dandridge said, "they were convinced by [EAI's CEO] Golle that a business approach would better manage dollars" (interview, July 25, 1995). Councilman Stokes reported that school officials expected that an alliance with EAI would "teach them how to better manage their money" (interview, July 25, 1995). Board President Farfel said that the school district needed "to learn the management side of school operation, capital funding, etc." (interview, July 26, 1995). Some of those who were in favor of the agreement with EAI expected EAI to show them how to manage school finances in a more efficient, business-like, manner. The problem of financial management and that of the need for greater efficiency are obviously related. The responses on the issues, however, were discrete enough to present them as a separate, distinct problem.

Four respondents cited efficiency as a problem and stated that officials hoped that private business could show a way to increase efficiency in the administration of the schools. A building-level administrator said that there was a need to "get things done faster and efficiently using the best practices of the private sector" (Name withheld by request, interview, August 3, 1995). This response was consistent with that of Superintendent Amprey who said they needed to find a way "to operate the schools effectively and efficiently" (interview, July 25, 1995) and Dr. Farfel who said that they were trying to "improve efficiency" (interview, July 26, 1995). Another school official said they were seeking

to "adopt an efficiency model to use" (Name withheld by request, interview, July 26, 1995).

Four respondents indicated that poor buildings and grounds prevailed in many schools and that maintenance was a serious problem. Even repairs of a very minor nature had to wait as the paperwork navigated the complex channels of the Baltimore bureaucracy. One principal cited the need to "provide a clean environment with consistency.... Inviting, safe, comfortable -- a good climate for learning" (Name withheld by request, interview, July 27, 1995). The need to "make repairs more timely," (C. Stokes, interview, July 25, 1995) which a prominent councilman mentioned as a problem, was also echoed by Dr. Farfel. Dr. Farfel condemned the deplorable conditions in some of the schools, noting that there was "poor wiring, [and] burners not serviced.... Physical conditions were embarrassing; totally unacceptable" (interview, July 26, 1995). While Bob Embry also indicated that school plant conditions were below expectations, he did not feel that this was a factor in bringing EAI into the picture. Mr. Embry said, "Maintenance was not an issue before the decision" (interview, July 26, 1995).

Four persons stated that poor instruction was widespread in the system. It was hoped that the *Tesseract* method would provide a model which teachers in all schools, including the non-EAI schools, could follow to improve instruction. The term *template* surfaced frequently as respondents spoke of the need to implement a more effective method of teaching. The *Tesseract Way* seemed to offer what Baltimore needed to

improve instruction. "We were losing a generation of children," said a building-level administrator. "We wanted to bring them a program they could benefit from...which used different modalities and learning styles" (Name withheld by request, interview, August 3, 1995). *Tesseract* was "a specific teaching methodology" (C. Stokes, interview, July 25, 1995). Such a standard methodology, which could be employed across the district with success, was lacking in Baltimore. *Tesseract* was "an instructional delivery model that could begin right away" (Name withheld by request, interview, July 26, 1995) according to a high ranking school official. Dr. Farfel said that an advantage of contracting with EAI was that the "*Tesseract* model was a student centered program" (interview, July 26, 1995). According to a principal, *Tesseract* would "empower children in the learning process....[It was] child centered -- to work with a child's strengths and weaknesses" (Name withheld by request, interview, July 27, 1995).

Three respondents indicated that the lack of technology in the schools was a problem which they believed that EAI could solve. EAI had promised computer labs in which all students would learn and use the latest technology. This was the model they saw in Miami, and this is what many educators in Baltimore hoped would happen in their city. A building level administrator said that they looked to EAI to "provide computers, materials, and supplies" (Name withheld by request, interview, July 27, 1995). Councilman Stokes said that there was a need for "higher technology in the schools, computers and such" (interview, July 25, 1995).

EAI seemed to be able to deliver on this need. There was the promise of "four computers in each class plus a computer lab in each school" (P. Farfel, interview, July 26, 1995).

Another problem cited was the high absentee rate in the Baltimore schools. Attendance problems were rampant in Baltimore, according to Carl Stokes. He told of a constituent who wrote him and told him that her daughter had received grades from a school that she never attended, including comments from teachers indicating that poor attendance was hurting her grades (interview, July 25, 1995). The superintendent acknowledged the need for "making sure that youngsters attend properly" (W. Amprey, interview, July 25, 1995). He hoped that the changes EAI would bring would help encourage attendance.

The lack of parental involvement was a problem identified by two respondents. Carl Stokes said that there was a "need to increase parental involvement" (interview, July 25, 1995) in the schools. This problem was also mentioned by a principal (Name withheld, interview, July 27, 1995). EAI declares its intention to increase parental involvement in its publications.

Researchers have long recognized that in schools where more parents are involved, more children succeed. One method for involving parents is the collaborative design, implementation, and monitoring of a Personal Education Plan™ (PEP). The PEP process involves three or four parent-teacher conferences a year. (EAI, Annual Report, 1994, p. 8)

The high drop-out rate in Baltimore was also a concern which was mentioned by Councilman Stokes (interview, July 25, 1995). The superintendent also acknowledged the problem of "making sure that youngsters stay in school" (W. Amprey, interview, July 25, 1995). He hoped that EAI's program would be the solution to this growing problem.

The need to lower the teacher-pupil ratio was noted as a problem as well. Carl Stokes said that EAI's promise of "added teachers" (interview, July 25, 1995) was attractive to proponents of EAI. Board President Farfel also stated that the "use of a second teacher, an intern in the classroom" (interview, July 26, 1995) was an attractive feature of the *Tesseract* model. Indeed, EAI boasts that its *Tesseract Way* provides "each child [with] low instructor-to-student ratios" (EAI, Annual Report, 1994, inside front cover). BTU president Dandridge said that she was impressed by the fact that EAI's schools in Minnesota and Miami had two teachers in each class. She thought that this would be observed in Baltimore as well. She reported her disappointment that the "interns" in Baltimore were not actually teachers, but instead were poorly paid college graduates who worked without benefits at a low hourly rate. "They did not bring in teachers, as they called them interns. They were college graduates, but graduates in everything from hotel management to business administration. They paid them only \$7.50 an hour" (interview, July 25, 1995). There was a very high rate of turn-over of these interns and many of them performed poorly while they searched for better employment.

Two respondents also suggested that there was a need to foster more competition between schools. It was believed that competition between schools would bring the same result as competition between rival businesses; that is, increased efficiency, innovation, and the desire to produce a better product at a lower cost. Teachers and administrators in non-EAI schools would, theoretically, find ways to improve in an effort to keep up with EAI schools. Dr. Farfel thought that EAI would foster an "introduction to a sense of competition among schools in Baltimore" (interview, July 26, 1995). A building-level administrator agreed that the new contract schools would provide "competition for the rest of the school system" (Name withheld by request, interview, August 3, 1995). City Council President Mary Pat Clarke offered to operate nine schools at the same funding amount as the EAI schools in order to establish a comparison or competitor group. The offer was not taken seriously by the school administration (interview, August 4, 1995).

Lack of capital was also mentioned by two respondents. Many desirable projects, including computer purchases, could not be funded because of budgetary restraints. EAI held out the promise of up-front investments of large amounts of capital. This appeared attractive to some because there was the possibility of school reform without large expenditures by the district. "EAI brings up-front capital dollars and energy savings that Baltimore could not do for lack of dollars," said Chairman Farfel (interview, July 26, 1995). These dollars would find their

way to the students in the classroom, according to one administrator (Name withheld, interview, August 3, 1995).

Two respondents alluded to what they said was a widespread lack of confidence in the Baltimore Public Schools. Council President Clarke said she thought that the EAI contract was pursued "to make it look as if they were doing something" (interview, August 14, 1995). One former member of the Board of School Commissioners sadly related, "there was so little confidence in the school system" (Name withheld by request, personal communication, July 27, 1995). They hoped that sound business practices would restore the trust of the citizens and the image of the school system.

Another problem which existed in the Baltimore school system was the lack of a model for success. Dr. Amprey was looking for something that was going to be successful and turn the district around. The superintendent said that they looked to EAI

to give a model, a template, that the rest of us, if we have the will and the courage, could replicate where appropriate. What tools are they using? What procedures are they establishing to make it work? What combinations of resources, policies, procedures and skills are resident in the EAI schools that could be replicated in the rest of the school district? (interview, July 25, 1995).

Changing the system itself became a goal. EAI was perhaps a way to reach that goal and solve the problem of changing a system which had become cumbersome and unwieldy. A high ranking school official said

that the superintendent "saw it as a way of creating fundamental change in a system that needed fundamental change" (Name withheld by request, interview, July 26, 1995).

A principal also named three other problems: discipline, safety, and the at-risk population. With regard to discipline, the principal stated, "We have children that come from difficult circumstances and everybody's on this bandwagon of how children are behaving in school" (Name withheld by request, interview, July 27, 1995). With regard to safety, the principal said that schools should invite "children to feel safe and comfortable.... Research says that's the first thing you have to have -- a safe, comfortable, pleasant environment" (interview, July 27, 1995). As for the problem of the at-risk population, the principal stated that the schools selected for EAI had "a heavy population of students who live in poverty -- high risk children, and that's most of the schools" (interview, July 27, 1995). That is not to say that the schools were the lowest SES schools in the city, just typical. Another high ranking administrator denied that the schools were the most impoverished; they were representative of the schools in the city (Name withheld by request, interview, December 14, 1995). These problems had plagued the Baltimore school system for a long time, and the situation was continuing to deteriorate.

Analysis of the data matrix on the problem stream.

The interview participants were grouped into three categories: **school officials**, composed of present and former employees of the Baltimore schools; **school board**, composed of present and former members of the Baltimore Board of School Commissioners; and **city council and others**, composed of council members, a community leader, and a representative of the teacher's union. The summary of their responses is presented in a matrix (please refer to figure 2). The following problems achieved a consensus of all three of the respondent groups:

1. Test scores and lack of achievement was a problem of the schools. This problem also had the highest number of responses from the groups collectively, numbering ten responses from eight respondents.

2. The need for a better instructional method was also a problem mentioned prominently by those interviewed. This response came from five respondents, three of them being school officials. It might be expected that school officials would be more knowledgeable about instructional needs and that may explain why more responses on that subject came from that group.

3. The need to manage school finances better was mentioned by four respondents, representing a consensus of all three groups.

4. The problem of building maintenance received five responses from four different respondents. Some members of all three groups agreed that this was a problem of the schools in Baltimore.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Test Scores/Achievement	<p>"General decline in education."</p> <p>"The problem of achievement."</p> <p>"To reach urban children to improve achievement."</p>	<p>"Improve student performance."</p>	<p>"The schools were in real trouble."</p> <p>"Poor test scores."</p> <p>"To improve achievement."</p> <p>"To improve educational performance of the children."</p> <p>"Children weren't learning adequately."</p> <p>"Improve the schools."</p>
Need for a Better Instructional Method	<p>"To empower children in the learning process; child centered...to work with a child's strengths and learning styles."</p>	<p>"Tesseract model was a student-centered program."</p>	<p>"A specific teaching methodology."</p>

FIGURE 2. Interview Responses About the Problems in the Baltimore Schools at the Time of the EAI Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Need for a Better Instructional Method (continued)	<p>"An instructional delivery model that could begin right away."</p> <p>"We are losing a generation of children. We wanted to bring them a program they could benefit from...which used different modalities and learning styles."</p>		
Financial Management	"Get more dollars into the classroom and less into central administration."	"To learn the management side of school operation, capital funding, etc."	<p>"To teach them how to better manage money."</p> <p>"They were convinced by Golle that a business approach would better manage dollars."</p>

FIGURE 2. Interview Responses About the Problems in the Baltimore Schools at the Time of the EAI Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Building Maintenance	"Provide a clean environment."	"Physical conditions were embarrassing; totally unacceptable." "Poor wiring, burners not serviced."	"Make repairs more timely." "Maintenance was not an issue before the decision."
Computer Technology	"Provide computers, materials, and supplies."	"Four computers in each class plus a computer lab in each classroom."	"Higher technology in the schools, computers and such."
Bureaucracy	"Bypass the bureaucracy." "Change the way we do business." "Pierce the bureaucracy." "Cut through bureaucracy."	"Do business differently." "Breaking the bureaucracy."	

FIGURE 2. Interview Responses About the Problems in the Baltimore Schools at the Time of the EAI Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Lack of Efficiency	<p>"To operate the schools effectively and efficiently."</p> <p>"Adopt an efficiency model to use."</p> <p>"Get things done faster and efficiently."</p>	<p>"Improve efficiency."</p>	
Lack of Capital	<p>"Get more dollars into the classroom."</p>	<p>"EAI brings up front capital dollars and energy savings that Baltimore could not do for lack of dollars."</p>	
Competition Between Schools	<p>"Competition for the rest of the school system."</p>	<p>"Introduction to a sense of competition amongst schools in Baltimore."</p>	

FIGURE 2. Interview Responses About the Problems in the Baltimore Schools at the Time of the EAI Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Attendance Absenteeism	"Making sure youngsters attend properly."		"High absenteeism."
Parent Involvement	"Parent involvement."		"The need to increase parental involvement."
Drop Out Rate	"Making sure youngsters stay in school."		"High drop out rate."
Teacher/Pupil Ratio		"Use of a second teacher, an intern in the classroom."	"Added teachers." "They did not bring in teachers, as they called them interns. They were college graduates, but they were college graduates in everything from hotel management to business administration. They paid them \$7.50 an hour."

FIGURE 2. Interview Responses About the Problems in the Baltimore Schools at the Time of the EAI Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Lack of Confidence in the School System		"There was so little confidence in the school system."	"To make it look as if they were doing something."
Develop a Model	"To give a model, a template that the rest of us, if we have the will and the courage, could replicate, where appropriate. What tools are they using, what procedures are they establishing to make it work? What combinations of resources, policies, procedures and skills are resident in the EAI schools that could be replicated in the rest of the school district."		

FIGURE 2. Interview Responses About the Problems in the Baltimore Schools at the Time of the EAI Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Change	The superintendent "saw it as a way of creating fundamental change in a system that needed fundamental change."		
Student Discipline	"We have children that come from different circumstances and everybody's on this band wagon of how children are behaving in schools."		
Safety	"Inviting children to feel safe and comfortable...Research says that the first thing you have to have--a safe, comfortable, pleasant environment."		
At Risk Population	The schools selected for EAI had "a very heavy population of students who live in poverty - high risk children, and that's most of the schools."		

FIGURE 2. Interview Responses About the Problems in the Baltimore Schools at the Time of the EAI Decision: Data Displayed by Group.

5. The problem of computer technology also received a consensus of the groups drawing a response from one member in each group, one school official, one school board member, and a city councilman.

Four of the problems were raised by only the **school officials** group and the **school board** group. Although these problems lacked a consensus, they still raise important points about what some in school administration and school governance viewed as problems facing the schools at the time the EAI decision was made. The following are the responses made by those two groups alone:

1. The problem of bureaucratic red tape was raised by four school officials and two board members. It may be safe to assume that those outside of the school hierarchy would be less familiar with the problems that the bureaucracy itself causes.

2. The lack of efficiency, which may be closely tied with the problems of the bureaucracy, was a problem mentioned by three school officials and one board member.

3. The lack of capital was listed as a problem by one member of each of the two groups.

4. The need to foster competition between schools in Baltimore was mentioned by one member of each of the two groups.

Three problems were identified by the **school officials** group and the **city council and others group** only. These problems tended to be related to the school and community and therefore are of obvious concern to these two groups. They are as follows:

1. The problem of attendance / absenteeism was cited by one respondent in each of the two groups.

2. The need for greater parental involvement was also listed by a member of each of the two groups.

3. Concern for the drop-out rate was also named as a problem in both groups.

The **school board** group and the **city council and others** group represent the governing bodies of the school and community respectively. There were two problems mentioned that were raised by only those two groups. These two problems whereas follows:

1. The teacher-pupil ratio was mentioned by three members of the two groups.

2. The lack of confidence was mentioned by one member of each of the two groups.

The remaining problems were raised by only one individual each. Each of these individuals was in the **school officials** group. The problems mentioned by these people included:

1. The need to develop a model.
2. The need to foster change.
3. To improve student discipline.
4. To ensure safety in the schools.
5. To serve a district with a high at-risk population.

Another way to look at the data in the matrix (figure 2) is to analyze it by group. Of the 19 problems which were named by the respondents as

reasons why the district contracted with EAI, 17 of them were raised by members of the **school officials** group. The only problems not mentioned by them were the teacher-pupil ratio and the lack of confidence in the school system. As school officials they are in the unique position of having to deal with the school district's problems on a day to day basis. The **school board** group named 11 of the 19 problems arriving at consensus with 5 of the problems, in agreement with the **school officials** group in another 4 of the problems, and in agreement with the **city council** group on 2 more. The **city council** group cited 10 problems of the collective 19. They were in consensus on 5, in agreement with the **school officials** group on another 3 problems, and in agreement with the **school board** group on 2 more problems.

Conclusions about the problem stream.

There may have been other problems facing the Baltimore schools as they approached the decision to contract with EAI. The 16 individuals who agreed to give information may not be entirely representative of their groups. The problems they named, however, are certainly some of the problems faced by the school district. Cohen & March (1986) believe that these problems are independent from the solutions and the participants in the Garbage Can. While the problems obviously existed prior to the decision, no respondents interviewed linked them to the solution the city selected, that of privatization. The fact that the solution of contracting with EAI did address these problems does not prove that an analysis of these problems led them to this solution. It is unlikely that the list of 19

problems was compiled and that the city then searched for the solution to these problems. Indeed, consensus on only 5 of the 19 problems indicates that Baltimore has a lot of problems and that there is so little agreement on what the problems are that it is unlikely that the city could easily determine the correct solutions without lengthy discussion and analysis. All of the interviews seemed to indicate that there was little discussion prior to the contract and there is no evidence that specific goals were established which would link the decision with the problems which were in the system. This is consistent with Cohen & March's (1986) belief that in educational organizations, decisions are often made which adopt solutions for problems which have not been properly articulated. These are solutions which are in search of problems to solve. This, very likely, was the case of the problems which existed in the Baltimore schools in the spring of 1992.

The Participant Stream

The participants in the decision making process in the EAI case were mostly individuals. There were no groups which exerted influence on the decision due to the fact that there was no public discussion of the project, no bidding, and no public hearings prior to the decision. Interview participants were asked to name those who were the key participants in the making of the decision. A tally of their responses is displayed in Table 4.

The major decision makers were the superintendent and the mayor. Of 14 interview participants who responded to this part of the interview,

Table 4

The Participant Stream: A Tally of Responses of Interview Participants Who Named Individuals or Groups as Participants in the Decision Making Process.

	Mayor Schmoke	Supt Amprey	EAI Golle	Board Of Commissioners	Robert Embry	BTU Dandridge	Business Community
Interview*							
1	X	X	X		X	X	X
2	X	X	X		X	X	X
3	X	X		X	X	X	X
4	X	X		X	X	X	
5				X	X	X	
7	X	X			X	X	X
8	X	X			X	X	
9	X	X		X		X	
10				X			
11				X		X	
13	X	X	X	X		X	
14	X	X	X	X			
15	X	X	X		X		
16	X	X	X	X	X		X

Table 4 continued on the following page.

*Interviews which identified no participants were omitted from this table.

Table 4 - *Continued*

The Participant Stream: A Tally of Responses of Interview Participants Who Named Individuals or Groups as Participants in the Decision Making Process.

	Principals	State Board	Parents	City Council	BPS Staff
Interview*					
1					
2					
3	X	X	X		
4					
5					
7					
8					
9				X	
10					
11					
13					
14					
15					
16					X

*Interviews which identified no participants were omitted from this table.

11 indicated that the superintendent was a major decision maker. Councilman Carl Stokes described the superintendent's role as "key" in the making of this decision (interview, July 25, 1995). BTU President Dandridge, in enumerating the participants said, "Certainly the superintendent first" (interview, July 25, 1995). One high-ranking school official who requested anonymity said,

Once the superintendent made it [privatization] his own, it was done. The superintendent is a risk taker and was in a position to do what he wanted to do at the time. It was the superintendent's personal decision.... After the mayor had personally selected and personally dismissed a superintendent, the subsequent superintendent was in a very strong position to do what he wanted to do" (Name withheld by request, interview, July 26, 1995).

Board Chairman Dr. Farfel explained that Dr. Amprey was responsible for assessing EAI's proposal and making recommendations for a contract (Farfel, interview, July 25 and 26, 1995). A former, high-ranking school official said that "the superintendent wanted to look at change and employing strategies which made a difference" (Name withheld by request, interview, December 14, 1995). A building-level administrator said, "The decision was that of the superintendent working along with the mayor, for a new look at how we do things in the school district" (Name withheld by request, interview, August 3, 1995). The superintendent was convinced that the *Tesseract* model would have a beneficial impact on the school district, even if the contract was not continued beyond the initial

period (Name withheld by request, interview, December 14, 1995). Superintendent Amprey, reflecting on his own participation in the decision remarked, "I guess I played a leading role in advocating for it" (interview, July 25, 1995). "Dr. Amprey was the key" (interview, July 26, 1995) according to Bob Embry's recollection. Council President Mary Pat Clarke recalled that "the key participants were Amprey, the Mayor, and John Golle" (interview, August 4, 1995). Baltimore's former superintendent, Dr. Richard Hunter acknowledged that "the superintendent [Amprey] was a big advocate" (personal communication, November 8, 1995). Dr. Amprey was then, and has since remained, true to the belief that the *Tesseract* model can make a difference. A principal said that the superintendent "saw the program and was enthusiastic. He took it to the board" (Name withheld by request, interview, July 27, 1995). He was such an advocate of EAI that in 1993 rumors circulated that he had become a stockholder. Dr. Amprey denied those rumors. The rumors were strong enough, however, that Bob Embry wrote both the mayor and the superintendent warning them not to invest in EAI or other business which do business with Baltimore (Bowler & Gately, 1995, June 6, p. 1a, 8a). No evidence has been presented to suggest that either of the gentlemen was actually involved in a conflict of interest with EAI. However, Dr. Amprey's enthusiasm for the program was clear.

Several references in the preceding paragraph alluded to the mayor's role. Eleven interview respondents indicated that the mayor was a participant in the decision making process. Mayor Schموke

acknowledged his role in "our decision to bring EAI to Baltimore" saying that he "strongly supported the decision to contract with EAI" (personal communication, December 20, 1995). Councilman Carl Stokes also said that the mayor was a key player (interview, July 25, 1995). According to the superintendent, "the mayor played an intimate role in advocating and supporting the motion for it" (W. Amprey, interview, July 25, 1995). Bob Embry took John Golle to see the mayor even before Amprey became superintendent. Embry said that without the mayor's support the project would be killed. However, "Schmoke was open to the idea" (interview, July 26, 1995). The former superintendent, Dr. Hunter, agreed that the mayor had a great deal of influence in the decision. The mayor has all the power. He probably decided to do the project before I was contacted" (personal communication, November 8, 1995). "The mayor had to be in on it," said Council President Clarke. "The amended charter weakened the board; the mayor runs the school system" (interview, August 4, 1995). "The mayor supported the superintendent," said BTU's Irene Dandridge. "We have a very strong mayoral background... he [the mayor] has a lot to do with decision making [in the school system]" (interview, July 25, 1995). Two building-level administrators also named the mayor as a key participant (Names withheld by request, interviews, July 26 & 27, 1995). A high-ranking school official offered this observation: "The mayor needed something dramatic that might work that showed education as his priority" (Name withheld by request, interview, July 26, 1995). Another high-ranking school official said that the mayor's involvement was limited

to a supporting role. "If the mayor had said 'no,' it wouldn't have happened; but he did not initiate it" (Name withheld by request, interview, December 14, 1995).

Another key participant in the decision to bring EAI to Baltimore was EAI's chief executive officer, John Golle. Six of those interviewed named EAI as key participants in the decision. Councilman Stokes said that it was EAI who approached the superintendent (interview, July 25, 1995). A high-ranking school official concurred. "EAI was the initiator; they brought the ball to the court -- they became the players" (Name withheld by request, interview, December 14, 1995). EAI convinced the superintendent to give them a shot at running the schools (I. Dandridge, interview, July 25, 1995). In fact, "EAI lobbied everybody," said the former superintendent (R. Hunter, personal communication, November 8, 1995). One building-level administrator and the council president, Mary Pat Clarke, also named EAI as being involved in the decision (interviews, August 3 & 4, 1995).

Nine of those interviewed named the Board of School Commissioners as a participant in the decision making process to a greater or lesser degree. One might expect that a decision, such as the one discussed here, would deeply involve the board in discussions, planning, and negotiations. That does not appear to be the case in Baltimore. Dr. Amprey said that "Dr. Farfel and the board favored it" (interview, July 25, 1995). Two building-level administrators and a high-ranking school official also named the board as participants (Names withheld by request,

interviews, July 27, August 3, and December 14, 1995). Members of the board indicated that they were given information, but that they were not involved much beyond that. A former board chairman said that the board "was asked to let EAI come in and present their ideas" (Name withheld by request, personal communication, July 27, 1995). Another former board member said, "the board was receptive to the idea of privatization" (Name withheld by request, personal communication, July 26, 1995). One former board member dismissed the idea that the board played an important part in the decision. He said, "The notion [of privatization] was under discussion, not the contract" (Name withheld by request, personal communication, July 27, 1995).

Board President Farfel, who favored the experiment with EAI, admitted having limited knowledge of the events which were taking place between EAI and the school district. "I did not know in advance of the press conference what the superintendent's recommendation would be" (interview, July 26, 1995). He also stated that over the next three months "the board reviewed with the superintendent and with EAI officials the proposed contract" (interview, July 26, 1995). The fact is that the announcement at the press conference was on June 9, 1992 and the final contract was signed on July 22, 1992. That is not three months; that is barely six weeks. Farfel also said that he made a statement on behalf of the board "requesting the superintendent to move ahead with the contract" (interview, July 26, 1995). This statement came without a vote from the board and was made on July 16, 1992, less than a week before the final

contract was signed. This clearly indicates that Dr. Farfel, President of the Board of School Commissioners, was not well informed on the state of negotiations as discussions with EAI proceeded. Other board members were no better informed. Abell Foundation President Bob Embry pointed out that there was never any vote by the board authorizing anything concerning the EAI deal (interview, July 26, 1995). Mary Pat Clarke commented that "the school board is just a rubber stamp" (interview, August 4, 1995). The school board in Baltimore did not play the role it might have in almost any other city. It had little information and had even less input. One might well wonder about the limited role the board had in this decision. Had there been a vote, it would most likely have been favorable. However, if school board approval was not needed in negotiating this five year, multi-million dollar experiment in the schooling of thousands of children in nine schools, then what kinds of circumstances would require the assent of the board?

Several persons interviewed named Robert Embry as a participant in the process. Mr. Embry, president of the Abell Foundation, is a respected member of the Baltimore community and moves in influential circles in the city. In enumerating the participants involved in bringing EAI to Baltimore, the former superintendent named Embry first on a very short list which included the mayor, superintendent, and Golle (R. Hunter, personal communication, November 8, 1995). The current superintendent concurred, saying that Embry "first came up with the idea. At the time he was not only president of the Abell foundation, but he was also a member

of the state board of education and *president* of our state board of education" (W. Amprey, interview, July 25, 1995). Mr. Embry was also named as a participant by Carl Stokes (interview, July 26, 1995). A school official said, "It probably originated as a suggestion by Bob Embry of the Abell Foundation. They try to fund promising ideas" (Name withheld by request, interview, July 26, 1995). The funding the foundation provided was to send teams to Eagan, Minnesota and to Dade County, Florida to look into the *Tesseract* schools there. Another high-ranking school official confirmed that "Embry was a funding source" (Name withheld by request, interview, December 14, 1995). Dandridge said that Embry supported the decision. She also said that Embry had read about EAI and "encouraged Amprey to look at it"(interview, July 25, 1995). This was verified by Mr. Embry, who recalled, "I read an article in the *Wall Street Journal* about EAI and called them up and asked them whether they were interested in coming to Baltimore" (interview, July 26, 1995). He also said that he offered funding to the schools to look into Tesseract. "I offered and did pay (the foundation did) for any city or school official to visit Miami or Minneapolis [sic] to have a look at the schools to see if it was a good idea or not" (interview, July 26, 1995). Dr. Farfel explained the role of Embry as having "provided information on the [Tesseract] model to the superintendent" (interview, July 25, 1995). While Mr. Embry did not participate as a decision-maker in the official sense, it is clear that he did introduce the idea to key people who were

decision-makers, funded its study, facilitated its progress, and supported and encouraged the experiment.

The Baltimore Teachers Union and its president Irene Dandridge were mentioned frequently as participants. Dandridge would disagree with this appraisal. Dandridge visited the *Tesseract* school in Eagan, Minnesota. She found the school and the concept refreshing. She felt that this was how schools should be, but she realized that this was a small private school in the suburbs of Minnesota. When she visited South Pointe Elementary School in Miami, she thought that *Tesseract* had potential in an urban environment as well. She reported to the board that the program was based on sound principals of education and worked extremely well in that school (interview, July 25, 1995). From this endorsement, Dandridge unwittingly became linked to EAI as a participant. Superintendent Amprey said that he would not have given EAI serious consideration were it not for the glowing report given to the board by Dandridge. He mentioned the teachers union as "another group you need to include [as participants]" (interview, July 26, 1995).

For one former board member, Dandridge's report to the board was the first time she recalled hearing about EAI. She said, "The idea was first brought to the board by the Baltimore Teachers Union" (Name withheld by request, interview, July 26, 1995). Board President Farfel said, "The Teachers Union gave a very positive report on the Dade school and the model" (interview, July 26, 1995). A former Board member agreed. "Dandridge was a big supporter. She made a public, enthusiastic, report

to the board" (Name withheld by request, interview, July 27, 1995). Whatever Dandridge's intentions, the presentation to the board was remembered as a blanket endorsement for the program. A principal recalled, "The teachers union, at the time, was for it" (Name withheld by request, interview, July 27, 1995). Another building-level administrator said, "The Baltimore Teachers Union initially had a positive response to the program" (Name withheld by request, interview, August 3, 1995). Another school official close to the superintendent said, "The teachers union went along and said they liked some of the things they saw in the instructional program" (Name withheld by request, interview, July 26, 1995). Even Councilman Stokes, never a friend of the EAI venture, said, "Irene Dandridge, president of the Baltimore Teachers Union...said we ought to look at it" (interview, July 25, 1995). Dr. Farfel said that the BTU had a role which was even more extensive. "You have to consider the union a key player in this," Farfel said. "They were at the table when the contract was developed and participated in that. They were willing to agree to certain provisions" (interview, July 26, 1995). This charge appears to be unfounded and is vehemently denied by Dandridge. She said that the announcement of the letter of intent took her by surprise and that she had no input into the contract. She remarked, "If they wanted to know what I thought they would have asked me" (interview, July 25, 1995). Bob Embry confirmed that the union's role was limited. "I knew that the union had recommended it, which was an amazing thing.... They clearly did urge it...however, the union was never brought into the

negotiations" (interview, July 26, 1995). The idea that the BTU and Dandridge supported a contract with EAI most likely comes from the fact that Dandridge did give a very positive report to the board about the *Tesseract* schools she visited. That, however, appears to be the last input that the BTU had. There is no evidence to indicate that the BTU even knew that a contract was in the works or how many schools were involved until the press conference was held announcing the letter of intent. It is easy to understand, however, how the positive report on Tesseract which the BTU made to the board was seen by many as support for a contract.

The business community was seen as supporting the decision. Although they may not have been involved in the actual decision making process, they were viewed as being involved behind the scenes. No respondents specifically stated what distinct entities composed what they described as the business community. A school official close to the superintendent said, "There were the large businesses that were generally for it" (Name withheld by request, interview, December 14, 1995). Another high-ranking school official observed that "the business community...liked it because private sector is good and they were extremely frustrated by the city's poor performance" (Name withheld by request, interview, July 26, 1995). Dandridge said that the business community supported the decision after it was made, but had no input before that (interview, July 25, 1995). Dr. Farfel said, "I think generally the business community was supportive. I don't know that they were front and center jumping up and down, but I think they saw it as a positive

signal that finally some things were going to be done differently" (interview, July 26, 1995). "The business community was generally for it," said Carl Stokes. Several went before the board of estimates" (interview, July 25, 1995). It is doubtful that many business leaders even knew that the EAI contract was under consideration prior to the announcement of the letter of intent. They were not brought into the negotiations and there was no general avenue of communication other than word of mouth from the few insiders who were involved. If the business community is to be viewed as a participant, their role must have been extremely small.

Dr. Farfel also named the principals of the schools selected for *Tesseract* as being involved in the decision. He said, "You would certainly have to classify the nine schools...and the nine principals there as key decision makers. Their willingness to participate was a key part of the board's willingness to go ahead with it" (interview, July 26, 1995). According to two building level administrators, one which was a *Tesseract* principal, the first they knew that their schools were selected was at a meeting which was called after the announcement of the letter of intent (Names withheld by request, interviews, July 27 & August 3, 1995). A high ranking school official who was involved in the selection of the nine schools confirmed that the principals were not involved (Name withheld by request, interview, December 14, 1995). The principals of the *Tesseract* schools were not involved in the decision and were brought in and told that their schools were selected for the project. They did not ask

for it, they did not participate in it, and they did not back out once selected.

Dr. Farfel also said that parents supported the board's efforts to bring EAI to Baltimore. He recalled a "number of parents who came out to a school board meeting to express support for our willingness to go ahead" (interview, July 26, 1995). The meeting he recalled, however, was held after the contract was signed. No such meeting, no such support, and no parental participation took place prior to the contract.

One building-level administrator indicated that the city council participated in the decision " although some of the members had a problem with it" (Name withheld by request, interview, July 27, 1995). This assessment is erroneous. The council did not participate and was not aware of what was afoot until the contract came before the Board of Estimates. The council members who " had a problem with it" were Council President Clarke, who chaired the Board of Estimates, and Carl Stokes, who chaired the council's education committee. Even they said that they did not know until the decision had already been made (interviews, August 4, and July 25, 1995).

The state board and "the state department of education gave us some necessary waivers in special education that were needed" (P. Farfel, interview, July 26, 1995). However they cannot be considered decision-makers in the process in Baltimore. Their contribution came long after the contract was final.

One school official named the Baltimore school system staff as a participant in the process. "Of course you have the supporting staff" that is, the central office staff, participating (Name withheld by request, interview, December 14, 1995). These people did iron out the details of the contract, assist in selecting the schools, and worked with EAI to bring the project together. However, one must not assume that all school personnel or even all central office participants supported the decision. A school official said, "As for school people in general, a large number were not supportive, but not vocal" (Name withheld by request, interview, December 14, 1995).

Analysis of the data matrix of the participant stream

The responses regarding the participant stream are listed in the matrix labeled figure 3. The respondents are grouped as **school officials**, **school board**, and **city council and other**, as they were in the previous matrix analysis. There was a consensus by the groups concerning the participation of several individuals. They were as follows:

1. The mayor was named as a participant by 11 respondents representing a consensus of all three groups. He was described as powerful in school matters and the person who could have either approved the project or killed it.

2. The superintendent was also named as a participant by 11 participants representing all three groups. The superintendent supported the deal with EAI and became a leading advocate of EAI. His efforts on

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Mayor Schmoke	<p>"The mayor of the City of Baltimore also played an intimate role in advocating and supporting the motion for it."</p> <p>"Walter, the mayor and Bob Embry but I'm not sure in what combinations."</p> <p>"The mayor needed something dramatic that might work that showed education as his priority."</p> <p>"The board, superintendent, and mayor."</p> <p>"The superintendent, mayor, board, and EAI."</p> <p>"The mayor has all the power. He probably decided to do the project before I was contacted."</p>	<p>"The mayor played a key role in supporting the contract, getting it through the Board of Estimates."</p>	<p>"The mayor of the City of Baltimore, Kurt Schmoke."</p> <p>"We have a very strong mayoral background...he has a lot to do with decision making."</p> <p>"The mayor supported the superintendent."</p> <p>"Dr. Amprey and the mayor."</p> <p>"Schmoke said he was open to the idea."</p> <p>"The amended charter weakened the board; the mayor runs the school system."</p> <p>"The mayor had to be in on it."</p>

FIGURE 3. Interview Responses About the Participants in the Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Mayor Schmoke (continued)	"If the mayor had said 'no', it would not have happened; but he did not initiate it."		
Supt. Amprey	<p>"The superintendent...played a leading role in advocating for it."</p> <p>"It was the superintendent's personal decision."</p> <p>"A number of initiatives: effective school models, restructured schools, enterprise schools, demonstration centers and so on."</p> <p>"The superintendent saw the program and was enthusiastic. He took it to the Board."</p>	"The superintendent assessed the EAI proposal and made recommendations for contract for nine schools."	<p>"The superintendent was the key participant."</p> <p>"Certainly the superintendent first."</p> <p>"Dr. Amprey was the key."</p> <p>"The key participants were Amprey, the mayor and John Golle."</p>

FIGURE 3. Interview Responses About the Participants in the Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Supt. Amprey (continued)	<p>"The decision was that of the superintendent working along with the mayor, for a new look at how we do things in the school district."</p> <p>"The superintendent was a big advocate."</p> <p>"The superintendent wanted to look at change and strategies to make difference."</p> <p>"After the mayor had personally selected and personally dismissed a superintendent, the subsequent superintendent was in a very strong position to do what he wanted to do."</p>		

FIGURE 3. Interview Responses About the Participants in the Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
BTU Dandridge	<p>"Another group you need to include is the Teacher's Union."</p> <p>"The Teachers Union went along and said they liked some of the things they saw in the instructional program."</p> <p>"The Teacher's Union, at the time, was for it."</p> <p>"The Baltimore Teachers Union initially had a positive response to the program."</p>	<p>"The Teacher's Union gave a very positive report on the Dade School and the model."</p> <p>"The idea was first brought to the board by the Baltimore Teacher's Union."</p> <p>"You have to consider the Union a key player in this. They were at the table when the contract was developed and they participated in that. They were willing to agree to certain provisions."</p> <p>"Dandridge was a big supporter. She made a public, enthusiastic report to the board."</p>	<p>"Irene Dandridge, President of the Baltimore Teacher's Union...the Union said we ought to take a look at it."</p> <p>"I knew that the Union recommended it, which was an amazing thing. They clearly did urge it...however the Union was never brought into the negotiations."</p>

FIGURE 3. Interview Responses About the Participants in the Decision: Data Displayed by Group.

SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
<p>"Bob Embry, of the Abell Foundation first came up with the idea. At that time he was not only President of the Abell Foundation, but he was also a member of the state board of education and President of our state board of education."</p> <p>"It probably originated as a suggestion by Bob Embry of the Abell Foundation. They try to fund promising ideas."</p> <p>"Embry was a funding source with the Abell Foundation."</p> <p>"Bob Embry, John Golle, the mayor and the superintendent."</p>	<p>"The Abell Foundation...provided information on the model to the superintendent."</p>	<p>"Including Bob Embry, President of the Abell Foundation."</p> <p>"Mr. Embry, head of the Abell Foundation, had read about it and encouraged Amprey to look at it."</p> <p>"Mr. Embry supported the decision."</p> <p>"I read an article in the Wall Street Journal about EAI and called them up and asked them whether they were interested in coming to Baltimore."</p> <p>"I offered and did pay (the Foundation did) for any city or school official to visit Miami or Minneapolis to have a look at the schools to see if it was a good idea or not."</p>

Robert Embry

FIGURE 3. Interview Responses About the Participants in the Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Board of School Commissioners	<p>"Dr. Farfel and the board favored it."</p> <p>The superintendent "was enthusiastic" about Tesseract.</p> <p>"He took it to the board of school commissioners."</p> <p>"The key participants included the superintendent, mayor, school board and EAI."</p> <p>"You also had the supporting staff and the board in on the decision."</p>	<p>"I did not know in advance of the press conference what the superintendent's recommendation would be."</p> <p>"For the next three months the board reviewed with the superintendent and with the EAI officials, the proposed contract itself."</p> <p>"I made a statement on behalf of the board requesting the superintendent to move forward with the EAI contract."</p> <p>"The board was receptive to the idea of privatization."</p> <p>The school board "was asked to let EAI come in and present their ideas."</p>	<p>"It was not even voted on by the board."</p> <p>"The school board is a rubber stamp."</p>

FIGURE 3. Interview Responses About the Participants in the Decision; Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Board of School Commissioners (continued)		"The notion [of privatization] was under discussion, not the contract." (11)	
Business Community	<p>"The business community... liked it because private sector is good and they were extremely frustrated by the city's poor performance."</p> <p>"There were the large businesses that were generally for it."</p>	<p>"I think generally the business community was supportive. I don't know that they were front and center jumping up and down, but I think they saw it as a positive signal that finally some things were going to be done differently."</p>	<p>"Business community was generally for it. Several went before the Board of Estimates."</p> <p>"The business community supported the decision after it was made."</p> <p>"The superintendent was convinced by Golle that if you took the business approach, you would increase student achievement and better managed dollars."</p>
EAI/Golle	<p>"Golle lobbied everybody."</p> <p>"EAI was the initiator; they brought the ball to the court-- they became the players."</p> <p>"John Golle, of EAI, was a participant."</p>		

FIGURE 3. Interview Responses About the Participants in the Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
EAI/Golle (continued)			<p>"Dr. Amprey, the mayor, and John Golle, he owns the company; I don't know who was the moving force."</p> <p>"EAI approached the superintendent."</p>
Principals		<p>"You would certainly have to classify the nine schools...and the nine principals there as key decision makers. Their willingness to participate was a key part of the board's willingness to go ahead with it."</p> <p>"The number of parents who came out to a school board meeting to express support for our willingness to go ahead."</p>	
Parents			

FIGURE 3. Interview Responses About the Participants in the Decision: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
State Board		"The state department of education gave us some necessary waivers in special education that were needed to allow an inclusion model to be implemented."	
Baltimore Schools Staff	"Of course you have the supporting staff," that is, the central office staff, participating." "As for school people in general, a large number were not supportive, but not vocal."		
City Council	"City Council, although some of the members had a problem with it."		

FIGURE 3. Interview Responses About the Participants in the Decision: Data Displayed by Group.

behalf of the children were as sincere as his belief that *Tesseract* was an answer to many of Baltimore's pedagogical problems.

3. The BTU and Irene Dandridge were named by nine individuals as participants. This appears to be largely from the presentation she made to the board on her return from the trip to Dade County, Florida.

4. Robert Embry was named by eight of those interviewed as a key participant. He brought the idea to those who could make it happen.

5. The Board of School Commissioners was named as a participant by nine respondents. In fact, the board was kept poorly informed and left out of the decision and the negotiations.

6. The business community, while only receiving four responses, still achieved a consensus of the responding groups. The participation of this group was most likely after the fact and in a supportive way. There is nothing to link business groups in the decision making process.

There was one participant who was named by six respondents and received the agreement of two groups. That was John Golle, the CEO of EAI. The **school officials** group and the **city council** group named him as a participant. School board members failed to mention him perhaps because they viewed EAI as the end result of the decision rather than as part of the process.

Three participants were named by only the **school board** group. They were principals, parents, and the state board. All indications show that these became involved after the contract decision was made.

Two participants were named by the **school official** group. They were the city council and the school board staff. City council was clearly left out of the decision making loop. While the school board staff worked to implement the program, there is little to show that they had a voice in the decision.

Conclusions about the participant stream.

From the evidence collected it appears that the major participants were the mayor and the superintendent. They sought to find a novel way to improve the schools in Baltimore. Without the mayor's approval, the project would not have been possible. Without the superintendent's recommendation and support, EAI would never have gotten the contract. The idea was brought to the mayor and superintendent by Bob Embry, who thought that an examination of the program was worthwhile. He encouraged and supported the idea and brought it to the decision-makers. The favorable report made by the Baltimore Teachers union to the school board describing the visit to the model school in Miami, was seen as a green light by the mayor and superintendent, although it was never intended to be that. Other than the report to the board, the BTU and Dandridge had no input in the decision. John Golle lobbied hard for EAI everywhere he could find an influential ear in the city. This had the impact of getting momentum going in favor of the contract in influential circles. The board obviously was left out of the loop as was the council and most other groups and individuals named as participants.

The Solution Stream

Interview participants were asked to discuss solutions to the problems of the city's schools. Eleven of them responded to the question. In all, 20 solutions were named by the respondents, with little consensus. The largest number of solutions were named by only one respondent each. Sixty-five per cent were named by only one or two respondents each. A tally of the data is provided in Table 5.

The most frequent response was site based management. Eight respondents named site based or school based management as a solution to Baltimore's problems. Carl Stokes said this would give "principals and site based teams...more independence in the management of their funds" (interview, July 25, 1995). BTU President Dandridge said that the school system was already moving toward "school based management with shared decision making" (interview, July 25, 1995). Bob Embry said, "there were reforms every year...site based management, whatever that means" (interview, July 26, 1995). It would seem that he knew well what it meant. He was merely relating that sometimes the theory differs from the actual practice. A former board member said, "The board was also looking at site based management" (Name withheld by request, interview, July 26, 1995). Superintendent Amprey revealed that the EAI contract was in keeping with the idea of letting schools make their own decisions. "We worked with the concept of site based decision making to restructure schools" (interview, July 26, 1995). A high ranking school official agreed that "expanding school based decision making" (Name withheld by

Table 5

The Solution Stream: A Tally of Responses of Interview Participants Who Cited Possible Solutions to Problems Facing the Baltimore Schools.

	Site Based Mgmt	Teachers Union Restructured	Efficacy Institute	Self Reform	Calvert School	Involving Local Colleges	Writing to Read (IBM)
Interview*							
1	X			X	X	X	
2	X	X			X	X	
3	X	X					X
4	X	X					X
5	X					X	
6							
7	X		X				X
8	X		X	X			
9			X	X			
13	X	X					
16			X		X		

Table 5 continued on the following page.

*Interviews which identified no solutions were omitted from this table.

Table 5 - Continued

The Solution Stream: A Tally of Responses of Interview Participants Who Cited Possible Solutions to Problems Facing the Baltimore Schools.

Interview*	Business Partnerships	Other For-Profit Contracts	Other Contractors	Enterprise Schools	Mastery Learning	Increase Teachers Pay	Involve Parents
1	X					X	X
2		X	X				
3	X			X			
4							
5							
6							
7			X		X		
8		X			X		
9							
13				X			
16							

Table 5 continued on the following page.

*Interviews which identified no solutions were omitted from this table.

Table 5 - Continued

The Solution Stream: A Tally of Responses of Interview Participants Who Cited Possible Solutions to Problems Facing the Baltimore Schools.

Interview*	Teacher Directed Schools	TQM	Shared Decision-Making	MBO	Effective Schools Models	Smaller Schools/Classes
1	X					X
2						
3						
4		X		X		
5						
6						
7						
8						
9						
13			X		X	
16						

*Interviews which identified no solutions were omitted from this table.

request, interview, July 26, 1995) was a worthwhile goal. He said, "Hold people accountable for results and give the maximum for achieving these results and maximum support" (interview, July 26, 1995). A building-level administrator also mentioned "site based management and shared decision making" (Name withheld by request, interview, August 3, 1995) as a solution for Baltimore. "Increased school based decision making" was also named as a solution by the school board president (P. Farfel, interview, July 26, 1995).

The BTU had begun a restructuring program of its own which employed aspects of site based management. "We, as a union, started 14 restructured schools...that had school based management and they were doing well and still are doing well" (I. Dandridge, interview, July 26, 1995). Dr. Farfel recalled the union's restructuring project as a beginning for site based schools in Baltimore. "There was something called the restructuring pilot program which was initiated by the Baltimore Teachers Union and was kind of grudgingly accepted by the last superintendent and was a point of birth of school based management" (interview, July 26, 1995). The superintendent said, "Clearly the school system, and the mayor, and the city itself were looking for true educational reform [and] had already begun to engage in some innovative programs and ideas such as restructured schools and site based decision making" (W. Amprey, interview, July 26, 1995).

Another solution discussed was the Efficacy Institute. This is a program developed at Harvard by Dr. Jeffrey Howard and is designed to

increase the self esteem and the feeling of control over their learning of the children. A principal explained it this way:

Efficacy is one of the things which aligns itself with the *Tesseract Way* because we're talking about if children are given confidence they are empowered to feel that they have a big part in determining what they will learn, they will try harder and be successful (Name withheld by request, interview, July 27, 1995).

One high ranking school official said that the Efficacy program was "one major reform" and that it was "probably consistent with EAI's delivery system" (Name withheld by request, interview, July 26, 1995). Another school official agreed that this was a solution to at least some of the problems of the schools. "The efficacy program was another strategy [to reach urban kids].... It focused on attitudes" (Name withheld by request, interview, December 14, 1995). The Efficacy Institute was also a solution named by Bob Embry (interview, July 26, 1995).

Three participants talked about self reform as a solution. A principal said, "In Baltimore we do a lot of looking at what's out there. What looks good, what research says is good, we try" (Name withheld by request, interview, July 27, 1995). Bob Embry agreed that "there were reforms every year" (interview, July 26, 1995). Carl Stokes felt that the schools could have reformed themselves. The schools could have done whatever EAI offered to do. "They could have done it better themselves. The school system could have opted for smaller classes, smaller schools,

higher pay for teachers, [and] more technology" (interview, July 25, 1995).

Another solution was a partnership with a private school called the Calvert School. In this partnership, Barclay Elementary school adopted the Calvert School curriculum. The Barclay staff was given inservice training on how to use the curriculum. The private school curriculum was gradually implemented in that particular public school and it achieved some measure of success. A high-ranking school official said, "The Calvert program was believed to be able to make a difference for youngsters" (Name withheld by request, interview, December 14, 1995). Irene Dandridge recalled, "We have a private school curriculum being used in one of our elementary schools, where the students have done extremely well" (interview, July 25, 1995). Councilman Stokes agreed and wondered why the city did not try "other private non-profit programs like the Calvert program" (interview, July 25, 1995).

Involving local colleges and universities was another solution offered by respondents. There are several colleges in the Baltimore area which could have been used to help solve some of Baltimore's problems. Johns Hopkins University was already working with the schools and its role could have been expanded. A former board member recalled, "We had talked about cooperation with local universities" (Name withheld by request, personal correspondence, July 26, 1995). Carl Stokes wanted to see a partnership with "Johns Hopkins University or any of the local colleges. Johns Hopkins has a 'Success For All' program in four or five

schools around the city" (interview, July 25, 1995). "Dr. [Robert] Slavin's program from Johns Hopkins, 'Success For All'...has been in our schools for about five years now," Said BTU's Irene Dandridge.

The was opportunity for more business partnerships. "Better partnerships with businesses, more partnerships with companies that would be willing to provide resources," (C. Stokes, interview, July 25, 1995) was a solution recommended by Councilman Stokes. Some of that had already begun. Dr. Farfel, the board president, said:

A lot of good, strong, partnerships between schools and business was a key part of our reform that has predated [privatization] and the involving the private sector and the business community with many of our schools is very important to us and something that was already there. (interview, July 26, 1995)

The **Writing to Read** program was also an attempt to turn things around in Baltimore. Superintendent Amprey said the city had tried "all kinds of write to read programs and other attempts to stave off a general decline in education" (interview, July 25, 1995). "We tried the IBM **Writing to Read** program under the last superintendent," said board president Farfel. "That was a performance based contract" (interview, July 26, 1995). A high-ranking school official remembered the schools "trying out IBM's **Writing to Read**, a 2.1 million dollar initiative" (Name withheld by request, interview, July 26, 1995).

Baltimore also experimented with other for-profit companies which contracted to deliver instruction. Sylvan Learning Centers operated a

tutorial program in the city. They do not have operating control over any of Baltimore's schools, so the arrangement is very different from that of EAI. Bob Embry recalled that "the Sylvan Learning Center...came after EAI" (interview, July 26, 1995). Irene Dandridge also noted the private program as an attempt to find solutions to the schools' problems (interview, July 25, 1995). Another for-profit program mentioned was the Ombudsman program. This company out of Illinois works with alternative education students. Mr. Embry said that they take "your worst kids -- your most delinquent... the kids that are reading behind, the kids that are the biggest problems," (interview, July 26, 1995) and educate them off campus for \$3,000 per year.

Two respondents thought that a solution might have been to have a little competition in the contractor selection process. Irene Dandridge said, "there was no real attempt to look at privatization at all and determine whether we wanted to do it and if so who with" (interview, July 25, 1995). A high-ranking school official agreed. "put it out on bid, an RFP, and take the best plan" (Name withheld by request, interview, July 26, 1995). Several people interviewed said that the bidding process was bypassed because everyone thought that EAI was a sole source for this type of enterprise (W. Amprey, interview, July 26, 1995, and others). In truth, there was little activity in the area of for-profit companies managing schools prior to EAI's efforts. EAI certainly appeared to have the best track record and the most favorable publicity.

Baltimore was looking at what they called enterprise schools. In enterprise schools, the site based decision-makers would have the flexibility of using their operating budgets much as the EAI schools did. They could use their funds freely to purchase services from school board departments or from private vendors, bypassing the bureaucracy. A building-level administrator named enterprise schools as one of "a number of initiatives" (Name withheld by request, interview, August 3, 1995) which Baltimore was exploring. The board president described it in this way:

The other options we were working on is the enterprise school model, a network of enterprise schools, that is, our vision is that our individual schools, in addition to increased school based decision making will begin to act as customers of services and will be able to purchase services in the marketplace and that we set up the enterprise school model so that central office will become the first point of refusal; that schools will come to central office to purchase services and if it was not satisfied, then they go out elsewhere. You have a market driven program where the customer, the school, is using its limited dollars to get the most out of it. (P. Farfel, interview, July 26, 1995).

Bob Embry mentioned mastery learning as a solution which the schools had already tried (interview, July 26, 1995). A central office official said, "Two superintendents ago we tried mastery learning --highly centralized control over the curriculum" (Name withheld by request,

interview, July 26, 1995). It was another program which Baltimore tried without obtaining the success it was seeking.

Other solutions were suggested by only one respondent each. Carl Stokes suggested higher pay for teachers as well as schools and classes which were smaller. He also recommended more involvement for the community and the parents (interview, July 25, 1995). He thought it might also be a good idea to allow the teachers to run some schools, "teacher directed schools.... There's a group of teachers in Baltimore that wanted to start their own schools" (interview, July 25, 1995).

Superintendent Amprey discussed the reforms which had been implemented in recent years. There's just a whole history and litany and pilgrimage of educational reforms that have gone down over the past three decades.... To go back just a little ways, we were talking about the idea of total quality management (interview, July 26, 1995). Besides TQM, the district also "worked with the concept of management by objectives" (W. Amprey, interview, July 26, 1995).

A building level administrator added that the district had tried "shared decision making" and "effective school models" (Name withheld by request, interview, August 3, 1995).

Analysis of the data matrix on the solution stream.

Solutions suggested by respondents concerned reforms that had been attempted or could have been initiated to solve the problems of the Baltimore schools. The respondents were grouped as **school officials**,

school board, and **city council and other**, as they were in the previous matrix analyses. The responses can be found in figure 4.

There was little consensus about solutions to Baltimore's problems. Only two solutions achieved a consensus of all three groups.

1. Site based management was a solution which had eight respondents representing all three of the respondent groups. This was a solution which had been begun before EAI came in, and was continuing to a limited extent.

2. The union's restructured schools pilot project was a solution named by four respondents. The union's restructuring had begun under the previous superintendent and involved 14 schools in Baltimore. It was an ongoing effort at the time of this study.

The **school officials** group was in agreement with the **city council** group on five solutions.

1. Both groups identified the Efficacy Institute as a solution. This program was developed at Harvard by Dr. Jeffrey Howard and was designed to enhance the child's self confidence and feelings of empowerment in his own learning.

2. The solution of self reform was simply the idea that the respondents believed that the things EAI had promised to do could have been done by the Baltimore schools to begin with. It was just a matter of setting those goals and working toward getting them done.

3. The Calvert School program was an ongoing program which had met with some success. The Calvert School curriculum was transposed

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Site Based Management	<p>"We worked with the concept of site-based decision making to restructure schools."</p> <p>"Hold people accountable for results and give the maximum flexibility for achieving these results and maximum support."</p> <p>"Expanding school-based decision making."</p> <p>"Site-based management and shared decision making."</p>	<p>"Increased school-based decision making."</p> <p>"The board was also looking at site-based management."</p>	<p>"Giving principals and site-based teams...more independence in the management of their funds."</p> <p>"School based management with shared decision making."</p> <p>"There were reforms every year...site-based management, whatever that means."</p>

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
BTU Restructured Schools	<p>"Clearly the school system, and the mayor, and the city itself were looking for true educational reform had already begun to engage in some innovative programs and ideas such as restructured schools and site based decision making."</p> <p>"A number of initiatives: effective school models, restructured schools, enterprise schools, demonstration centers and so on."</p>	<p>"There was something called the restructuring pilot program which was initiated by the Baltimore Teachers Union and was kind of grudgingly accepted by the last superintendent and was a point of birth of school based management."</p>	<p>"We, as a union, started 14 restructured schools...that had school based management and they were doing well and still are doing well."</p>

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Efficacy Institute	<p>"One major reform is the Efficacy Institute. Efficacy is probably consistent with EAI's delivery system."</p> <p>"Efficacy is one of the things which aligns itself with the tesseract way because we're talking about if children are given the confidence they are empowered to feel that they have a big part in determining what they learn, they will try harder and be successful."</p> <p>"The efficacy program was another strategy. It focused on attitudes."</p>		"Efficacy ...this fellow, Howard, up at the Efficacy Institute."

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Self Reform	"In Baltimore City we do a lot of looking at what's out there. What looks good, what research says is good, we try."		"They could have considered doing it better themselves. The school system could have opted for smaller classes, smaller schools, higher pay for teachers, more technology." "There were reforms every year."
Calvert School	"The Calvert program was believed to be able to make a difference for youngsters."		"Other private, non-profit programs like the Calvert program." "Barclay-Calvert program. Barclay, a public school adopted Calvert's private school curriculum. We have a private school curriculum being used in one of our elementary schools, where the students have done extremely well. Where the training was given to the existing staff and they gradually phased in the private school curriculum."

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Other Contractors	"Put it out on bid, an RFP, and take the best plan."		"There was no real attempt to look at privatization at all and determine whether we wanted to do it and if so, who with."
Mastery Learning	"Two superintendents ago we tried mastery learning highly centralized control over the curriculum."		"There were reforms every year, it depends on how many years you want to go back. Site based management, efficacy, mastery learning... always something going on."

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
<p>"There were a number of initiatives; effective school models, restructured schools, enterprise schools, demonstration centers and so on."</p>	<p>"The other options we are working on is the enterprise school model, a network of enterprise schools, that is, our vision is that our individual schools in addition to increased school based decision making will begin to act as customers of services and will be able to purchase services in the marketplace and that we set up the enterprise model so that central office will become the first point of refusal. That schools will come to central office to purchase services and if it was not satisfied then they go elsewhere. You have a market driven program where the customer, the school, is using its limited dollars to get the most out of it."</p>	

Enterprise Schools

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Writing to Read	<p>"Trying out IBM's Writing to Read, a 2.1 million dollar initiative."</p> <p>"All kinds of write to read programs and other attempts to stave off a general decline in education."</p>	<p>"We tried the IBM Writing to Read program under the last superintendent. That was a performance based contract."</p>	
Business Partnerships		<p>"A lot of good, strong, partnerships between schools and businesses was a key part of our reform that has predated [privatization] and the involving of the private sector and the business community with many of our schools is very important to us and something that was there already."</p>	<p>"Better partnerships with businesses, more partnerships with companies that would be willing to provide resources."</p>

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Involving Local Colleges		"We had talked about cooperation with local universities."	"Johns Hopkins University or any of the local colleges. Johns Hopkins has a 'success for all program' in four or five schools around the city." "Dr. Slaven's program from Johns Hopkins, 'success for all' which has been in our schools for about five years now."
Increase Teachers Pay			"The Baltimore schools could have opted for smaller classes, smaller schools, higher pay for teachers."

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Other For-Profit Contracts			<p>"We even have another private program here called Sylvan Learning Centers."</p> <p>"The Sylvan Learning Center, but that came after EAI."</p> <p>"The Ombudsman program [works with]...the kids that are reading behind, the kids that are the biggest problems."</p>
Involve Parents			<p>"More involvement for communities and parents."</p>
Teacher Directed Schools			<p>"Other options, of course, are teacher directed schools... There's a group of teachers in Baltimore that wanted to start their own schools..."</p>

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
TQM	<p>"Well there's just a whole history, litany and pilgrimage of educational reforms that have gone down over the past three decades. Probably to go back just a little ways we were talking about the idea of Total Quality Management."</p>		
Shared Decision Making	<p>"We experimented with shared decision making."</p>		
MBO	<p>"We worked with the concept of management by objectives."</p>		
Effective Schools Models	<p>"There were a number of initiatives: effective school models..."</p>		
Smaller Schools/Classes			<p>"The Baltimore Schools could have opted for smaller classes, smaller schools."</p>

FIGURE 4. Interview Responses About the Possible Solutions to the Problems in Baltimore Schools: Data Displayed by Group.

onto a public elementary school. This could have been a sign that the elementary curriculum needed revision or that the program should have been expanded to other schools.

4. Seeing competitive bids from a field of prospective contractors would have been a desirable thing to do. However, there were very few entries in the field during the 1991-92 school year. Decision makers felt there were no legitimate vendors available other than EAI.

5. Mastery Learning was named as a solution too. This program had been implemented some time ago in Baltimore with little effect. While it was named as a solution which had been used in the past, it held out little prospect for solving the problems which existed in Baltimore's present and future.

The **school officials** group was in agreement with the **school board** group on two solutions. Both of these groups identified enterprise schools and the writing to read initiatives as solutions.

1. Enterprise schools were seen as a way to circumvent the bureaucracy and allow more site-based decision making. This would address at least one of the problems facing the organization.

2. Writing to Read was a program which was designed to improve achievement and test scores. It was another example of a commercially marketed program which Baltimore adopted as a solution to one of its problems.

Agreement was reached on two solutions by the **school board** group and the **city council** group. Those solutions were to develop better

business partnerships and involve local colleges in efforts to improve the schools.

1. Baltimore had already developed business partnerships. This solution recommended expanding and utilizing those relationships for continued progress in the schools.

2. Johns Hopkins University was already working with the schools. There was room for expanding this type of relationship with the several other colleges in the area. While this may not have solved all of the problems, the colleges could have assisted in developing and implementing some programs which may have had a positive impact.

All other solutions were each suggested by only a single group. There were nine of these.

1. The use of other for-profit contractors such as the Sylvan program or the Ombudsman program was mentioned by two individuals in the **city council and others** group. Two questions which must be raised are: What can these businesses do that school personnel in Baltimore cannot do? Why can educators in Baltimore not accomplish these things themselves?

2. Increasing teacher pay is a solution which corresponds with one of the problems identified. Low pay is often a problem in urban schools. This problem, however, has a solution. This involves a commitment from the community.

3. Involving parents has been shown to be an effective way of improving schools. There are many strategies which can be used to implement this solution.

4. Teacher directed schools, as a solution, is similar to charter schools. It is a way to operate a site which is responsible for its own decisions and its own success.

5. Total Quality Management involves using a collaborative process for making decisions, finding solutions, and implementing them as an organization. Baltimore school employees had obviously been exposed to these ideas but apparently did not use them. The course of the EAI decision would have been very different if TQM principles had been properly applied in Baltimore.

6. With regard to shared decision making, there was a great gap between the theory and its application in the EAI decision in Baltimore.

7. Management by objectives was a reform that Dr. Amprey said had been used in previous years. However, what appeared to be absent in this particular decision was a clear sense of what specifically the decision makers expected as outcomes. From objectives, strategies can be developed, not the other way around.

8. One administrator suggested effective schools models as a solution.

9. Smaller schools and classes, while desirable, are expensive to implement. This solution is only viable as long as the community is committed to financing the additional impact on the budget.

Conclusions about the solutions stream.

The large number of solutions named by respondents suggested that Baltimore was exploring many initiatives. It had done so in the past and was continuing. There was very little consensus, however, on which solutions were viable. The focus appeared to be on programs as solutions to problems. Rather than to analyze the problem and search for appropriate solutions within the structure of the organization, there seemed to be an effort to seek out ready made solutions or programs which may have been used in other settings. This is consistent with the ambiguity which Cohen & March (1986) found to exist in educational organizations. One school administrator in Baltimore said that the EAI experiment came about because "superintendent was trying to find the answer" (Name withheld by request, interview, July 27, 1995) as if there was an elusive search for the perfect solution to all the problems of urban education. In decision making, one must understand the nature of the problem in order to fashion a workable solution. If this fails to happen, then solutions will appear which are in search of problems to solve. EAI may have been such a solution.

The Choice Opportunity

A choice opportunity occurs when a situation presents itself which requires a decision or choice. What specific situation or situations forced the choice opportunity on the decision-makers in Baltimore in 1992? The answer may never be really known. It resides with the decision-makers

themselves. More than half of the people interviewed indicated that they had no knowledge of why the decision was made when it was made. The tally of responses of those commenting on this question is found in Table 6.

That EAI was exerting pressure on Baltimore to make a decision in its favor was demonstrated earlier in this study with quotes from letters written by John Golle. EAI pressure on the superintendent was also noted by a school official close to Dr. Amprey. This official said, "The superintendent wanted to move ahead and there was pressure from EAI to move ahead. They [EAI] said to phase it in, which made sense. The boss made the timing decision."

Four of the respondents indicated that poor conditions at the schools forced the decision. Councilman Stokes said there was an "urgency of trying to get something going. The superintendent [was] feeling it was a very urgent need to just start to move" (interview, July 25, 1995). Dr. Farfel said, "There was a clear sense...that we had to do something very different to help our children. We had to take some risks...we couldn't stay the same" (interview, July 26, 1995). A principal, reflecting on the timing of the decision said, "The sooner the better. We had some schools that were falling apart...they were in pretty bad condition" (Name withheld by request, July 27, 1995). Another building-level administrator said, "We were losing a generation of children. We wanted to bring them a program they could benefit from. There was an urgency to do it...to try to see if it would work" (Name withheld by request, August 3, 1995).

Table 6

The Choice Opportunity: A Tally of Responses of Interview Participants Who Offered an Explanation of the Timing of the Decision of the Baltimore Schools to Contract with EAL.

	Pressure from EAI	Poor Conditions At Schools	Start of the School Year	Avoid Prolonged Discussion
Interview*				
1		X		
3		X	X	X
4				X
7				
8			X	
9		X		
13		X		
16	X			

*Interviews which identified no explanation for the timing of the decision were omitted from this table.

Avoiding a long public debate and the ensuing controversy may also have been a reason for the choice opportunity. The superintendent felt that he had to make a decision before the issue became a controversy. He recalled, "I knew that if we didn't do it then, we'd talk it to death" (July 26, 1995). Board president Farfel agreed.

We realized that to some extent we had to make this decision and to pause and have a slew of hearings probably would have resulted in the thing being killed because of the controversy around it. The board did not hold any public hearings. That was a decision made because of the short time frame that this thing came up against. To hold hearings would have delayed it which would have meant the same thing as killing it (July 26, 1995).

The new school year was only weeks away when the decision was made to open with EAI in September. Delay of only a few weeks would have put the project into the next year. Bob Embry felt that this was an important factor in presenting the superintendent with a choice.

There was a school year starting in September, so that you were either going to do it for that school year or you were going to wait another year and do it for the following year. I would guess that the start of the school year was the pressure for having it done in July. Why not wait another year? There wasn't anything that the school system thought they had to learn over what it knew. I don't think they thought there was anything they needed to know.

(interview, July 26, 1995)

Analysis of the data matrix on the choice opportunity

Interview responses about the choice opportunity were collected from seven interview participants. The respondents were grouped as **school officials, school board, and city council and other**, as they were in the previous matrix analyses. The responses can be found in figure 5. The only consensus response was that the plight of the schools was so desperate that it forced the issue. Four respondents, representing all three groups, came to that conclusion.

There was agreement between the **school board** group and the **city council** group on the start of the school year being the catalyst for the decision. The desire to reach a decision before the public had a chance to bring it under discussion found the agreement of the **school officials** group and the **school board** group. While only one response indicated that pressure from EAI was involved, that pressure can be verified from documents.

The **school officials** group provided three responses from four individuals:

1. Avoiding a prolonged discussion was the response made by the superintendent.
2. Pressure from EAI was noted by one of the superintendent's cabinet officers.
3. Poor conditions in the schools was a response from two building level administrators.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Poor Conditions in the School	<p>"We were losing a generation of children. We wanted to bring them a program they could benefit from. There was an urgency to do it...to try to see if it would work."</p> <p>"The sooner the better, we had some schools that were falling apart...they were in pretty bad condition."</p>	<p>"There was a clear sense... that we had to do something very different to help our children. We had to take some risks...we couldn't stay the same."</p>	<p>"The schools were in terrible shape and still are. Urgency of trying to get something going. The superintendent feeling it was a very urgent need to just start to move."</p>

FIGURE 5. Interview Responses About the Choice Opportunity: Data Displayed by Group.

SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
	<p>"If they failed to do it then, it would be a no-go. They were determined that if they were going to do it, it had to be then. Delay would have put it into the next school year."</p>	<p>"There was a school year starting in September, so that you were either going to do it for that school year or you were going to wait another year and do it for the following school year. I would guess that the start of the school year was the pressure for having it done in July. Why not wait another year? There wasn't anything that the school system thought they had to learn over what it knew. I don't think they thought there was anything they needed to know."</p>

Start of the School Year

FIGURE 5. Interview Responses About the Choice Opportunity: Data Displayed by Group.

	SCHOOL OFFICIALS	SCHOOL BOARD	CITY COUNCIL & OTHERS
Avoid a Prolonged Discussion	"Because I knew if we didn't do it then, we'd talk it to death."	"We realized that to some extent we had to make this decision and to pause and have a slew of hearings probably would have resulted in the thing being killed because of the controversy around it. The board did not hold any public hearings. That was a decision that was made because of the short time frame that this thing came up against. To hold hearings would have delayed it which would have meant the same thing as killing it."	
Pressure from EAI	"The superintendent wanted to move ahead and there was pressure from EAI to move ahead. They (EAI) said to phase it in, which made sense. The boss made the timing decision."		

FIGURE 5. Interview Responses About the Choice Opportunity: Data Displayed by Group.

The **school board** group also provided three responses, all from the board president. These were that the decision was hastened to avoid public debate, the school year was at hand, and that there was an urgency to do something about the plight of the schools.

The city council group provided two responses. These were that the conditions in the schools demanded it and that the new school year was upon them.

Conclusions about the choice opportunity.

Was the choice opportunity due to the urgency of the deplorable conditions in some of the schools, the coming of the new school year, pressure from EAI, or an effort to avoid a prolonged public debate? All four explanations are probably correct to an extent. There was most likely a combination of these factors operating which helped to bring about this decision. No one reason was enough to bring about this choice opportunity by itself. There may also have been other factors involved which are known only to the participants.

CHAPTER SIX

Discussion

Post Script to the Study

At the time this study was conceived, EAI's star was rapidly rising. They had an apparently successful program in Miami, nine schools in Baltimore, and a partial expansion of consultant services to three other Baltimore schools. EAI was negotiating to manage all of the schools in Hartford as well. CEO John Golle was also conferring with a few other districts for potentially lucrative contracts.

Today, EAI has all but left the business of urban education. The Miami contract was not renewed. First, Hartford scaled the size of its project down from all of its schools to just five schools plus the adult and alternative programs. Then, on January 23, 1996, Hartford terminated its contract with EAI. Baltimore also terminated its experiment with EAI in mid-year, with more than one year remaining on the five year contract.

Just prior to Thanksgiving of 1995, Baltimore officials indicated that they were considering termination of the EAI contract. On November 30, 1995, the Board of School Commissioners of Baltimore voted to invoke the 90-day termination clause in the contract. It is ironic that the board voted to end a program which began without a board vote. On

March 4, 1996, EAI withdrew from Baltimore, relinquishing its control over the schools it once managed. While many hailed this as a failure of privatization, it was, in truth, not that at all. It was at most a failure of the limited brand of privatization attempted by EAI.

Under a pure form of privatization, one might expect a contracting company to provide a building, personnel, curriculum, books, and management. EAI used existing buildings, existing faculty and administration, and had to compromise on curriculum and materials which were mandated by state and district policy. This was a case of a private company trying to function as the manager of a public entity. It still has all of the disadvantages attributed to the public sector as well as the disadvantages attributed to the private sector. To quote Bob Embry, "It is the worst of both worlds in that it is thought of as being privatization and so the firm is held accountable as if they were in charge; but they're not given the authority to run the schools" (interview, July 26, 1995).

Another way this model differed from other private sector operations was that there was no competition. A main criticism of public sector management is that the public entity acts as a monopoly, restricting competition and the benefits of efficiency which are brought by competition. EAI had no competition. EAI had a monopoly in the public-schools-for-profit business in Baltimore. Granted, there were few other firms poised to enter the arena in 1991-92, but the point is that if the world was waiting for a true experiment in the privatization of public education in the U.S., it will have to wait longer. The Baltimore-EAI partnership

was not it. Private management alone does not make for true privatization in the strictest definition.

As for the results of the Baltimore case, officials insist that they learned a great deal from EAI and that the schools have benefitted from that experience. The main issue which resulted in the termination of the project was EAI's reluctance to renegotiate the amount which they were to receive. EAI was slated to receive \$44 million during the 1995-96 school year for its nine *Tesseract* schools and three management consultant schools. Mayor Schmoke had tried to get EAI to reduce that amount by about \$7 million dollars in an effort to reduce a projected \$32 million district budget shortfall. EAI was unwilling to make the cut without other concessions from the city. School district financial officers estimated that cancellation of EAI would save the district \$2.8 million in the 1995-96 school year and \$7 million in the following year. EAI had spent approximately 11 per cent more per child than the rest of the schools in Baltimore (Walsh, December 6, 1995). How successful the experiment was will be difficult to establish. It is hard to evaluate the success of an experimental group when the program cost so much more to implement than the control group and the outcomes remain so disputed.

As for EAI, one of the lessons that they learned is that public urban education is an expensive, although underfunded, undertaking. More than 80 per cent of the expense of a school budget is tied to salaries. In order to save money in that setting, one must cut salaries, which are already low, or increase class size, which is also undesirable. A second lesson that was

learned is that private enterprise can make a profit in urban schools only if it takes more taxpayer dollars. Another lesson EAI has learned is that the 90 day termination clause can be invoked by a school district at whim, when the political climate changes, or when costs begin to impact the board's budget. The result can be devastating to a company. EAI stock, which once topped out at over \$48 per share dropped to about \$3 per share after EAI was ousted by Baltimore and Hartford (Walsh, January 31, 1996). Golle announced to shareholders that the company's future would be in suburban education. Perhaps the final lesson EAI learned from this experience is that they have discovered that urban education is more cost intensive than they had previously supposed and that urban school district budgets have far less waste than many had hitherto believed.

Baltimore and the Garbage Can Model

It is certain that Baltimore officials did not meet and consciously select the Garbage Can Model as a way of making this decision. In fact, there may even be other models which can successfully explain how this decision was made. The Garbage Can Model, however, was a useful tool in analyzing the decision making process. The various aspects of the model are consistent with the way Baltimore made the EAI decision.

The participants, according to the model, are fluid in their participation. Participants may come and go, and their influence may increase or decrease depending on the nature of the decision itself. This was also the case in Baltimore. The board's role was almost

inconsequential in this case. Bob Embry, who currently holds no political office, was extremely influential. The mayor and the superintendent were key with the superintendent recommending and the mayor giving his assent. This study did not examine whether other decisions in the Baltimore school district were made in a similar fashion. One might assume that the mayor would not ordinarily become so intimately involved in all of the other decisions made in the city's schools. Ordinarily, the board takes a more active role in school decision making. Other participants with a greater or lesser degree of influence, depending on the decision at hand and its political ramifications, might include the union, community leaders, and central office staff.

An examination of the problem stream indicated that there was little consensus over exactly what the problems were that the EAI contract was to resolve. Almost everyone interviewed was able to identify problems, but there was consensus on only five of the nineteen problems identified. Some respondents named as many as ten problems; some named as few as one. This certainly makes the goals for the project somewhat ambiguous. Ambiguous goals and lack of problem definition are classic characteristics of the Garbage Can Model.

The solution stream also pointed to factors consistent to the Garbage Can Model. There seemed to be a tendency in Baltimore to adopt solutions rather than to develop their own solutions. Rather than a process whereby the problem is identified and a solution is sought, there was an inclination to find the solution first and then attempt to employ it to

solve the problem. Among the number of solutions named by those interviewed, many were packaged programs which were applied to perceived problems. There is nothing wrong with these programs in themselves; only in the way the solution seemed to precede the identification and analysis of the problem.

The Garbage Can Model was a practical way of examining the EAI decision. That decision can best be explained and understood in terms of how the model was expected to perform and what actually happened.

Obstacles and Limitations Encountered

The very nature of the decision to contract with EAI had an impact on the course of this study. It has often been said that educational decisions are made for political reasons. The EAI decision in Baltimore was fraught with political implications. From its beginning to its end, the mayor was deeply involved and city leaders chose sides on the subject. It became an election year issue in the summer and fall of 1995. The timing of this study complicated its conduct.

A three-day series on EAI's entrance and tenure in Baltimore appeared in the *Baltimore Sun* beginning on June 4, 1995. It generally depicted the process and the participants in a less-than-favorable light. The reporters had investigated thoroughly and quoted liberally. Several who had spoken with reporters wished that they had done otherwise when their quotes appeared in the series. That fact and an upcoming primary election in October and a mayoral and councilmanic election in November

complicated the process. It was poor timing for the conduct of this study. Requests for interviews were often greeted with suspicion. One board member refused to be interviewed unless credentials were presented. Following the receipt of those documents, she still refused to return telephone calls. Council President Mary Pat Clarke's spokesperson said in June that no interviews would be granted until after the October primary. An August interview was, however, arranged by Clarke following a personal contact. The Mayor's office continued to postpone the scheduling of any interview until a letter from the mayor on December 20, 1995, indicated that he would not be interviewed for this study. A spokesperson for John Golle in Minnesota cancelled a scheduled telephone interview in August. The vice-president of the board scheduled interviews on three separate occasions, cancelling each minutes before the meeting. These are just a few examples of a very frustrating effort to gain widespread cooperation in the interview process.

Besides timing, employment and loyalty issues limited participation. School employees were extremely reluctant to be interviewed. Most were too busy to be interviewed because they had too much work to do before they left for vacation and could not be interviewed after vacation because of the preparations necessary for opening school. Those who did grant interviews asked that their remarks be kept confidential. Some refused to give permission to tape the interview. Even former school board employees of very high rank restricted their participation. Telephone calls were frequently not returned once they knew the nature of the researcher's

business. The researcher was an outsider and his motives were immediately suspect.

Distance was also a factor in conducting this study. The researcher was based approximately 250 miles from Baltimore. Long distance telephone calls and travel costs became extremely expensive as the study continued. On one occasion, a special trip was made in order to conduct only three interviews. Two of the interviews were cancelled upon arrival at the places where the interviews were to be held. Cost per interview figures, if computed, would have been embarrassingly high.

These obstacles must be considered important to the results of the study because they impacted on the number of interview participants, the selection of the participants, and the comments which participants felt free to make to an outsider. The people who granted interviews were very gracious and accommodating. The researcher remains deeply grateful to them. This study would not have been possible without their cooperation.

Practical Applications of the Study

The decision made in Baltimore may very well have had political motivations and origins. That in itself does not render it a bad decision. A decision may be regarded as good or bad in how the decision was made. It may also be regarded as good or bad depending on whether the outcome was successful. While the outcomes of the decision made in Baltimore may be uncertain, the process definitely lacked the broad participation which might have been expected in a decision of this importance.

The Baltimore school system bears the tremendous burden of a multitude of problems as has been previously demonstrated. Baltimore is not alone in this. Virtually every urban school district has similar problems. Probably every urban school district is struggling to find solutions to them. When a solution presents itself which claims to solve so many of the problems, it is a temptation to adopt it. Superintendent Amprey was sincere in his belief that the children in his district deserved a better chance for learning. Board President Farfel was convinced that the district needed to do something different. Their main concern was, no doubt, for the best interest of the children. Their participation in the decision making process, however, resulted in the arbitrary exclusion of the public from participation and even from the right to know.

A school district about to embark on a venture such as that which Baltimore did with EAI, should consider the following recommendations.

1. Involve the public in the process. Encourage free and open public discussion. Try to form a consensus. A divided city and political in-fighting are not conducive to the success of any educational experiment.

2. Develop a performance-based contract. A school district should have definite goals in mind and a way of measuring whether those goals have been met. Those issues should be settled before a contract is signed.

3. Allow sufficient lead time for planning and implementation. Signing on July 22 and opening in late August contributed to EAI's problems. The school year was well underway before EAI began to get

their program in place. Training and materials lagged into the following spring.

4. Phase in a program gradually. A pilot program should involve only one school. Feedback should determine whether the program deserves expansion. While the nine schools in Baltimore seem like a large number to start with, they actually represent only five per cent of the 180 schools in the city. Still, pilot projects should involve no more than one school at the outset.

5. School districts must look to themselves and their community to find solutions to their problems. In Baltimore there was an emphasis on adopting programs begun elsewhere to solve their problems. One district's solutions will not likely solve another district's problems. Districts differ from one another in environment, population, and politics.

6. Solutions should be determined after studying the problem and examining all potential solutions. Too often solutions are adopted without a study of the problem or an understanding of the consequences of adopting the solution. In other words, school organizations often go about the process in a backwards fashion. They find the solution first and then try to apply it to a problem much in the manner predicted by Cohen & March (1986).

7. School districts should continue to take risks and adopt bold measures. Such activities should not be curtailed because of fear of failure. Fear of failure often results in a failure to act. School districts

can reduce the potential of failure for new programs by careful study, public involvement, and limited trials.

8. Contracts with school districts should routinely involve the bidding process. Bypassing this process eliminates competition and reduces the options of the district. In the long run, the children and the taxpayers suffer the consequences of the decision.

9. Political ends determined in isolation do not always permit the development of the best solutions to problems.

Recommendations for Further Study

Recommendations for further study abound in both the area of privatization as well as school district decision making. Some of those recommendations are as follows:

1. Study the decision making process used in bringing EAI to Miami. It would be useful to know if the process in Miami was the same as in Baltimore, and to examine the political circumstances which impacted the decision. This would further clarify how urban districts make such decisions.

2. Study the decision making process used in Hartford regarding the privatization of its schools. The rationale for such a study is the same as for the first recommendation above.

3. Compare the processes used in Baltimore, Miami, and Hartford to determine what common themes exist in urban school district decision making.

4. Study how other major decisions are made in Baltimore. This study would focus on whether all decisions in Baltimore follow the Garbage Can Model or whether the participants are from the same power structure as in the EAI decision.

5. Study how major decisions are made in other large urban school districts. Is the Garbage Can Model a dependable model to use in a typical urban school district?

6. Examine the efforts of other school privatization companies, such as Alternative Public Schools (APS) in Wilkinsburg, PA, to determine how they compare to EAI's program. Comparisons could be made to the way the contract was negotiated and how the decision to contract was made by the school district. Such a study could corroborate the findings of the study on Baltimore or present new ways of understanding the public-private partnership models.

7. Evaluate the success or failure of the *Tesseract* model of schooling as practiced in Miami, Baltimore, or one of the private schools operated by EAI. The purpose of such a study would be to determine whether the *Tesseract* model can live up to its promise.

8. What did Miami or Baltimore learn from its experience with EAI and how has the presence of EAI in Miami or Baltimore changed how those school districts do business now? Both school districts exited the contract insisting that the experience was worthwhile and that much was learned which would be applied in the future. If those learnings were

indeed worthwhile, a study of them would spread the benefits of the privatization experience to other school districts.

9. What did EAI learn from its experience in urban education and how will that impact the future of companies in the business of public education for profit? A study of this nature would depend on cooperation from EAI, John Golle, and EAI present and former managers and executives.

10. What was the long range impact on children exposed to the *Tesseract* model of schooling. This would involve a longitudinal study designed to follow students educational progress and perhaps compare it to that of a comparable control group.

11. Examine the characteristics of schools which are selected for privatization. Schools selected for privatization are most likely not the school district's showcase schools. The experimentation with privatization, therefore, usually involves schools with certain demographic characteristics, test scores, and track record for failure. Knowledge of these characteristics may raise pedagogical and ethical questions which need to be considered.

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JOSEPH POCIASK

23 Greenbrier Road, Portsmouth, Virginia 23707

Home
(804) 397-4123

Office
(804) 465-2907

March 22, 1995

Dr. Walter G. Amprey, Superintendent
Baltimore Public Schools
200 East North Avenue
Baltimore, Maryland 21202

Dear Dr. Amprey:

I am an administrator in the public schools of Portsmouth, Virginia. I am presently working on my doctorate in educational administration through Virginia Tech. All of my work has been completed with the exception of my dissertation.

My area of interest is in public school-private contractor cooperative efforts such as that in Baltimore, Miami, and Hartford. EAI has sent me a packet of information which has been most helpful as I develop my prospectus document. Basically, I wish to focus on the decision making process which took place in the Baltimore case. In order to accomplish this, I foresee the need to interview key participants involved in the process and develop a case study of how this particular decision was made. Therefore, I respectfully request your permission to embark on such a study and your cooperation in opening the doors of your organization.

I will be happy to discuss any ground rules you may have regarding this study. I will offer confidentiality of the interview documents and anonymity if necessary. I can agree to not name the school district in the study, if that is what you desire. I am open to any suggestions which you may have as to how I should proceed with regard to protecting your interests and that of the school district.

Please be assured that this study will not be about whether contract management is good or bad; nor will it be about whether the decision was a good or bad one. It is not my purpose to evaluate EAI or the Baltimore schools. It is not my intention to show EAI or the Baltimore schools in a negative light. My study will deal only with how and why this decision was made. I hope you will free to check my credentials with my school district and with Virginia Tech. You may contact my superintendent, Dr. Richard Trumble (804) 393-8742; or you may inquire of me from anyone in our central office staff. My dissertation advisor is Dr. Glen Earthman (703) 231-9707 in Blacksburg, and the Director of the Tidewater Campus of Virginia Tech is Dr. Robert Richards (804) 552-1880 in Virginia Beach.

You may recall that last year a delegation of our administrators from Portsmouth visited your school district to learn more about contract management. At that time it was fairly certain that we would pursue a similar course. Our experiment collapsed, however, when we could not agree on a suitable contractor. That is when I began to consider this as a possible dissertation topic. My advisors recommended that I not study Portsmouth because of the political implications it may have for me as well as the question of my own objectivity. We all believed that Baltimore would be the perfect site for the study.

I will be glad to meet with you to discuss ground rules at your convenience. Any time during the week of April 10 is open for me. If that week is not convenient, I will arrange to see you at any other time convenient for you and will take only a few minutes of your time.

I hope to hear from you soon, and look forward to meeting you.

Sincerely,

Joseph Pociask

PROJECT APPLICATION

- 1. Date of Application: May 5, 1995
- 2. Project Title: Public School Privatization: a Case study
- 3. Implementation Location(s) Baltimore School Board and Community
- 4. Approval Level (refer to criteria approval matrix)

Principal

Superintendent

School Board

- 5. Project Objectives: (Use additional page, if needed.)

To determine how and why the decision was made to have contract management in some of the schools in the city of Baltimore.

- 6. Implementation Activities: (Use additional page, if needed.)

1) Interviews of key participants

2) examination of relevant documents

- 7. Evaluation Design: (Indicate frequency and type of assessment which must be linked directly to program objectives.) Qualitative data analysis of interview documents.

- 8. Duration of Project: Summer - Fall 1995

- 9. Total Money Involved: \$0.00 (attach budget)

There will be no expenditure required on the part of the Baltimore Schools. My own expenses will be limited to my travel to Baltimore and my time.

10. Source of Funding: Self

11. Person(s) Involved: Self

12. Staff development activity, if any: _____

I have read the "Guidelines for Participation in Survey, Research, and Evaluation Projects" and agree to abide by all conditions.

NAME: Joseph Pociask
signature of applicant

NAME: Joseph Pociask
typed/printed

POSITION/TITLE: Graduate Student

AFFILIATION: Virginia Tech
(V.P.I. and S.U.)
Blacksburg, Va

DATE OF SUBMISSION 5 - 5 - 95

MAILING ADDRESS: 23 Greenbrier Rd.
Portsmouth, Virginia 23707

ZIP CODE: 23707

TELEPHONE: (Work) (804) 465-2911
(Home) (804) 397-4123

/mmh

CITY OF BALTIMORE

KURT L. SCHMOKE, Mayor



DEPARTMENT OF EDUCATION

DEPUTY SUPERINTENDENT
200 East North Avenue
Baltimore, Maryland 21202

June 12, 1995

Mr. Joseph Pociask
23 Greenbrier Road
Portsmouth, Virginia 23707

Dear Mr. Pociask:

Your proposal to study the decision process that led to the approval of the contract between the Baltimore City Public Schools and Educational Alternatives, Inc. has been reviewed by the Department of Accountability, Student Assessment, and Research & Evaluation. The requirements, as established by the *Guidelines for Participation in Surveys, Research and Evaluation Projects*, have been met. Note that you are required to submit a final report to the Office of Research and Evaluation.

It is my understanding that Dr. Stephen Ruffini has been assisting you with the development of your project proposal since we received your initial request. His work on the initial Tesseract Evaluation and his interest in organizational dynamics will provide constructive suggestions. I trust you will contact him if you require further assistance.

Please note I am very interested in the results of your work. Also, I expect your report to be very informative to other school systems, school interest groups, and businesses as well as other researchers interested in public-private ventures.

Best wishes.

Sincerely,

Walter G. Amprey
Superintendent of Public Instruction

WGA:LWS:sjr/rmh

cc: Dr. Jeanette H. Evans, Chief of Staff, Baltimore City Public Schools
Dr. Patricia E. Newby, Deputy Superintendent
Dr. Mary R. Nicholsonne, Associate Superintendent
Dr. L'Tanya W. Sloan, Chief, Dept. of Accountability, Assessment and Research & Evaluation
Mr. August V. Treff, Divisional Specialist, Research and Evaluation
Dr. Stephen J. Ruffini, Divisional Specialist, Research and Evaluation
Mr. John T. Golle, Chief Executive Officer, Educational Alternatives, Inc.
Mr. Matthew Riley, BCPS Liaison, EAI/Tesseract Program



Printed on recycled paper with environmentally friendly soy based ink.

July 11, 1995

Dear Prospective Participant:

This letter is to introduce Joseph Pociask, a doctoral student at Virginia Tech. Joe is doing his dissertation on the events which led up to the privatization of nine schools in Baltimore and Baltimore's contract with EAI. Of necessity, much of his information will be gleaned from interviews with persons involved in, or close observers of, the decision making process. These interviews should last for 30 minutes or less.

This will be purely an academic study and not an investigation for any political purposes. I sincerely hope you will grant him the courtesy of a half hour of your time so that his research can be completed with your important information represented. This study has the approval of Dr. Amprey, Superintendent of Schools.

If you have any questions, please feel free to contact me at Virginia Tech (703) 231-9707 or Dr. Stephen Ruffini at the Baltimore City Public Schools (410) 396-8956.

Thank you for your cooperation.

Sincerely,


Glen I. Earthman
Associate Professor

INTERVIEW PROTOCOL

Place _____ Date _____ Time _____ Number _____

Name _____ Position _____

Confidentiality needs _____

(For record/Off record) In or out of decision making process

(pr)=problem (pa)=participant (s)= solutions (CO)=choice opportunity

How did the decision to privatize schools in Baltimore come about?

Describe the process and the events.

(This question will gather information on circumstances, people, problems, barriers, and events in the making of this policy decision)

Where did the notion of privatization of schools in Baltimore originate?

(pa)

Why did Baltimore decide to go to privatization? What was the primary purpose?

(pr)

(If problems are named, then follow up with these questions:

How were these problems identified? How severe were these problems? What evidence existed that a solution was needed?)

What did decision makers hope that privatization could do that regular public schools could not do?

(pr)

What other options were considered? Were any other options applied to these problems? If so, what was the result. If not, why not?

(s)

What kinds of reforms were attempted in the three or four years immediately preceding privatization?

(s)

Who were the key participants active in the making of the privatization decision. What role did each play?

(pa)

Which factions, parties, or interest groups were involved in either applying pressure for or against privatization? What was the nature of the pressure applied by these groups?

(pa)

What attempts were made to study privatization elsewhere?

(s)

After a decision was made to privatize some of the schools, how was it determined which contractor would be selected?

(This question will gather data about why EAI obtained the Baltimore contract)

What political forces lined up for or against privatization in Baltimore?

(pa)

How were the target schools selected? What were the criteria? Were school personnel given a choice?

(This question will gather data about the factors which caused these particular nine schools out of 180 to be selected)

What particular conditions, if any, existed in the target schools which led them to be privatized?

(pr)

Why was the decision made when it was made? Why couldn't it wait another year or two?

(co)

INFORMED CONSENT

I agree to participate in an interview for the study of privatization of schooling in Baltimore. I understand that my participation in this interview is completely voluntary and that my responses will be confidential at my request. I also understand that I may remain anonymous if that is my wish.

Name _____

Signature _____ Date _____

CONTACT SUMMARY SHEET

Int. # _____

Int. Date _____

1) The Process. (How the decision was made)

2) Problems identified

3) Participants

4) Solutions available

5) Choice opportunity

VITA

Joseph Pociask was born in Ried, Austria on February 18, 1949. He emigrated to the United States in 1952, and became a citizen of the United States in 1960. Joseph attended schools in Arlington County, Virginia and graduated from Washington-Lee High School in 1967.

Joe continued his education in Virginia, receiving his BS in Secondary Education in 1971 from Old Dominion University, and his MA in History in 1976. The title of his Masters thesis was *The United States and the Anschluss: Reactions and Repercussions*. Other postgraduate studies included classes at Old Dominion University and Virginia Tech. He received a Certificate of Advanced Graduate Studies from Virginia Tech in 1992 and continued studies to pursue a doctorate.

Joe became a social studies teacher in the Portsmouth Public Schools in January of 1972, and was assigned to Norcom High School. Subsequent teaching assignments included Manor High School, Wilson High School, and Cradock High School, where he served as department chair from 1978 to 1984. In 1984, he accepted the position of social studies supervisor for the Portsmouth Public Schools. In 1987, he became an assistant principal at Norcom High School. He has also served in that capacity at Cradock High School and Manor High School, and is currently an assistant principal at Wilson High School.

Joe lives in Portsmouth with his wife, the former Carolyn Sue Gilliam, and sons Josef, Christopher, and Anton.

A handwritten signature in cursive script that reads "Joseph Pociask". The signature is written in black ink and is positioned above a horizontal line.

Joseph Pociask

Portsmouth, Virginia

April 1996