



# Delta-k

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## Educational Performance Contracting

In past months we have all heard of "Performance Contracting" or "Contracted Learning" as something "new" in education. On October 13-15, 1970, the Michigan Association of State and Federal Programs Specialists, in cooperation with the Michigan Department of Education, sponsored a conference on Educational Performance Contracting.

*Bruce Pearson*  
West Ottawa Public Schools  
Michigan

"Performance Contracting" is not a simple concept nor someone's overnight brainstorm. It is an outgrowth of the public's demand for "accountability" in its schools. Very simply stated, it is the process of contracting with an independent, profit-oriented company to teach students subjects such as mathematics and reading. The contract is paid on the basis of student achievement as measured by pre- and post-testing.

"Accountability" has been defined as "responsibility for satisfactory performance". Dr. Norman Weinhermer, former Superintendent of the Grand Rapids Public Schools, has stated, "Accountability needs responsibility and authority - authority to operate." He went on to say, "We educators truly must have individualized instruction - now." Until about the 1950s, not much

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money was really involved in public education. Since then, larger sums of money have been spent on education and as a result, we, the educators, are being required to be accountable.

In the American educational system, change from within is slow, but pressure from the outside, for some yet unexplained reason, produces change. One needs only to look at the revolution in mathematics to see how outside pressures cause change. Performance contracting is a method of allowing outside forces to make controlled changes. *Almost all performance contracts have been in the areas of mathematics and reading*, generally at the elementary level. There are two basic reasons for this fact. First, these two areas are of prime importance, and second, their results are the easiest to measure. In addition, these two areas are conducive to the development of individualized programs of instruction.

Many contractors involved in these programs first change the learning environment by use of carpeting and air conditioning. How many school districts do you think could convince their taxpayers to spend the money necessary to carpet and climate-control their existing classrooms? The rationale is that after the contractor has demonstrated that these changes (and many others) affect learning positively, the public would accept the additional costs. Air conditioning and carpeting are, of course, not the prime changes made by the contractor, but they are a starting point and perhaps the only changes that the man on the street sees.

The contractor places his confidence for results in four areas: environment, both physical and non-physical; motivation on the part of the entire staff; staff and resources. The emphasis placed on these four areas varies with the contractor. Let's take a closer look at each of them.

#### ENVIRONMENT

The physical aspects of this have been mentioned. Things such as furniture and decorating come into play as well. The non-physical aspects are a little more difficult to pinpoint, but they come about through the use of enthusiastic staff members and new philosophies.

#### MOTIVATION

Both staff and student motivation is a necessary ingredient. Student motivation might be achieved through the use of payment by tokens or stamps for completion of certain objectives. These tokens can then be converted to money or used to buy time in the game room where the student can relax and listen to records, drink pop, play pinball machines, and so on. Other forms of motivation might be free time when the student can do whatever activity he likes. Yet another aspect is to have some learning experiences which are special and must be earned.

#### RESOURCES

Most contractors make extensive use of equipment. Equipment is provided for both the staff to use as well as the students. It includes, but is not limited to, reading machines, typewriters, diversified text materials, manipulative games and toys, filmstrip and -loop viewers with films, cassette tape recorders and players with appropriate tapes, and a game room.

## STAFF

Most contractors either provide their own staff or more often use the best staff the school has to offer. Contractors pick the staff from those persons indicating a desire to be involved. This staff, both professional and para-professional, then undergoes an intensive training program prior to the opening of school.

An expected reader reaction at this point is, "Give me all these things, the para-professional help, and I, too, will produce." Why don't we do this and eliminate the outside force? The answer to this question has been alluded to earlier. Schools are generally conservative and not willing, or able, to spend money necessary to meet these ends. Contractors, on the other hand, know that they can produce through these means and can borrow money as private businesses. They will be paid, not by vote of the taxpayers, but through a fulfilled legal document. Almost all existing performance contracts in force, both in Michigan and throughout the country, are financed by federal dollars. Consequently, no one can lose.

Let's illustrate how performance contracting is financially sound. One school system traditionally spends, on the average, \$110 per child to teach reading per year. Suppose this child requires three years to achieve one full year of achievement in reading. A contractor says that he will bring this same child up one full level in one school year for, say, \$230. If this goal is not accomplished, the contractor will be paid either nothing or a portion of the contracted sum corresponding to the measured amount of learning which was accomplished, depending on the terms of the contract. Granted, assuming full production, this is a large outlay of money for the student for one year. However, when equated with the traditional program, the contracted program is \$100 less expensive for the same product. Of more importance, the student has accomplished what he is in school to accomplish. Assuming this level of production can continue, the student will theoretically be three times better educated when he leaves school than he would have been under the traditional program - at a cost of \$100 per year more. It should be noted that at present, most performance contracts involve the "educationally deprived" student.

How involved and complicated is this business of contracting the school's responsibilities to some one outside the school? The performance incentive contract between the Dallas Independent School District, Dallas, Texas, and New Century, Educational Division, Meredith Corporation, is a 26-page legal document. In addition to this basic contract, others must be negotiated for a management support system, for evaluation and still another for the audit. As payments are made on the basis of production, there must be a means for testing this production and a system to relate these test results to payments. Thus the need for a firm to perform an audit. It is considered best to have both the testing contractor and auditor independent of the firm holding the performance contract. This interplay necessary between the performance contractor and testing contractor requires a management support system. It soon becomes obvious that the total cost does not involve just that of the performance contractor but the costs of the firms providing these additional needed functions as well.

The testing part of the complete program is probably the biggest philosophical bug-a-boo in the entire system. This is the area which has drawn the most attention in the reports on the Texarkana program. This is unfortunate as it is reported that a great deal of good and productivity resulted from that project.

A performance contract usually has built into it a "turnkey" section which spells out how the school should be able to take over the program. No one expects the contractor to be around for more than three years on a particular project.

The efforts and frustrations involved in establishing the first performance contract for a school system are more monumental than those encountered in the negotiation of teacher contracts throughout the State. Why, then, has the Office of Economic Opportunity been pumping Federal dollars into performance contracts? The basic reason is that no independent school system alone could afford to, either financially or philosophically. Yet, some educators have felt that the methods to be used by contractors were the best ones at this time and for the desired goals. Dr. John W. Porter has said, "In my opinion, performance contracting is going to be the salvation in helping the classroom teacher serve more students and give more individual help. I think the educational community will eventually come around to this..." What Dr. Porter refers to are the concepts and methods of performance contracts, not the turning of public schools over to private enterprise.

If Dr. Porter, the State Board of Education, the Michigan Legislature, and Federal Government are willing to reorder their priorities and put more money in all areas of education, not just the select areas as is presently being done, then all teachers will be as those working for performance contractors and more accountable.

The desire for accountability and productivity exists in almost all educators, but the funds to carry out change does not. If there is one thing that is being demonstrated through the present OEO program, it is this very fact.

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## From the Editor's Desk

\* Several letters have been received from readers concerning the properties of  $i^1$  and  $i^{-1}$  raised in an issue last year. We are pleased to print the most interesting article in this issue on page 15.

\* Here's a puzzle for that student in your class who is always the first to finish his work:

Using the digits 1, 9, 7, 2 and the signs of standard mathematical operations, represent the integers from 1 to 25 (or some higher limit) without gaps. Here's a start:

$$1 = 1 + 9 - 7 - 2$$

$$2 = 1 + [9 + (7 + 2)]$$

$$3 = -1 + 9 - 7 + 2$$