INTERVIEW

Innovating Education: An Interview with James H. Shelton III

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An Interview with James H. Shelton III

JAMES H. SHELTON III, Assistant Deputy Secretary for Innovation and Improvement at the U.S. Department of Education, manages a portfolio that includes most of the Department's competitive teacher quality, school choice and learning technology programs. He is also involved in the development of and grant process for the $4.35 billion Race to the Top Fund, and the $650 million Investing in Innovation (i3) Fund, both part of the $787 billion American Reinvestment and Recovery Act Funds.

Mr. Shelton brings to his new position his experience and perspective working in the business and the foundation sectors. Shelton most recently served as a program director for the education division of the Bill & Melinda Gates Foundation. Prior to that, Mr. Shelton was a partner at NewSchools Venture Fund. He was a co-founder of LearnNow, a school management company that later was acquired by Edison Schools. He also worked at Knowledge Universe, Inc., where he launched, acquired, and operated education-related businesses. Shelton's other business experience includes four years as a senior management consultant with McKinsey & Company in Atlanta, Georgia. Shelton holds a bachelor's degree in computer science from Atlanta's Morehouse College as well as master's degrees in both business administration and education from Stanford University.

In this edited interview with DMC's CEO John J-H Kim, Mr. Shelton discusses his new role, and his vision for innovation and improvement in the American school system.

As you think about innovation in the context of public education, how broadly are you defining innovation? Are you focusing primarily on programs for student achievement, or are you also thinking about systemic managerial and operational approaches?

When people hear the word "innovation," the natural tendency is to think of technology. Certainly, using technology to transform the processes with which we are all so familiar will likely be a substantial area of focus. But, another key area of focus is enabling new understandings that will have an impact in the classroom.

I keep saying that I wish the fund were called "Investing in the Innovation of Scaling Up What Works." One of the innovations we need most is how to take what works to scale. Innovation is products, processes, and organizations that are focused on student achievement and engagement, teacher effectiveness and satisfaction.

Will you be more focused on investing in new things that seem to have promise, or investing in things that have a proven track record where the focus can be on scaling up?

I think what's interesting is that even in the original name of the fund you hear a bit of the dissonance. "Invest in What Works *And* Innovation." I think, in the end, we want to respect both of ▷

those missions. We'll create space for things that have strong evidence of success and help them create ways to become not only sustainable, but replicable on a much greater scale. I think some of the scale aspirations that we have may intimidate people. I said to a group I was speaking to that we need to have ten times the impact we've had over the last several years, and people responded that they can't grow that fast. I didn't mean that you have to try to grow your organization ten-fold over the next three years – that's not smart. What I was trying to say is to think differently about how you can scale your impact. We are going to be pushing people by asking, "How can you take what you have that is now touching thousands of children and figure out how it can impact hundreds of thousands, even millions, of children?"

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How do you choose between things that are proven but may have limited scalability versus things that are not proven but may have really dramatic scalability?

I think the hardest tradeoff to make is impact versus scale. One of the things we think about is, "What is the size of the potential population that will be impacted?" So, for example, if there is an intervention for a very particular segment of the special needs community that has dramatic outcomes, but is difficult and expensive to scale, we might decide that because there are so few interventions that are highly effective with that population, it may be worth it. Whereas, if there

are two solutions for accelerating reading that have basically the same impact—same amount of gains, but one is extremely costly and difficult to scale and the other is not so costly and fairly easy to scale, the one that's not so costly and fairly easy to scale will win out.

The questions get really fuzzy when the choices are not so clear. If you have one program with really solid evidence and the results are good but not stellar, and then you have another program where there are pretty stellar results but the evidence is still fairly early, it's a tough decision. The reality is that ultimately $650 million is not that much money. Anyway you cut it—65 x 10 or 130 x 5, you're not talking about lots of organizations getting large sums of money. I think we will strive to have a mixture of three categories of organizations—some that are proven and ready to grow, other organizations where we'll have less evidence and part of what we're investing in is the production of more evidence, and then other organizations where we give seed money for "pure" innovation.

I imagine that most of the things you're going to be looking at will fall into that gray area, or do you believe that it will be fairly clear for you?

I think that my biggest challenge is that most things won't be clear. The decision-making process will make it even more challenging.

So, you will be concentrating on these three categories?

Yes. And that's both for strategic reasons as well as for purely operational reasons. One, $650 million is not that much money. Two, the broader the scope, the more difficult it is to compare. It's hard enough to compare the apples to the apples, let alone to compare the apples to the oranges, pears, and grapes. The wider the spectrum I allow, the more of those comparisons we're forced to do.

When you talk about scale, do you think in terms of districts, states, or types of students? How do you think about scale?

I think first of the numbers of high-needs students touched.

Regardless of geography? Regardless of organization?

Right. To be honest, there are some kinds of innovations that are boundary-neutral. There are other innovations that do have those boundaries; then, it becomes a consideration. But I tend to think in terms of the ability to touch as many students as possible, and, in particular, the students who have some kind of disadvantage.

As you know, our audience—our membership—is comprised of superintendents and their senior staff. One thing that is different about the District Management Council is that we don't organize around geography, type, or size. We have districts that are as large as a few hundred thousand students and then we have some with only a couple thousand students. What's the message that you have for our membership? What's the message for the traditional public school district as they think, "How can I partner? How can I use your organizing principles to demonstrate innovation and scalability? What can I be doing differently?"

Whether it's the 200,000-student district or the 2,000-student district, I think the most important thing for them to consider is, "How will what I am doing here today, if effective, really impact the broader field?" As a matter of fact, the 2,000-student district may even have an advantage because there are a lot more 2,000-student districts than there are 200,000-student districts. But it means they have to really think, "What are we doing that's going to produce knowledge or tools and resources that can have a broad impact on the field?

That's probably the one thing that is different from what they would normally be thinking about. I'm sure everyone is thinking about how to have the maximum student impact, how to sustain it after the grant funding is gone, how to scale it within the district. All that comes naturally to your membership. But, what I think is not necessarily going to be a natural thing is to think about how what they are doing can impact the broader field.

The reason I ask is that the incentives are currently aligned to focus the districts on the students within their districts. Thinking about having an impact across districts is a new concept for most districts. Do you have some prescriptions for how districts can do that? What are the types of things you hope to see from them?

I don't have prescriptions. The reality is that there needs to be a real plan about that broader impact question. If you don't codify what you're doing, it's hard for other people to do it. Some of the things seem self-evident, but you would be surprised. I've received proposals from people who didn't think through the cost structure of implementation, or didn't think through the kind of infrastructure you have to build to sustain something over time. It's really thinking through those and the partnerships that they're establishing to drive the body of work and ask, "How is this going to work over the long-term?" Because the easiest way to take yourself off the table is: (1) you don't have any good evidence that what you're doing is having an impact, and (2) you don't have a plan as to how you are going to sustain this once the money's gone.

I'm encouraging all the districts and states to forget about the Innovation and Race to the Top funds for a second and think as much about the key questions of "How do we leverage the core stimulus dollars as investment dollars for transformation? What kind of systems am I going to need four years ▷

from now to meet these new expectations, which are going to be much higher than before- in terms of graduation rates, international benchmark assessments—with potentially even fewer resources?"

When district leaders look at the economic forecasts for their states and their cities for the next four or five years, in most cases, they're not going to see a dramatic increase in revenue. In some cases, they're going to continue to see a decline four years from now. And so, these stimulus dollars that are now coming through are likely to be the largest one-time investment for transformation that they're going to see for some time, if not ever. If they're not thinking about it that way, then they are putting themselves in a position where, not even four years from now, they could wind up at the edge of a cliff finding that they need to do transformation work and have no money to do it.

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Since January, we've been talking about precisely that with our membership. We examined the recessions of the past and analyzed how quickly the major sources of revenue for school districts—income, property, sales taxes—have come back. We compared it to the previous four or five recessions. It's exactly what you said. This current recession is going to be longer; we're not expecting the economy to bounce back quickly. The stimulus funds reduce some of the immediate budgetary pressure, but these funds need to be used to transform school districts and position them for the future. But the challenge for them is how? How do I transform? We have been stressing the importance of scenario planning, strategic professional development, and branding with our membership.

That is precisely the work that has to get underway. That to me is going to be the real innovation work. I mean, I love what's going to happen with the Innovation Fund. But, the real innovation work that has to happen is figuring out how we actually increase our productivity to the point where people get better outcomes with fewer resources than we spend today.

I'm sure you would want as many partners as possible, whoever is available to help. You probably want the best ideas to flow, and you want that to happen yesterday.

There it is.

How does one get started?

So far, we've been very good at letting folks who want to lead lead. And we facilitate. I do believe that there is a small number of folks who really get this. I'd like to try and figure out how we help them in that process. That's as good as it gets right now. I wish I could say that we had the kind of broad thinking about this on the Hill and in the State Houses that needs to be there to bring about really dramatic transformation. But I don't sense that.

I want to discuss the Teacher Quality Partnership with you. This is a program that our readership would be very interested in. How are you thinking about this? How is it different from before?

The Teacher Quality Partnership is one that has a lot of potential. Right now, it's going through a couple of technical fixes that I think will be quite helpful; in particular, we are working on an extension of the time period to get a master's degree. We couldn't find any examples that

actually met the original time frame of a year. So, the good news is that the program overall is designed to do just what we talked about—to create a new model for thinking about preparing folks to go into high-need districts, in particular.

There was a fair amount of what I'll call "program design" from the Hill by committee. There's a lot of detail in the statute itself that, frankly, framed a lot of what we had to do here. Even for folks who have spent more than twenty years here, most of them find it to be one of the most complex statutes that there is. When people see how comprehensive the requirements are, they need to recognize that virtually all of it was written in the law. There's only one thing that we added and that is that the programs ought to be trying to figure out how to use student achievement data to inform the training and to prove the quality of the program over time.

My hope is that districts see in this an opportunity to craft new relationships with alternative providers or with their primary providers. It gives districts a real opportunity to define new relationships with those folks that supply their teachers and I hope that the leaders take full advantage of it.

At the District Management Council, we have done a lot of work around professional development effectiveness in terms of costs and outcomes, and continuous improvement methodology. Several of our districts are trying to link professional development to student effectiveness to really look at the cost effectiveness and resource allocation of professional development.

That is some of the smartest work that could be going on right now. The reality is that we still don't have the knowledge to prospectively figure out which teachers are going to be effective. If you don't really know how to prospectively figure out which teachers are going to be effective, then you can't with any credibility say you know what's most important to teach them. And so, this is ▷

the first step toward starting to unpack that understanding, and I'm hoping that the schools and alternative programs and the district partners really figure out how to develop tools and resources to do that work.

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One of the questions that the districts ask is how rigorous does the causality have to be?

For me, validating it against student achievement is what is important. We all know how to do basic statistics to figure out whether it's correlated, inferred, all that good stuff. Until we exhaust every option, I won't accept that we can't develop tools and resources that allow us to figure this out. So people just need to get moving on this—that's all.

The other concern that we've had around this is that there's a luxury goods mentality towards professional development. For some districts, professional development is the first thing that goes when there is budgetary pressure. We've been trying to promote the notion that it should not be a seesaw or roller coaster of resource allocation. But I think linking professional development to student achievement, the crucial thing you added to the legislation, will actually provide the framework to not give it up, to not take it off the table.

That's great.

More broadly, what do you want to see achieved or changed in this office during your tenure?

This office has a really broad mandate. I would define our objectives in two categories. One is that we want to invest in the creation of breakthrough models that are going to change outcomes for students, teachers, and productivity. And we'll do that through all the different venues that we have: the Innovation Fund, a push on the charter front to get more innovation in that space, teacher quality and teacher recruitment grants, and even a look at our arts and financial literacy programs for opportunities to push the envelope and really craft solutions that drive a different level of performance. The second major objective is to make systemic changes to foster innovation in education. We want to lead—along with our partners at IES (Institute of Education Sciences) and the rest of our department and through partnerships with folks on the outside—the transformation of that ecosystem so that you wind up, in a short period of time, with a systemic approach to innovation in the education sector.

You are broadly defining success as creating an environment in which innovation can happen.

Yes, nationally.

Focusing more on you, you have a very interesting and unique background. You bring to your role at the Department of Education a background in business and management, a pretty distinct perspective. At DMC, our three areas of focus are student achievement, operational efficiency, and financial savings, and we're specifically interested in the intersection of those three —the sweet spot as we like to call it. I think your background and perspective really resonate with our membership.

I feel really fortunate that a lot of things I've done come together nicely to support the work I'm doing

now. A lot of what I am working on now is about best practices, new processes, tradeoffs, and making difficult decisions in changing environments. Between my work doing both non-profit and for-profit investing, doing consulting, even as far back as when I was doing computer systems development work…

Computer systems development! That I did not know about you.

That's how I started off. I started off as a computer systems guy, and then went off to business and ed school. I find that I use all of it. It all really helps with problem-solving.

I feel very fortunate for the set of experiences I have had. I feel very honored to be here. On one of my first few days on the job, I was here on the seventh floor; someone had just finished talking to me about Idaho and Montana, and I look out and see the Capitol from my office. I realize that the future of all the kids in the United States and its territories are in my purview; they are my responsibility. My job has gone from trying to have influence on this entity that's supposed to serve all these folks to being responsible for the entity. That's a weighty responsibility. I feel really honored to be in this role. I am confident and hopeful that I will be able to deliver on it, but I am ever-conscious of the fact that there have been many, many committed, smart, courageous people before me who have tried and not done well in improving outcomes for our kids.

Thank you, Jim. We are excited to have you in this role. □

JOHN J-H KIM IS CEO OF THE DISTRICT MANAGEMENT COUNCIL. HE CAN BE REACHED AT JJHK@DMCOUNCIL.ORG.

What is the DMC

THE DISTRICT MANAGEMENT COUNCIL (DMC) is the nation's premier network of public school district leaders. DMC was founded in 2004 to support our members' educational mission while improving district management and operations. DMC provides superior management insights and tactical solutions to the most common and pressing challenges facing school system leaders today. We draw upon the collective wisdom of our growing membership, the veteran perspectives of our Senior Advisors, and the analytical expertise of our management consultants. By combining these resources, a DMC membership provides a powerful management tool.

A DMC membership offers a wide range of benefits, from superior actionable management advice to networking opportunities with other DMC members.

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