

#### WHAT'S NEXT?

With this report, Third Way is launching a series of in-depth, commissioned research papers devoted to examining what should come "NEXT" in center-left policymaking. Each paper, and the collection as a whole, will take a fresh, data-driven look at the prevailing assumptions that routinely define, and often constrain, Democratic and progressive economic and social policy debates.

Well before the Great Recession, middle-class Americans questioned the ability of the public sector to adapt to the wrenching forces reshaping society. And as we've begun to see a "new economic normal," many Americans are left wondering if anyone or any institution could help them, making it imperative that both parties—but especially the self-identified party of government—re-think their 20th century orthodoxies. To that end, our aim is not to affect today's headlines, but rather to provoke, influence, and shape tomorrow's policy debates, which will determine whether Democrats have the modern ideas needed to govern effectively in the 21st century—or spend their political capital defending an outdated status quo.

Fittingly, we begin this series with a groundbreaking paper that challenges one of the most enduring progressive postures: that there is little to no evidence that bold education reform, and in particular charter schools, produce dramatically different results than standard schools. The claims: charters cherry-pick the best students; they work only in small pockets of a few schools; they don't actually show sustained top quality outcomes; they can't be scaled up nationally. In Born on the Bayou, David Osborne, co-author of the best-selling book Reinventing Government, takes on those arguments, and for the first time, tells the complete and compelling story of the post-Katrina system-wide chartering and stunning turn-around of the New Orleans K-12 schools.

Charter schools are not a new idea; in fact they have been around for more than three decades now. But from the beginning, charter schools posed a profound challenge to the status quo in education, especially to the teachers' unions that have often fought them. The consequence was that charters could mostly take hold only in the most egregiously failing school districts where all hope for a quality education was lost. Between the powerful interests of teachers' organizations and political considerations, charters have been relegated to the margins of public education, often restricted in the number of schools they could open. The impact? Today, when education significantly determines middle-class prosperity and opportunity, K-12 education in America is still dominated by schools built and run on an old model that leaves not



... our aim is not to affect today's headlines, but rather to provoke, influence, and shape tomorrow's policy debates, which will determine whether Democrats have the modern ideas needed to govern effectively in the 21st century...

We hope that this paper will spark a fresh debate about public education. The challenge before the country is to meaningfully increase the educational attainment of children across the income spectrum.



just lower-income kids but also many in the middle class failing to get the skills needed to compete globally. As a 2011 Third Way report found, less than three out of ten kids in a middle-class school graduates from college with a four-year degree.

In New Orleans, tragedy opened the door for charter schools to become essentially the entire school system. In the sort of radical restructuring that has not happened anywhere else in the United States, New Orleans schools changed the way they do business, achieved big improvements, and, as David documents in this essay, "the results could well shake the foundations of American education." New Orleans is the first and only system-wide experiment in public education reform, creating an "all charter" public school system. The results are staggering:

- In the first full school year after the storm, only 23% of students in the Recovery School District tested at or above grade level.
- Five years after the storm, 51% of students tested at grade level or above.
- Since Katrina, these schools have improved faster than any district in the state.

And the system they built in New Orleans provides a detailed roadmap for scaling up charters nationwide, including: decentralizing operational control down to the school level; using choice and competition to make schools accountable; closing failing schools; and recruiting excellent principals and teachers.

The success of New Orleans offers a model for a far more effective 21st century architecture for public schools. It is a fundamentally bolder and bigger concept of education reform than testing which, while valuable, has consumed too much of the reform conversation. And an "all charter public school system" has much greater promise than vouchers, as vouchers reinforce the existing inequities in education and would lead to the demise of the public school system. We hope that this paper will spark a fresh debate about public education. The challenge before the country is to meaningfully increase the educational attainment of children across the income spectrum. The lessons and principles contained in the charter experiment in New Orleans provide the greatest hope for every school district—rich, middle class, or poor—to make their school far better.

#### Dr. Elaine C. Kamarck

John F. Kennedy School of Government, Harvard University

#### **Ionathan Cowan**

President, Third Way

September 2012

## **BORN ON THE BAYOU**

### A New Model for American Education

ince the first charter school was opened in Minnesota 20 years ago, they have grown to be one of the more important and successful innovations in public education. Last year more than two million children—roughly 4% of all public school students—attended 5,600 charter schools in 40 states and the District of Columbia.¹ Teachers' unions and other critics claim charters don't work any better than other public schools, but the facts say otherwise.

Though charters receive roughly 20% less money per child, on average,<sup>2</sup> a careful academic review of the 90 rigorous, methodologically sound studies based on test scores showed charters outperforming traditional public schools.<sup>3</sup> Charters have higher graduation rates and send a higher percentage of graduates to college than traditional schools with similar demographics.<sup>4</sup> And both parental surveys and long waiting lists attest to their superiority.



Yet in most places, charter schools remain a positive innovation around the edges of a struggling public school system. For years, some reformers have argued that charters should *become* the system—that we should treat every public school, including middle income schools, like a charter. With parental choice, freedom from most district rules

Charter schools are independent public schools that contract with a district to provide education, free of most district rules and constraints, including collective bargaining contracts and teacher tenure. In return for this autonomy, they are held accountable for results. In Louisiana they get four years to prove themselves; if they fail, they are closed.

and constraints, and accountability for performance, these advocates contend, charters simply represent a better way to organize public education across the economic spectrum.

In 1998 and '99, I served on the National Commission on the Governance of America's Schools, created by the prestigious Education

Since [Katrina],
New Orleans
has conducted
the nation's
first serious
test of this
proposition,
and the results
could shake
the foundations
of American
education.



Commission of the States to examine whether we should change the rules by which we structure public education. We found that most large, urban school districts were failing: in the largest 74 districts, a minority of students graduated on time and large majorities scored below "basic" on the National Assessment of Education Progress (NAEP). To turn urban education around, we proposed that states and school districts experiment with two big changes in school governance. Under one model, districts would still operate schools, but give them more autonomy, allow full parental choice, hold schools accountable for results, and make them compete for students. Under the second, districts would do all of the above, but in addition, they would quit operating schools and employing principals and teachers; in effect, they would turn most or all of their schools into charters.<sup>5</sup>

Ahead of its time and facing entrenched interests, the report quickly faded into the dustbin of history. Since then, however, more than 20 large, urban districts have moved in this direction. The idea has become known as the "portfolio" model, the notion being that a district should manage a portfolio of diverse, independent schools. Because the school board would no longer be the political captive of an army of employees, advocates believe such districts would be politically freer to manage their portfolios like smart investors—closing schools that didn't succeed, replicating schools that did, and opening new schools to test new models.

This was a somewhat theoretical discussion until Hurricane Katrina hit. Since then, New Orleans has conducted the nation's first serious test of this proposition, and the results could well shake the foundations of American education. All families in the city now have the right to choose their schools, and last year 77.5% chose charter schools. In two years, under current plans, that number will rise to 93% or beyond.<sup>6</sup> "In other cities, charter schools exist in spite of the system," says Louisiana Superintendent John White. "Here charter schools are the system."

#### THE GREAT U-TURN

Before Katrina, Orleans Parish battled it out with St. Helena Parish for the title of worst school district in Louisiana—itself ranked in the bottom five states on most NAEP exams. When the state instituted its first battery of standardized tests in 2000, only 25% of public school students in New Orleans scored "basic" (grade level) or above. About half dropped out, less than one in five went to college, and fewer than eight percent graduated

from college.<sup>8</sup> The result: four of ten adults in the city could not read beyond an elementary school level, according to a 2004 study.<sup>9</sup>

Not surprisingly, parents who could afford it sent their children to private schools. Before Katrina, the public schools had 65,000 students, but Catholic schools alone had 50,000 students. "There were three school systems in New Orleans," remembers Jay Altman, who founded the city's first charter school: "private schools, academically selective public magnet schools, and everyone else. And the gap between the first two categories and the third was enormous."

In the eight years before Katrina, the Orleans Parish School Board (OPSB) hired eight superintendents, with constant squabbling. <sup>10</sup> Enrollment fell by almost 25%. <sup>11</sup> Racial politics, patronage, and corruption flourished. By 2004, FBI agents housed at district headquarters were investigating millions of dollars in fraud and theft. Board members were taking bribes; dead employees were still receiving paychecks; even bus drivers were stealing, using their district credit cards to sell fuel to truck drivers. At one point the district announced that employees would have to show an ID before picking up their paychecks, and 1,500 checks were left uncollected. <sup>12</sup> At least 24 district officials were later indicted, <sup>13</sup> and the board chairwoman went to federal prison.

If you talk to school people in New Orleans about the past, you will hear one anecdote over and over. In 2003, the valedictorian at Fortier High School failed the Graduate Exit Exam, despite five attempts. Leslie Jacobs, then the driving force on the state Board of Elementary and Secondary Education (BESE), says that day was a turning point for her: "When she failed and couldn't walk across that stage and get her diploma, there was no civil rights protest, there was no religious protest, no business protest, no civic leadership protest—there was a deafening silence. ... That was in my mind the emblem of a city that had given up all hope in its schools. I knew then that the only way to mobilize people was to prove that it could work—that we could successfully educate 'these kids,' poor, inner city kids, to much higher levels. Folks needed to believe success was possible."

Jacobs decided it was time to create a special school district to take over failed schools, a brand new idea in education reform circles. Her brainchild required a constitutional amendment, which needed a two-thirds majority in the legislature, then a simple majority on the ballot. Governor Mike Foster and his staff convinced the legislature, and Jacobs led the statewide campaign. The New Orleans school board, city council, and teachers' union all came out against the amendment.



... dead employees were still receiving paychecks... the district announced that employees would have to show an ID before picking up their paychecks, and 1,500 checks were left uncollected.

The valedictorian at Fortier High School failed the Graduate Exit Exam, despite five attempts.



"But I had served an African American district," says Jacobs, who had spent one term on the OPSB. "I had walked the district; I answered my phone. I knew parents wanted good schools for their kids; I had no doubt about it." The amendment passed by more than 60%—both statewide and in New Orleans—and the Recovery School District (RSD) was born.

Two years later, Katrina flooded 100 of the city's 127 public schools.<sup>14</sup> Its local revenues devastated, Orleans Parish School Board fired all of its teachers and most of its staff, then announced it was not reopening any buildings that school year. Having put in place the Recovery School District, Jacobs saw a huge opportunity.

OPSB was already facing bankruptcy, routinely paying its teachers late for lack of cash, and there had been discussion in the capitol of a state takeover. The federal Department of Education had threatened to take away the state's Title 1 money if it did not intervene, and State Superintendent Cecil Picard had appointed a receiver to take control of OPSB finances. Jacobs proposed that the new Recovery School District take over any New Orleans school that had a performance score below the statewide average and reopen them as charters.

By now, most state leaders had given up on New Orleans' school board. Democratic Governor Kathleen Blanco, who had relied on New Orleans voters, African Americans, and teachers' unions to get elected, sponsored the bill. She even beat back an amendment to require collective bargaining in the RSD. U.S. Senator Mary Landrieu, also a Democrat, supported her. Nearly every state legislator from New Orleans opposed them. But with the stroke of a pen, Blanco swept more than 100 schools into the RSD.

Landrieu then learned that the Education Department had almost \$30 million in unspent charter school money. She convinced Secretary Margaret Spellings to make most of it available for charters in New Orleans. Because it was the only way they could get money to reopen schools quickly, the OPSB decided to charter some of its 17 schools as well.

Jacobs, who deserves the lion's share of credit for New Orleans' reforms, began building a support network for the new charters. She helped fund a new organization called New Schools for New Orleans (NSNO), a nonprofit designed to support charters. She also led an effort to bring in New Leaders for New Schools, which recruits and trains principals to run inner-city schools.

New Schools for New Orleans helped convince The New Teacher Project, founded by Michelle Rhee to help people from other professions enter teaching, to recruit and train 100 teachers a year for the city. With foundation money, NSNO also incubated ten charter schools, providing coaching and funding for their first 18 months.

Teach for America, which recruits bright graduates of top-notch universities to spend at least two years teaching in low-income schools, was already sending people to New Orleans. But Jacobs and others later convinced them to triple the size of their operation.

At the Recovery School District, Jacobs and Acting Superintendent Robin Jarvis, a deputy state superintendent, asked the National Association of Charter School Authorizers (NACSA) to vet their charter applications, to ensure quality control. To their chagrin, the association recommended only six of 44 in the first round. So Jacobs and Jarvis swallowed hard and only chartered six schools. That meant they somehow had to open RSD schools—three of them that spring of 2006—with no fund balance to draw on, no principals lined up, and no teachers.

A report from an organization called Rethinking Schools captured what happened next: "When 17 RSD schools opened in mid-September 2006, students were confronted with all-out chaos. Textbooks had not arrived; buildings were not furnished with desks, let alone computers; and meals were frozen. And some schools had the undeniable feel of holding prisons; discipline replaced academics and security guards literally outnumbered teachers. As more and more children returned to the city, these schools struggled to accept them, because the charter schools would not. In January 2007, when newspapers reported that over 300 children had been waitlisted, even for RSD schools, the Recovery District rushed two additional schools into operation. Class size in some buildings ballooned to nearly 40:1. One English teacher reported having 53 students in one class." <sup>15</sup>

#### REINFORCEMENTS ARRIVE

When State Superintendent Cecil Picard died in February 2007, Governor Blanco asked Paul Pastorek—an attorney who had served eight years on BESE—to replace him. Blanco and Senator Landrieu urged Pastorek to hire Paul Vallas—a reformer who had run the Chicago and Philadelphia schools—to run the RSD.<sup>16</sup>

In Philadelphia, Vallas had managed a portfolio of more than 40 contracted schools, 56 charter schools, and more than 200 district-



Some schools had the undeniable feel of holding prisons; discipline replaced academics and security guards literally outnumbered teachers.

He would "give all the schools the independence and autonomy they would need, so their structure—how they hired, the length of the school day, length of year, the operational plans—would really be designed to benefit kids."



run schools. He had learned the value of handing authority over budget and personnel to the schools but holding them accountable for results—and shutting them down if they failed. He was completely in sync with the vision Leslie Jacobs had laid out in 2005, and he was willing to be bold.

"My game plan was to create a system of either charter or charter-like schools—traditional schools with charter-like autonomy," says Vallas, the words tumbling out so fast it's hard to keep up. He would "give all the schools the independence and autonomy they would need, so their structure—how they hired, the length of the school day, length of year, the operational plans—would really be designed to benefit kids.

"All the schools would be up for renewal every five years, including traditional schools"—and if they were not performing, they would be closed down. "You would be prequalifying or incubating new school providers, or identifying top performing schools that were ready to take on other schools or expand their clusters, so you would turn the weak performing schools over to the strong performing schools."

With his reputation, Vallas pulled talent in from around the country. New Schools for New Orleans incubated new charter schools, and every year BESE accepted every application NACSA approved. Vallas and his staff also worked hard to make their "direct-run" schools succeed, lengthening the school day and year, creating alternative programs for dropouts and discipline problems, pushing "data-driven instruction," introducing performance incentives for teachers, and providing laptops, smart boards, and other technology. They treated the direct-run schools as much like charters as possible, though former OPSB teachers who survived three years automatically got tenure, under state law.

Even with reforms in the direct-run schools, it became obvious after a few years that charters were outperforming them, particularly at the high school level. Motivated parents and teachers flocked to the charters; the RSD high schools became dumping grounds for those paying less attention and for students dropping in and out of school. Their average entrant was four years below grade level, and their mobility rate was 40-50% per year. Years So Vallas and Pastorek embraced the obvious solution: make all the RSD schools in New Orleans charters. By last fall, the RSD had 48 charters and only 12 direct-run schools in the city, And it will convert the remaining 12 into charters over the next two years.

#### THE NATION'S MOST DRAMATIC IMPROVEMENT

Since Katrina, RSD schools in New Orleans have improved faster than

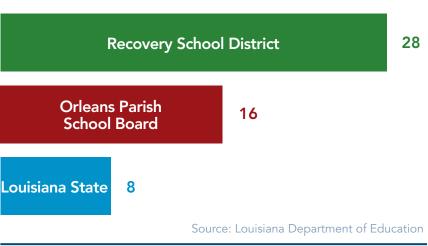
any other district in the state<sup>19</sup>—and most likely faster than any district in the nation. In the spring of 2007, the first full school year after the storm, only 23% of students in RSD schools in the city scored "basic" (grade level) or above on the state's standardized tests. Five years later, 51% did, as shown in Figure 1.<sup>20</sup>

The percentage of RSD students in New Orleans scoring basic or above on all standardized tests has jumped 28 points, 3.5 times the average state increase. (See Figure 2.) The 17 OPSB schools were all above the state average in performance in 2005; many of them were selective magnet schools. With 12 of 17 now charters, they have managed to improve 16 points despite their head start, the fifth fastest rate in the state. Today 82% of their students test at grade level or above—fourth best in the state.<sup>21</sup>

The city's progress is even more dramatic in the early grades, which suggests it will only grow as these better-educated students reach middle and high school. By the spring of 2012, 58% of 3rd-8th grade students tested at grade level or above.<sup>22</sup> (Standardized

FIGURE 1 Percent of Students at Grade Level or **Above on All Standardized Tests** 80% Orleans Parish 77% School Board 70% 66% State of Louisiana 68% 66% 65% 64% 60% 60% Recovery School 51% District New Orleans 43% 37% 28% 23% 2007 2008 2009 2010 2011 2012 Source: Louisiana Department of Education

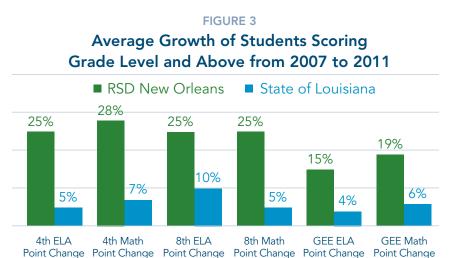
# Percentage Point Increase of Students at Grade Level or Above on All Standardized Tests



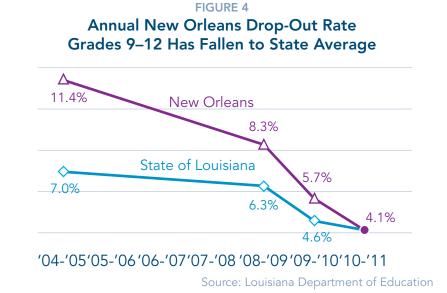
testing begins in 3rd grade.) Figure 3, which focuses on RSD schools that have been open since 2006-07, shows the results on 4th, 8th, and 10th grade tests students had to pass to be promoted or graduate. (It

excludes special "alternative schools" set up for dropouts, discipline problems, older students, and the like.)

As better educated kids reached them, middle schools have begun to catch up: in 2011, eighth graders made record gains on standardized tests.<sup>23</sup> Some progress is also visible in high schools: 94% of seniors



Source: Louisiana Department of Education



graduated in 2011, up from 79% in 2005,<sup>24</sup> and the annual high school dropout rate had been cut by almost two-thirds, as Figure 4 shows.<sup>25</sup>

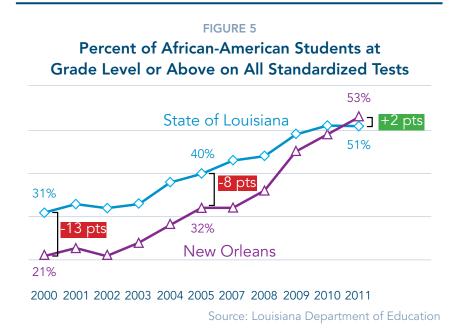
The RSD's direct-run high schools have struggled, but its charter high schools are working small miracles. At five of the eight RSD charter high schools, every senior was accepted to college this spring, and at the other three, the figures were 88, 83, and 42%.26 Though not all of these students will enter college, most that do will be the first in their families.<sup>27</sup> Despite a huge increase in the percentage taking the ACT exam,<sup>28</sup> scores at these charters increased faster than in any school district in Louisiana between 2009 and 2011, from an average of 14.8 to 17. (The state average for public and private students was 20.2 in 2011; the national average 21.)29

Though New Orleans' revamped schools have recently begun to attract more white students,<sup>30</sup> their improvement is not due to a big change in student population.

In 2011, a higher percentage (83.5%) qualified for a free or reduced price lunch than before Katrina (77%), and almost as many (86 vs. 93%) were African American.<sup>31</sup> Indeed, the gains made by black students are the most impressive, no doubt because the RSD schools are

91% black.<sup>32</sup> If one counts only African Americans, New Orleans had the lowest test scores in the state before Katrina. By 2011 it was above the state average. (See Figure 5.)

Before the storm, 62% public school students in New Orleans attended schools rated "academically unacceptable" by the state. If the same standard were still in place, only 13% would have attended failing schools last year.<sup>33</sup> Test scores, performance school scores, graduation and dropout data, ACT scores, and independent studies all reveal the same pattern: New Orleans schools are improving three times as fast as the rest of the state, and within New Orleans, charter schools are improving the fastest.



Jay Altman, who now runs a charter network called FirstLine Schools, puts it well: "If we can keep an accountability system and say, 'Here's the bar, and it's set high, and if you can't meet it, someone else is going to run your school, New Orleans could become the only city in the country where every kid goes to a good school."

#### RESULTS OVERCOME RESISTANCE

In the first few years after Katrina, the reforms elicited bitter resistance. Facing bankruptcy, OPSB fired 7,500 employees after the storm. Based on the data available, it's a fair guess that only a third of them were later hired by OPSB, the RSD, or charters. (The public school population is down from 65,000 to 42,000, so a third would have been out in any case.) Many of those who lost their teaching or administrative jobs complained bitterly about the move to chartering, because it took schools away from principals and teachers with lifetime job security and handed them to private organizations. Teachers' unions have fought hard to stop charter schools from coast to coast, and Louisiana is no exception. Their spokesmen still like to point out how many RSD charters are labeled "D" or "F" by the state's accountability system—without ever mentioning that most are making progress toward higher

"If we can keep an accountability system and say, 'Here's the bar, and it's set high, and if you can't meet it, someone else is going to run your school, New Orleans could become the only city in the country where every kid goes to a good school."



In 2009, only
31% of public
school parents
said the schools
had improved
since Katrina.
Two years later
66% believed
the schools had
improved...



grades, those that don't are shut down, and the schools they replaced were much, much worse.

Critics also contend that charters don't take their fair share of children who need special education, and this is true of some OPSB charters, particularly a handful of former magnet schools with selective admissions. But in 2010-11, 9.4% of students in RSD charters received special education, higher than the citywide average of 9.1%.<sup>34</sup> And more of those students are succeeding: In 2005, 11% of special education students in the city scored basic or above; last spring 36% did, almost matching the statewide average of 40%.<sup>35</sup>

Critics also claim that charters get far more money than normal public schools. This was true of all districts hit by Katrina and Rita in the early years. They received federal money to rehab buildings and replace ruined desks, textbooks, and other supplies. And last year FEMA awarded the RSD and OPSB \$1.84 billion to replace buildings ruined by the storm. But by 2009-10, RSD schools received slightly less than the Louisiana average in state and local operating money, slightly more in federal money, because they served so many poor children who were eligible for Title 1. Combining the two sources, Tulane University's Cowen Institute reported, the RSD ranked 20th among 70 Louisiana districts in per-pupil operating money. Some of the charters do raise extra money from grants and foundations, but it seems silly to criticize them for fundraising.

Since Katrina, polls have shown that between a quarter and a third of New Orleans residents were angry about the reforms, according to Leslie Jacobs. "They want the schools returned to the OPSB, they resent charter schools, they're not supportive of the RSD, and they're angry," she says. "It's the same group of people who feel that their power has been taken from them, and what happened post-Katrina is a white conspiracy against them."

But today a solid majority of New Orleanians support the reforms, because they are working. The Cowen Institute does a poll every year. In 2009, only 31% of public school parents said the schools had improved since Katrina. Two years later 66% believed the schools had improved and 90% agreed choice was important.<sup>37</sup>

The broader public is even more supportive. In a March 2012 poll by Louisiana State University's Public Policy Research Lab, 78% of those in New Orleans strongly supported charter schools. Support for radical reform elsewhere in the state was also deep: 86% of Louisianans

agreed that the public schools needed "fundamental change" or a "total overhaul," and 70% supported charter schools.<sup>38</sup>

The political struggle over charters came to a head in elections last fall, when eight of 11 seats on the state board of education were contested. Leaders of two teachers' unions, two associations of superintendents and school executives, the Louisiana Retired Teachers Association, the Louisiana School Boards Association, and several other organizations announced a new Coalition for Louisiana Public Education and campaigned against the reformers. In November, they lost all but one seat. Reformers who had only a 6-5 majority during Pastorek's years now have a 9-2 majority on many votes.

Republican Governor Bobby Jindal, who took office in 2008, was not a factor in New Orleans' move toward an all-charter district. The state superintendent is appointed by the state board, not by the governor. Though supportive of Pastorek, whom he inherited, Jindal put far more energy into a small voucher program for about 1,700 elementary school kids in New Orleans. (The academic results have been disappointing: voucher students have performed much worse, on average, than students in RSD schools.)39 But this year Jindal jumped to the front of the parade—and earned himself national headlines—by pushing a statewide expansion of both vouchers and charters through the legislature. It will allow universities, nonprofits, and community organizations to grant charters, if the state board approves them as authorizers. The voucher bill will extend vouchers statewide, to lowand moderate-income students in public schools rated C, D or F by the state's accountability system. More than half of the state's public school students will qualify. To ensure that private schools accepting vouchers have some accountability for those students' academic performance, the state board will adopt standards they must meet. 40

Jindal's political victory—and the national attention it has garnered on the right—demonstrate the danger if progressives allow teachers' unions to block the expansion of charter schools. Vouchers have two big flaws. First, they offer no guarantee of academic success (witness their poor performance in New Orleans), because private schools are not accountable to any public body and cannot be shut down if the students aren't learning. Second, vouchers create distinctly unequal opportunity. Once half the state has access to them, it won't be long before everyone else demands them. At that point, those who can afford it will add their own money to the voucher and buy more



If we fail to create effective public school systems, Republicans will pass voucher bills in state after state. New Orleans offers a third way that every progressive ought to support: decentralization. choice, and competition, but within a framework of equal opportunity and accountability for performance.



Ask any charter principal or teacher why the new model works, and you will hear the same story: we can hire good teachers, fire mediocre ones, and spend our money in whatever way works best for our kids.

expensive educations for their kids, and the education market will stratify by income, like every other market.

If we fail to create effective public school systems, Republicans will pass voucher bills in state after state. New Orleans offers a third way that every progressive ought to support: decentralization, choice, and competition, but within a framework of equal opportunity and accountability for performance.

#### WHY THE NEW ORLEANS MODEL WORKS

After publishing *Reinventing Government* in 1992, I spent the rest of the decade trying to answer the following question: In public organizations that make dramatic leaps in performance, what strategies have the most power? My co-author Peter Plastrik and I looked at high performance organizations in five countries, at all levels of government and public education. The answers were always the same. Successful reformers put five key elements into place:

- clarity of purpose,
- consequences for performance,
- accountability to customers,
- · decentralization of operational control, and
- culture change.<sup>41</sup>

Charter schools in New Orleans embody all five. Their charters articulate their purposes and specify how success or failure will be measured. They face direct consequences for their performance: success is rewarded with more students and more schools; failure means they will shut down. They are accountable to their customers: if parents are unhappy and remove their children, the school loses money, and vice versa. Schools control their own operations and budget, free from most district interference. And to survive, they build very different cultures from those of traditional public schools.

These are the universal principles other districts—wealthy, middle class, or poor—must embrace if they want to emulate New Orleans' success. New Orleans' experience suggests one other necessary element in a poor, urban school district: a conscious effort to recruit and develop excellent principals and teachers.

Let us examine these steps one by one, beginning with the most obvious.

#### 1. Decentralize Operational Control to the School Level

Ask any charter principal or teacher why the new model works, and you will hear the same story: we can hire good teachers, fire mediocre ones, and spend our money in whatever way works best for our kids. In traditional districts, most hiring, budget, and curriculum decisions are made at central headquarters, and it is virtually impossible to fire a teacher who has tenure.

Rene Lewis-Carter is principal of Martin Behrman Elementary, part of a charter management organization (CMO) called the Algiers Charters School Association. Young and energetic, she dotes on her students, 97% of whom are African-American, as she is. In 2011, 100% of her fourth graders passed the English Language Arts (ELA) test, which is required to move to fifth grade. This spring at least 90% of her fourth graders passed all four tests: ELA, math, science, and social science. 42

Lewis-Carter doesn't mince words when explaining this success: "If something does not work for my children here at Behrman, be it a teacher, be it a textbook, I can get rid of it. I got to handpick teachers—I'd never been able to do that before." And those teachers "understood that things were different, that if they did not perform, they didn't have to be here the very next day. Everyone understood the sense of urgency." In a school of 52 teachers and aides, she says, she fired seven in her first five years.

Lewis-Carter's mentor, Mary Laurie, has been a teacher or principal in New Orleans for 25 years. Today she runs O. Perry Walker High School, another Algiers charter. With a traditional building and 875 students, it looks and feels like any other large public high school in America, except that 99% of its students are African-American.

"I don't believe anyone should be guaranteed a job," Laurie says. "When we interview someone, we always say, 'Come to Walker unannounced and see what it's like, the kids who come through our doors. I expect you're going to educate them. They're going to come to you at a sixth or seventh grade level. Don't sign on to this job if you cannot deliver.'

"We nudge. We're constantly looking at that data. And we stay until seven or eight every night. The last bus rolls out at seven—young folk doing extracurricular activities. Someone has to say, 'I take responsibility to give these kids a safe place."

This spring, 88% of Walker's seniors were accepted to college.

"If something does not work for my children here at Behrman, be it a teacher, be it a textbook, I can get rid of it. I got to handpick teachers—I'd never been able to do that before."



In 25 years, she was able to remove three teachers. by going through a long and arduous process... But there's a big difference between being incompetent and being excellent and many teachers fell between those extremes.



Doris Hicks, who runs a charter that offers pre-kindergarten through high school in New Orleans' poverty-stricken Lower Ninth Ward, is another long-time African-American principal. When she first heard about charter schools, she didn't like the idea. "I thought charter was synonymous with magnet, so our kids wouldn't be able to come here if we were a charter," she remembers. "But I tell you, I would not trade it for the world.... This is truly education reform. You've got to have an effective teacher in every class, and we're able to do that."

Hicks is also able to spend her budget in ways designed to help her particular students. As a charter, her school offers smaller classes, a mentoring program, four hours of tutoring on Saturdays, and three band instructors, because so many of its students play an instrument. <sup>43</sup> This spring, all of her graduates were accepted to college.

Kathleen Riedlinger was a traditional principal for 25 years, in a selective magnet school, before it was chartered by the OPSB. She runs a selective, well integrated, largely middle class school, but she cites the same freedom Hicks, Laurie, and Lewis-Carter do in explaining her success: "Before, I had teachers with tenure, and teachers' unions, and collective bargaining, and teachers' rights. I had to learn to play the game to get the best teachers I could get. I would try to time my selections. I would develop relationships in HR, try to work the system, to make sure I could get the people I needed. No matter how veteran I became, no matter how much I tried, occasionally I got it right, and occasionally I didn't."

In 25 years, she was able to remove three teachers, by going through a long and arduous process to prove they were incompetent. But as she points out, there's a big difference between being incompetent and being excellent, and she had to tolerate many teachers who fell between those extremes.

"For 25 years, my main leadership strategy was 'Would you please?' because when you have a strong union, that's what you have. I could 'would you please' as well as anybody in the school district. But I always thought it would be pretty nice to have a little more oomph than 'would you please.'"

### 2. Use Choice and Competition to Make Schools Accountable to Their Customers

No students in New Orleans are assigned; everyone has to choose. This is a second key to the model's success: it gives different kinds of students and their families choices between different kinds of schools,

and it makes those schools compete to please those families. There are Knowledge is Power Program (KIPP) schools, with strict discipline, long school days, intense drilling on basics, and a laser-like focus on getting poor, minority children into college. There is a Montessori school. There are selective schools for high achievers. There are schools with a special focus on science and mathematics, technology, creative arts, language immersion, two high schools that offer the demanding International Baccalaureate program, and a military and maritime high school.

Several charter networks are also experimenting with educational software, so children can learn more at their own pace. Many schools already provide laptops for most or all students, and both Algiers and FirstLine have staff members investigating how to maximize the value of educational software. "We have to figure out how to educate these kids on the regular per-pupil funding formula," says Jay Altman. "So we're looking at software for instruction. We're piloting a bunch of that stuff."

The RSD has also promised "a diverse set of high school pathways to college and to career" by 2013-14. The new options will include accelerated schooling for students who are academically behind, career and technical schools, early college schooling that grants college credits during the high school years, and "mentoring-intensive schooling for students at risk of involvement with the juvenile justice system."

Some of this will begin next fall. By the following fall, the RSD says, "High school students will have the opportunity to earn industry-based certifications in health care, construction, digital media, culinary arts, and petro-chemical. The RSD has identified several industry and higher education partners that will develop courses geared toward high-school job certification, provide adjunct faculty, industry tools and resources, and guarantee internships and job interviews." 45

When families choose one of the city's many options, public dollars follow the child, so school operators are in direct competition for funds. "It's very competitive," says Mary Laurie. "From a business perspective, all monies come back to your enrollment numbers. Two new charter high schools were approved to open last year; that was two more options on the east side of the river. So we have to let them know we have a good art program. We have to let them know we have dual enrollment at no cost, in five universities."



"For 25 years, my main **leadership** strategy was 'Would you please?' because when you have a strong union, that's what you have. **But I always** thought it would be pretty nice to have a little more oomph than 'would you please."

When families choose one of the city's many options, public dollars follow the child, so school operators are in direct competition for funds.



### 3. Create Consequences for Performance by Closing Failing Schools

Competition creates some consequences: schools shrink if they cannot attract students and grow if they can. But the consequence that really motivates principals and teachers is the threat of closure if students are not learning.

Chartering changes the political dynamics in public education. Elected school boards rarely close failing schools—in any district—unless they are in fiscal crisis and have no choice. That's because closing a school for poor performance is political suicide, since every employee in the district protests, and they—and their relatives—all vote. In a charter system it's easier, because only one school protests. Other school operators welcome the opportunity to compete to run a school in the vacated building.

In New Orleans, a handful of charters have already closed or changed hands. In two cases, charter boards fired their operators and hired new ones. In another, the board simply closed the school down. (For-profit charters in particular have not fared well, according to Jacobs.) OPSB took over one charter that had financial problems, and the state board closed a K-12 charter that had a series of irregularities, including charges of cheating on a science fair competition and attempting to bribe a state official.

More important, when the first RSD charters hit their five-year mark in 2011, the state board refused to renew one of them for academic reasons. At the time, board policy required that a school be improving and have a school performance score (SPS) of at least 60 by the end of its fourth year, to be rechartered. (There were exceptions for "alternative schools" dealing with particularly challenging populations.) The SPS is based mostly on test scores, but it also includes attendance and, for high schools, graduation rates. A score of 60 is roughly equivalent to 80% of students testing below grade level. (Next year the standard will go to 75, roughly equivalent to 55% below grade level.)<sup>46</sup> One of the Algiers Charter Schools, an elementary that began at 41.3, hit only 55.4 by the spring of 2010. It was improving, just not fast enough.

Andrea Thomas Reynolds, then the Algiers CEO, had replaced the principal, who had replaced some teachers. She believed the school had turned around. (A few months later its average test scores leaped by 13 percentage points, proving her correct.) But she understood

that if the state renewed its charter, every critic would howl in protest, calling the reformers hypocrites.

"I thought the school's growth should be considered," she says. "We could have protested. But at the end of the day, if we did not meet the rules, what message do we send to our students if we protest? If we're really about promoting change in a different way, we need to approach change in a different way."

Last December, BESE voted not to renew two more charters. So closure of failing charters is a fact in New Orleans. And this threat keeps all adults in a charter school on their toes. In a traditional school, everyone may know the students are failing, but turning that around—particularly with students from poor families—requires difficult changes that are often inconvenient for teachers. Most have lifetime tenure, so why should they uproot their routines, learn new approaches, and put in far more hours?

In a charter school, conditions are radically different. Everyone knows the school could close if students aren't learning, and they would all be out of a job. Even if it just shrinks because parents start transferring their children, some staff will be let go. So charter school teachers and staff are often willing to do whatever it takes.

"You as an individual teacher, you can't be stagnant, not in this day of charters," says Nolan Grady, who has been teaching math for almost 40 years at O. Perry Walker High School. "You have to constantly reflect, review, and improve. You don't have the job security you had with the old system. That's a hard pill, but it's a reality. It makes you work harder."

"Our direct-run schools don't do as good a job as the charters do of following the kids when they drop out," adds a former RSD staffer. "Charters are incentivized: when you get a dropout, it's a ding on your SPS. So charters are on the streets finding the kids, like the ultimate social worker. We just don't have the same capacity or will, though we're trying to change that. Maybe it's because if a charter doesn't do these things, they may go out of business."

#### 4. Change School Cultures

A fourth key is the charters' focus on building cultures shaped by high expectations and high motivation. Children tend to meet the expectations of adults in their lives, and for too long in New Orleans, those expectations were set woefully low. Charter schools have begun



"Charters are incentivized: when you get a dropout, it's a ding on your SPS. So charters are on the streets finding the kids, like the ultimate social worker. ... if a charter doesn't do these things, they may go out of business."

"We show all the kids their data on reading—
'You're in eighth grade, reading at a third grade level, we've got to fix this.' We show them the data, try to motivate them."



to reset them. Most aim from day one at college as the goal for every student. They put college banners in the hallways and classrooms, name each homeroom after the teacher's college, and call each class by the year it will graduate from college.

In typical public schools, the adults assume students are motivated; little effort goes into creating motivation. But that assumption is false in high-poverty communities, where almost no one goes to college. Charter leaders in such areas often view motivating students who see no reason to graduate as their first task. Creating motivation "is huge, it's everything," says Gary Robichaux, a long-time teacher who launched a charter network called Renew to take over direct-run RSD schools. "We won't hire someone who thinks our kids don't want to learn—that's their job, to create that. Traditional teachers' colleges don't train their teachers to do that, but in high poverty schools, it's everything."

Rather than building new schools a class at a time, as most charters in New Orleans do, Robichaux is tackling the toughest assignment: transforming a school already filled with students who are years behind grade level. When Renew took over its first school, Robichaux brought students in for an extra week before school. "The very first week of August, we brought in sixth to eighth graders only, and we worked on them on culture for the whole week. We did some diagnostic testing, and we worked with them on our rules and policies, why we want this to be a good school, what that looks like, and how we want you to go to college. It's a motivation session, a rah-rah week.

"After Thanksgiving break, we took a day for culture. After Christmas break, the same. After Mardi Gras, again. We revisit what we want the culture to look like. We show all the kids their data on reading—'You're in eighth grade, reading at a third grade level, we've got to fix this.' We show them the data, try to motivate them."

"We do big field trips at the end of the year" to reward the kids, Robichaux adds. In 2011 sixth and seventh graders went to Bryce, Zion, and the Grand Canyon; eighth graders went to Washington, DC, to see colleges and the federal government; and third through fifth graders went to Sea World and slept by the shark's tank.

But culture change involves teachers as well as students. In New Orleans, many schools have embraced the use of data to manage instruction. Louisiana's standardized tests are given just once a year, and they measure absolute levels, not a child's annual gain. So the RSD tests its students every seven weeks, using exams geared to

measure gain, and helps teachers use the data to tailor instruction to students' needs.<sup>47</sup> Some 25 charters contract with a nonprofit called The Achievement Network to do the same thing, while others use their own systems.

### 5. Separate Steering and Rowing, to Encourage Contestability and Clarity of Purpose

In a traditional school district, the same organization is in charge of steering (defining missions and goals, measuring whether they are achieved, and making course corrections) and rowing (operating schools). The district employs all principals, administrators, teachers, aides, nurses, and other staff—sometimes even bus drivers. As a result, the school board becomes politically captive of its employees, who all vote in school board elections, and it becomes almost impossible to close a failing school or lay off failing teachers or administrators.

In such a unified system, the board and administration also get sucked into rowing: they spend their time and energy worrying about assigning teachers to schools, laying off or hiring teachers, negotiating union contracts, making sure the buses run on time, dealing with broken water mains or vacation schedules or even scandals in the schools. They often run from crisis to crisis, losing sight of their core purpose, which should be student achievement.

As was the case in many American cities, the OPSB in New Orleans became, over time, more an employment agency than anything else, because jobs were so important in the city. And gradually, securing and protecting jobs for friends and allies degenerated into outright corruption.

Within this traditional system, few principals had the autonomy necessary to define clear missions, hire their own people, and get the job done. Most had little control over their budgets or personnel and no mission other than operating a traditional, cookie-cutter school. Too often their real purpose became self-preservation, which meant not rocking the boat. They were governed by "the rule of the ringing telephone"—if they minimized complaints to the school board and superintendent, everyone would do fine.

Everyone except the kids, that is. Most principals and teachers surely wanted to do what was best for the children, but too often, making changes to benefit kids might create complaints from adults in the system. It might even produce a grievance. And it surely could damage



...the OPSB in
New Orleans
became more
an employment
agency than
anything else...
And gradually,
securing and
protecting jobs
for friends
and allies
degenerated
into outright
corruption.

In this new paradigm, district administrators become skillful buyers of educational programs. No one has a right to operate or work at a failing school



forever.

a career. So the boat rarely rocked, and pretty soon, 40% of adults in New Orleans could not read beyond an elementary school level.

This is what happens when a school district tries to steer and row at the same time. "Any attempt to combine governing with 'doing,' on a large scale, paralyzes the decision-making capacity," Peter Drucker wrote long ago. Successful organizations separate top management from operations, he taught, so top management can "concentrate on decision making and direction." Operations are run by separate staffs, "each with its own mission and goals, and with its own sphere of action and autonomy." That is precisely the model New Orleans is creating: districts will steer, but they will use independent organizations, each driven by a clear mission, to operate their schools.

In this new paradigm, district administrators become skillful buyers of educational programs. They learn how to measure and evaluate student progress, and they constantly seek to shift their supply of schools to best meet the needs of their students—closing schools that fail and replicating schools that succeed. No one has a right to operate or work at a failing school forever. Such rights are *contestable*: the steering body has the power and the political independence to award the school building to a competitor with a superior track record.

New Orleans is not all the way there yet, and for all its progress, its system still has flaws. There is no start-up money in the state system for charters, for instance. And putting the RSD within the state Department of Education was a big mistake, because the state's bureaucratic civil service, procurement, and financial rules often hamstring it. More important, since both districts in New Orleans operate schools themselves, their leaders have also been sucked into rowing and have neglected some important steering functions. For instance, until 2012, the RSD had no central admissions process to ensure that every child got into an appropriate school. Instead, parents had to apply for spots in schools they preferred, and those who didn't apply took what they could get among the direct-run schools. Parents who moved to New Orleans mid-year had to go from school to school to find a place for their child.

By abdicating this role, the RSD and OPSB allowed certain inequities to develop. A few aggressive charters worked hard to get good students—holding early lotteries, for instance—while counseling out families they didn't want. And parents of children with disabilities sometimes had trouble finding a good fit. The Southern Poverty Law Center sued the RSD for discrimination against disabled students.

To fill the enrollment gap, the Urban League created a Parent Information Center and an information fair attended by all the schools, and New Schools for New Orleans published a *Parents' Guide to Public Schools*, then spun it off into a Parents Organizing Network. Last summer the RSD finally opened four parents' centers around the city to help parents navigate the system. And last winter it rolled out a centralized enrollment system in which parents can indicate their preferences on one application, rather than going from school to school. The new system does not yet include OPSB schools or several non-RSD schools chartered directly by the state board, but the OPSB has voiced its intention to join.<sup>48</sup>

As the RSD converts its last direct-run schools to charters, it should be more able to concentrate on its steering role. But there will remain two steering organizations in New Orleans—the OPSB and the RSD—a situation that has predictably led to conflict. At some point the successful RSD schools will probably return to local control, but no one knows what form that will take. Under state policies, ten RSD charters are already free to return to the OPSB, because their school performance scores have risen far enough. But none have yet done so—or even indicated a desire to do so.

#### 6. Recruit Excellent Principals and Teachers

Creating an excellent public school in a poor city like New Orleans is a huge challenge, and this adds a sixth strategy to those usually necessary to transform public bureaucracies: recruiting new talent. Reformers have learned that it takes a special person to succeed in such conditions. According to Leslie Jacobs, the RSD's biggest challenge has been finding effective school leaders. It has used New Leaders for New Schools, an organization that develops school principals, to bring people in, and New Schools for New Orleans has incubated new charters, mentoring their principals for a year or two to help them get started. But those measures have hardly guaranteed success.

Reformers have had better fortune importing talented teachers, through Teach for America (TFA) and the New Teacher Project (called TeachNOLA in the city). Studies have consistently shown that TFA and New Teacher Project teachers outperform graduates of the state's teachers' colleges. <sup>49</sup> TeachNOLA has almost 300 teachers in the city, and TFA has more than 250 corps members there, plus another 200-300 alumni still teaching or helping run schools. <sup>50</sup> Today 30% of the city's teachers come from these two organizations, and TFA members



charters are already free to return to the OPSB, because their school performance scores have risen far enough. But none have yet done so—or even indicated a desire to do so.



... just as the **Great Galveston** Hurricane wiped the slate clean for reform, so did Katrina. When the nearly bankrupt school district fired all its teachers and the state legislature voted to take over all but 17 of its schools, the normal political obstacles to reform disappeared.

and veterans reach more than 50% of the city's students.<sup>51</sup> Seven of KIPP's leaders in the city are TFA veterans, for instance.

Other school districts interested in emulating New Orleans' success will have to recruit new talent as well. They should realize that New Orleans' talent pipeline would not last if the city did not offer innovative charter schools where the best and the brightest wanted to work. It also helps that the charters are free to reward effective teachers with performance bonuses and pay what the market demands to attract and retain talent.

#### WILL THE NEW ORLEANS MODEL SPREAD?

On September 8, 1900, the deadliest hurricane in U.S. history hit Galveston, Texas, a bustling city of 39,000 on a barrier island in the Gulf of Mexico. The nation's second busiest port and Texas's second largest city, Galveston's highest point stood only nine feet above sea level. When a 15-foot storm surge buried the island, 6,000 residents died; an estimated 4,000-6,000 were killed on the mainland.<sup>52</sup>

Before the hurricane, Galveston was typical of most American cities at the turn of the last century. With power divided between multiple boards and commissions, it was incapable of handling the rapid growth that accompanied the dawn of the industrial era. To accomplish anything, the political parties developed ward-based machines through which party bosses could pull the strings—but they brought with them the spoils system and widespread corruption.

Galveston's business and professional elite had struggled for a decade to reform their government, with limited success. After the hurricane, however, they invented a new form of governance: a commission that centralized all executive and legislative power in its five members' hands. The new model worked so well that progressive reformers such as Woodrow Wilson seized on it as a way to wrest power from corrupt mayors and their spoils systems. Within 20 years, "the Galveston Plan," as it became known, had spread to more than 500 cities and evolved into the "council-manager" form of government, still the dominant model for cities with less than 250,000 people.<sup>53</sup>

A century later, the third deadliest storm in U.S. history hit Louisiana, killing 1,800. And just as the Great Galveston Hurricane wiped the slate clean for reform, so did Katrina. When the nearly bankrupt school district fired all its teachers and the state legislature voted to take over all but 17 of its schools, the normal political obstacles to reform—tenure, the teachers' union, and traditional administrators

accustomed to centralized systems—disappeared. Freed from those restraints, reformers gradually worked out a new way to organize public education. In the process, they have discovered a more effective way to run a school district.

It took Katrina to make such a profound change possible, but there

are plenty of other cities with education systems in crisis. Many of them are watching New Orleans closely, and a few are already emulating it. Some 37 percent of the public school students in Detroit attend charters, and the Detroit Public Schools' stateappointed emergency manager plans to open nine charter-like "self-governing schools" fall, and more in subsequent years.<sup>54</sup> In Washington, D.C., where Congress created a Public Charter School Board, 40% of the students are in charters, and the number keeps rising. Cleveland has 60 charter schools

#### The Six Keys to Success in New Orleans:

- Decentralize Operational Control to the School Level
- Use Choice and Competition to Make Schools Accountable to Their Customers
- Create Consequences for Performance by Closing Failing Schools
- Change School Cultures
- Separate Steering and Rowing, to Encourage Contestability and Clarity of Purpose
- Recruit Excellent Principals and Teachers

that educate more than a quarter of its public school students, and the Mayor wants to follow in New Orleans' footsteps.<sup>55</sup> Michigan, Tennessee, and Hawaii have all copied the RSD.

Some 23 large urban districts now participate in a network of "portfolio districts," run by the University of Washington's Center on Reinventing Public Education. <sup>56</sup> To one degree or another, all embrace the six strategies laid out here. <sup>57</sup>

If these cities prove the New Orleans model can work elsewhere, other districts may not need crises to jump on board. The Galveston Plan and council-manager form of government spread to cities large and small, affluent and poor, and the New Orleans model may do the same. Because it harnesses the power of decentralization, choice, competition, contestability, and accountability for results, it is simply a superior form of governance. As such, it is capable of producing better results almost anywhere.

Will it spread as widely as the Galveston Plan? Only time will tell. But there is a ring of truth when Jay Altman says, "Charter schools are simply the next generation of public schools in America."

© Copyright David Osborne, 2012.

#### **ABOUT THE AUTHOR**



David Osborne is the author or co-author of five books: The Price of Government: Getting the Results We Need in an Age of Permanent Fiscal Crisis (2004); The Reinventor's Fieldbook: Tools for Transforming Your Government (2000), Banishing Bureaucracy: The Five Strategies For Reinventing Government (1997), Reinventing Government (1992), and Laboratories of Democracy (1988). He has also authored

numerous articles for *The Washington Post, The Atlantic, The New York Times Magazine, Harpers, The New Republic, Governing,* and other publications. He is at work on a book on education reform.

As a senior partner of The Public Strategies Group, David has consulted with governments large and small, from cities, counties, and school districts to states, federal agencies, and foreign governments. In 1993, he served as a senior advisor to Vice President Gore, to help run what the Vice President often called his "reinventing government task force," the National Performance Review. He was the chief author of the NPR report, which laid out the Clinton Administration's reinvention agenda, called by Time "the most readable federal document in memory."

All quotations not cited in the footnotes are from interviews with the author.

- 1 "Back to School Tallies: Estimated Number of Public Charter Schools & Students, 2011-2012," National Alliance for Public Charter Schools, December 2011. Available at: <a href="http://www.publiccharters.org/data/files/Publication\_docs/NAPCS%202011-12%20New%20and%20Closed%20Charter%20Schools\_20111206T125251.pdf">http://www.publiccharters.org/data/files/Publication\_docs/NAPCS%202011-12%20New%20and%20Closed%20Charter%20Schools\_20111206T125251.pdf</a>.
- 2 "Charters on average receive \$9,460 per student in local, state and federal money, 19% less than traditional districts, in part because many don't get money for buildings under state laws, according to a 2010 Ball State University study." See "Oprah-Backed Charter School Denying Disabled Collides With Law," Bloomberg, September 21, 2011.

  Available at: <a href="http://www.bloomberg.com/news/2011-09-21/oprah-backed-charter-school-denying-disabled-collides-with-law.html">http://www.bloomberg.com/news/2011-09-21/oprah-backed-charter-school-denying-disabled-collides-with-law.html</a>. Others use higher figures: The Center for Education Reform says on its web site (<a href="http://www.edreform.com/issues/choice-charter-schools/facts/">http://www.edreform.com/issues/choice-charter-schools/facts/</a>), "Charter schools across the United States are funded at 61% of their district counterparts. On average, charter schools are funded at \$6,585 per pupil compared to \$10,771 per pupil at conventional district public schools."
- 3 Julian R. Betts and Y. Emily Tang, "The Effect of Charter Schools on Student Achievement: A Meta-analysis of the Literature," Report, National Charter School Research Project, Center on Reinventing Public Education, October 2011. Available at: <a href="http://www.crpe.org/publications/effect-charter-schools-student-achievement-meta-analysis-literature">http://www.crpe.org/publications/effect-charter-schools-student-achievement-meta-analysis-literature</a>. Betts and Tang reviewed 90 studies that focused on test scores but captured learning gains over time (rather than a one-time snapshot) and compared charter students to students in similar neighborhoods. Averaging all the studies, they found that charter schools outperformed traditional public schools in elementary and middle school math and reading, but they found no statistically significant differences in high school. (High schools cost more per student, because they need more athletic, science, and other facilities, so charter high schools may be at an even greater financial disadvantage than other charters.) Studies focused on urban areas showed larger positive effects from charter schools, including high schools.

The most trustworthy studies compare the learning gains made by charter students with those of a control group: students who applied to those charters but lost out in lotteries. In both groups, one can assume similarly motivated parents and students. But only eight such studies had been completed by 2011, when Betts and Tang published their meta-analysis. Six of these lottery studies showed charters producing significantly greater gains in reading, seven in math.

- 4 Few studies have examined graduation and college-matriculation rates, but those that have, focused on Florida and Chicago, have found large positive effects in charters. Betts and Tang, "The Effect of Charter Schools," p. 52-3. Data from two places with the highest percentages of students in charter schools, New Orleans and Washington, D.C., show the same thing.
- 5 Governing America's Schools: Changing the Rules, National Commission on Governing America's Schools, Education Commission of the States, 1999. Available at: <a href="http://www.ecs.org/html/Document.asp?chouseid=1172">http://www.ecs.org/html/Document.asp?chouseid=1172</a>.
- 6 The 93% figure counts only RSD plans, but the OPSB has started accepting new charter applications and has approved two new charters as well, so the percentage will probably go higher. See Dana Brinson, Lyria Boast, Bryan C. Hassel, and Neerav Kingsland, New Orleans-Style Education Reform: A Guide for Cities Lessons Learned 2004-2010, New Schools for New Orleans, January 2012, p. 16. Available at: <a href="http://www.newschoolsforneworleans.org/documents/030120">http://www.newschoolsforneworleans.org/documents/030120</a> 12NOLAstylereform.pdf.
- 7 "Reform School on the Bayou," Review & Outlook, *The Wall Street Journal*, April 15, 2012. Available at: <a href="http://online.wsj.com/article/SB10001424052702304356604577339991778265550.html">http://online.wsj.com/article/SB10001424052702304356604577339991778265550.html</a>.
  - 8 United States, Department of Education, National Center for Education Statistics, Common Core of Data, 2004-05.
- 9 "A Brief Overview of Public Education in New Orleans, 1995-2009," Fact Sheet, New Schools for New Orleans, 2009, p. 1. Available at: http://www.newschoolsforneworleans.org/downloads/nsno %20EducFactSheet.7.09.pdf.
  - 10 Ibid.
- 11 The State of Public Education in New Orleans: Five Years After Hurricane Katrina, Report, Cowen Institute for Public Education Initiatives, Tulane University, 2011, p. 3. Available at: <a href="http://www.coweninstitute.com/our-work/applied-research/education-archive/education-transformation-archive/the-state-of-public-education-in-new-orleans-five-years-after-hurricane-katrina/">http://www.coweninstitute.com/our-work/applied-research/education-archive/education-transformation-archive/the-state-of-public-education-in-new-orleans-five-years-after-hurricane-katrina/</a>.
- 12 Re. corruption: interviews with former Superintendent Anthony Amato and others, plus media coverage. For a series of articles about the corruption assembled by ParentAdvocates.org see <a href="http://www.parentadvocates.org/index.cfm?fuseaction=article&articleID=5243">http://www.parentadvocates.org/index.cfm?fuseaction=article&articleID=5243</a>.
  - 13 "A Brief Overview of Public Education in New Orleans," p. 1.

- 14 Brinson, Boast, Hassel, and Kingsland, p. 15.
- 15 Leigh Dingerson, "Narrow and Unlovely," Rethinking Schools Online, Summer 2007. Available at: <a href="http://www.rethinkingschools.org/archive/21">http://www.rethinkingschools.org/archive/21</a> 04/narr214.shtml.
  - 16 Paul Pastorek, interview with author.
  - 17 Paul Vallas, interview with author.
- 18 New Orleans Parents' Guide to Public Schools, New Orleans Parent Organizing Network, Spring 2012 Edition, p. A-5. Available at: <a href="http://www.nolapon.org/files/NOLA%20Parents%20Guide%202012.pdf">http://www.nolapon.org/files/NOLA%20Parents%20Guide%202012.pdf</a>.
- 19 "Percentage Of Students At Grade Level Doubles Over Last Four Years: Recovery School District Ranks First Statewide For 2007-2011 Increases," Press Release, Recovery School District, May 24, 2011. Available at: <a href="http://www.rsdla.net/Media/PressRelease.aspx?PR=1533">http://www.rsdla.net/Media/PressRelease.aspx?PR=1533</a>.
- 20 Louisiana has phased out its high school Graduate Exit Exam (GEE), normally given in 10th grade, in favor of end-of-course exams in subject areas. As a result, the 2012 high school data is not comparable to 2007-2011 high school data. Hence the 2012 data presented here and in figures 1 and 2 only includes grades 3-8, while the 2007-2011 data also included GEE scores.
- 21 "2012 Test Results Released; More Students at Grade Level," Press Release, Louisiana Department of Education, May 23, 2012. Available at: <a href="http://www.louisianaschools.net/offices/publicaffairs/press">http://www.louisianaschools.net/offices/publicaffairs/press</a> release.aspx?PR=1631.
- 22 Leslie Jacobs, "2012 K-8 Test Scores Released," Educate Now!, May 24, 2012. Available at: <a href="http://educatenow.net/2012/05/24/2012-k-8-test-scores-released/">http://educatenow.net/2012/05/24/2012-k-8-test-scores-released/</a>.
  - 23 "RSD Testing Results," Powerpoint Presentation, Recovery School District, May 24, 2011. Print.
- 24 Leslie Jacobs, "Senior Graduation Rates Rise Again," Educate Now!, June 7, 2011. Available at: <a href="http://educatenow.net/2011/06/07/senior-graduation-rate-rises-to-94/">http://educatenow.net/2011/06/07/senior-graduation-rate-rises-to-94/</a>.
- 25 Data from Louisiana Department of Education, provided by Educate Now! in a personal communication with the author.
- 26 Personal communications from the high schools, May 2012. The five reporting 100% were Dr. Martin Luther King, Miller-McCoy Academy, Sophie B. Wright, Lake Area New Tech/Early College High, and Sci Academy. O. Perry Walker reported 88%; Joseph S. Clark reported 83%, and Algiers Technology Academy reported that 60% of its seniors applied to college and 70% were accepted, leaving a total of 42%.
- 27 Leslie Jacobs, "A Cause for Hope," Educate Now!, May 1, 2012. Available at: <a href="http://educatenow.net/2012/05/01/a-cause-for-hope/">http://educatenow.net/2012/05/01/a-cause-for-hope/</a>. See also "In the News," Educate Now!, May 3, 2012. Available at: <a href="http://educatenow.net/">http://educatenow.net/</a>.
- 28 The percentage of RSD students in New Orleans high schools (charter and direct-run) taking the ACT test increased from 45% in 2009 to 70% in 2011. See *The Equity Report: Recovery School District—All Schools*, Recovery School District, 2012, p. 13. Available at: <a href="http://www.rsdla.net/EquityReports.aspx">http://www.rsdla.net/EquityReports.aspx</a>.
- 29 For New Orleans ACT scores, see two Cowen Institute reports: "NOLA By the Numbers: ACT Scores," February 2011 and September 2011. Available at: <a href="http://www.coweninstitute.com/our-work/applied-research/nola-by-the-numbers/">http://www.coweninstitute.com/our-work/applied-research/nola-by-the-numbers/</a>. Data on ACT test scores in all school districts in Louisiana are available from the Louisiana Department of Education, at <a href="http://www.doe.state.la.us/offices/infomanagement/act\_results.html">http://www.doe.state.la.us/offices/infomanagement/act\_results.html</a>.
- 30 The percentage of white students in New Orleans Public Schools increased a bit after Katrina, then more than two percentage points between 2010-11 and 2011-12, suggesting that the charter strategy is beginning to attract more white families back into the public schools. It was 3.6 in 2004-05, 5.4 in 2009-10, 5.6 in 2010-11, and 7.95 in 2011-12. See Leslie Jacobs, "In the News," Educate Now!, February 27, 2012. Available at: <a href="http://educatenow.net">http://educatenow.net</a>. The Cowen Institute presents slightly different data, also from the Louisiana Department of Education, in its just-released *The State of Public Education in New Orleans 2012 Report*, Cowen Institute for Public Education Initiatives, Tulane University, July 2011, p. 15. Available at: <a href="http://www.coweninstitute.com/wp-content/uploads/2012/07/SPENO-20121.pdf">http://www.coweninstitute.com/wp-content/uploads/2012/07/SPENO-20121.pdf</a>.
  - 31 Ibid.
- 32 "Louisiana's Turarnound Zone: Answering the Urgency of Now," Report, Recovery School District, 2011, p. 2. Available at: <a href="http://www.louisianaschools.net/lde/uploads/18099.pdf">http://www.louisianaschools.net/lde/uploads/18099.pdf</a>.
  - 33 Brinson, Boast, Hassel, and Kingsland, p. 10. (Foreward by Neerav Kingsland and Sarah Newell Udsin).
- 34 Leslie Jacobs, "Special Education Revisited: Who is Educating Students with Disabilities, and How Are They Doing?" Educate Now!, April 11, 2011. Available at: <a href="http://educatenow.net/2011/04/11/special-education-revisited-2/">http://educatenow.net/2011/04/11/special-education-revisited-2/</a>.

- 35 John White, "Making A Pledge To Students And Families," *The Times Picayune*, Sept. 7, 2011. Available at: <a href="http://www.nola.com/opinions/index.ssf/2011/09/making\_a-pledge-to-students-an.html">http://www.nola.com/opinions/index.ssf/2011/09/making\_a-pledge-to-students-an.html</a>.
- 36 The State of Public Education in New Orleans: School Finances, Report, Cowen Institute, March 2011. Available at: <a href="http://www.coweninstitute.com/wp-content/uploads/2012/07/SPENO-20121.pdf">http://www.coweninstitute.com/wp-content/uploads/2012/07/SPENO-20121.pdf</a>.
- 37 "K-12 Public Education through the Public Eye: Parents' Perceptions of School Choice," Cowen Institute, Tulane University, 2011. Available at: <a href="http://www.coweninstitute.com/our-work/applied-research/2011poll/">http://www.coweninstitute.com/our-work/applied-research/2011poll/</a>.
- 38 Kirby Goidel, Michael Climek, *By the Numbers*, 2012 Louisiana Survey, Reilly Center for Media & Public Affairs, Manship School of Mass Communication, Louisiana State University. Available at: <a href="http://www.survey.lsu.edu/downloads/LouisianaSurvey2012EducationReform.pdf">http://www.survey.lsu.edu/downloads/LouisianaSurvey2012EducationReform.pdf</a>.
- 39 "Voucher Program Faltering: Accountability and Performance Standards Needed," Educate Now!, July 6, 2011. Available at: <a href="http://educatenow.net/2011/07/06/voucher-program-in-trouble/">http://educatenow.net/2011/07/06/voucher-program-in-trouble/</a>. Only 38% of voucher students performed at grade level or above in 2011 tests, despite the fact that private schools are not required to take special education students.
- 40 For reports on the 2012 reforms, see, for instance, Sean Cavanagh, "La. School Choice Options Expand After Sweeping Education Overhaul," *Education Week*, April 13, 2012. Available at: <a href="http://www.edweek.org/ew/articles/2012/04/13/28louisiana.h31.html">http://www.edweek.org/ew/articles/2012/04/13/28louisiana.h31.html</a>; and "Reform School on the Bayou," The *Wall Street Journal*, April 15, 2012. Available at: <a href="http://online.wsj.com/article/SB10001424052702304356604577339991778265550.html">http://online.wsj.com/article/SB10001424052702304356604577339991778265550.html</a>.
- 41 For this research, see David Osborne and Peter Plastrik, *Banishing Bureaucracy*, Addison Wesley, 1997. Print. See also David Osborne and Peter Plastrik, *The Reinventor's Fieldbook*, Jossey-Bass, 2000. Print.
- 42 Data from Louisiana Department of Education. "Spring 2012 LEAP Criterion-Referenced Test, State/District/School Achievement Level Summary Report—Grade 4: ALL TESTERS."
- 43 Marie Leech, "Alabama's Bentley, Bice See Innovations in Louisiana Charter Schools," *The Times Picayune*, April 2, 2012. Available at: <a href="http://blog.al.com/spotnews/2012/04/alabama\_governor\_sees\_innovati.html">http://blog.al.com/spotnews/2012/04/alabama\_governor\_sees\_innovati.html</a>.
- 44 What Will It Take: The Recovery School District's Commitments to New Orleans, Recovery School District, 2011, p. 9. Available at: <a href="http://www.rsdla.net/Libraries/Documents">http://www.rsdla.net/Libraries/Documents</a> and Reports/What Will it Take.sflb.ashx.
- 45 "RSD Announces High School Plan To Give Students More Options," Press Release, Recovery School District, January 27, 2012. Available at: <a href="http://www.rsdla.net/Media/PressRelease.aspx?PR=1595">http://www.rsdla.net/Media/PressRelease.aspx?PR=1595</a>.
- 46 "Recovery School District: Reform and Results," Presentation to the Louisiana Board of Elementary and Secondary Education," Recovery School District, September 14, 2010, p. 5. Available at: <a href="http://www.rsdla.net/Libraries/Documents">http://www.rsdla.net/Libraries/Documents</a> and Reports/What Will it Take.sflb.ashx.
  - 47 Paul Vallas, interview with author.
- 48 Andrew Vanacore, "Recovery School District's New Application Is Expected To Make School Search Easier," *The Times Picayune*, February 6, 2012. Available at: <a href="http://www.nola.com/education/index.ssf/2012/02/recovery\_school\_districts\_unif.html">http://www.nola.com/education/index.ssf/2012/02/recovery\_school\_districts\_unif.html</a>.
- 49 "Regents Release Data on Teacher Preparation Programs," Regents Recap, Louisiana Board of Regents, September 21-22, 2011, <a href="http://regents.louisiana.gov/assets/media/2011/RegentsRecsept11FINAL.pdf">http://regents.louisiana.gov/assets/media/2011/RegentsRecsept11FINAL.pdf</a>; and "Louisiana Study Rates TNTP-Trained Teachers as Exceptionally Effective for Fourth Consecutive Year," Press Release, The New Teacher Project, October 3, 2011. Available at: <a href="http://tntp.org/news-and-press/view/louisiana-study-rates-tntp-trained-teachers-as-exceptionally-effective/">http://tntp.org/news-and-press/view/louisiana-study-rates-tntp-trained-teachers-as-exceptionally-effective/</a>.
- 50 New Teacher Project data is from the NTP ("Teach NOLA") directory. TFA data is from Leslie Jacobs at Educate Now!, September, 2011, based on data given her by TFA in August, 2011.
  - 51 Brinson, Boast, Hassel, and Kingsland, p. 25
- 52 On the Galveston hurricane and its aftermath, see Patricia Bellis Bixel and Elizabeth Hayes Turner, *Galveston and the 1900 Storm*, University of Texas Press, 2000. Print. See also Erik Larson, *Isaac's Storm: A Man, a Time, and the Deadliest Hurricane in History*, Crown Publishers, 1999. Print. See also Mary G. Ramos, "Galveston's Response to the Hurricane of 1900," *Texas Almanac*, Texas State Historical Association. Available at: <a href="http://www.texasalmanac.com/topics/history/galvestons-response-hurricane-1900">http://www.texasalmanac.com/topics/history/galvestons-response-hurricane-1900</a>.
- 53 For the development and spread of the Galveston Plan, the best source is Bradley Robert Rice, *Progressive Cities: The Commission Government Movement in America 1901-1920*, University of Texas Press, 1977. Print. Re. the dominance of the council-manager form of government in cities under 250,000 in population, see Mike Maciag, "Growing Cities Swap

Council-Manager, Mayor-Council Governments," Governing.com, June 26, 2012. Available at: <a href="http://www.governing.com/blogs/by-the-numbers/government-mayor-council-manager-form-changes.html">http://www.governing.com/blogs/by-the-numbers/government-mayor-council-manager-form-changes.html</a>.

- 54 On Detroit, see Michael Winerip, "For Detroit Schools, Mixed Picture on Reforms," *The New York Times*, March 13, 2011. Available at: <a href="http://www.nytimes.com/2011/03/14/education/14winerip.html?pagewanted=all">http://www.nytimes.com/2011/03/14/education/14winerip.html?pagewanted=all</a>. See also "Detroit Public Schools: Action Plan 2012-2013," Detroit Public Schools, April 2012. Available at: <a href="http://detroitk12.org/content/wp-content/uploads/2012/04/Presentation">http://detroitk12.org/content/wp-content/uploads/2012/04/Presentation</a> DPS Action Plan 2012-2013final.pdf.
- 55 Mayor Frank G. Jackson, Cleveland's Plan For Transforming Schools: Reinventing Public Education In Our City And Serving As A Model Of Innovation For The State Of Ohio, City of Cleveland, February 2, 2012. Available at: <a href="http://media.cleveland.com/metro/other/ClevelandPlanFinal.pdf">http://media.cleveland.com/metro/other/ClevelandPlanFinal.pdf</a>.
- 56 These include the RSD, Detroit, Denver, New York, Boston, Washington, D.C., Baltimore, Chicago, Hartford, Los Angeles, Oakland, Milwaukee, Minneapolis, Rochester, Cleveland, Cincinnati, Nashville, and Philadelphia.
- 57 The Center on Reinventing Public Education lays out seven components of portfolio school districts, which track closely with the six strategies I have laid out:
  - citywide choice of charter and district options;
  - school autonomy;
  - pupil-based funding, so money follows the child to the school of choice;
  - performance-based accountability for all schools, including school report cards and closure of failing schools;
  - diverse providers of support services to schools, rather than a district monopoly;
  - strategies to recruit talented school leaders and teachers; and
  - extensive public engagement.

See "The 7 Components of a Portfolio Strategy," Center for Reinventing Public Education, University of Washington Bothell, April 2012. Available at: <a href="http://www.crpe.org/cs/crpe/view/projects/7">http://www.crpe.org/cs/crpe/view/projects/7</a>.