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The emergence of an 'Open Sector' in urban education

A policy brief summarizing the 'unbundling' of public education now taking place in a number of major urban communities

January 2005

Families with money have always had school choice. But, poor families haven't, so they were historically stuck in the city with a monopoly district and the schools they were assigned-to. "This is a system that can take its customers for granted," the late Albert Shanker told the then annual "Itasca Seminar" in Minnesota in 1988.

Behind the former AFT president's frank admission is the reality that organizations that can take their customers for granted can put their own interests first. So what the inner-city poor got from these districts was, too often, a combination of rhetoric and promises.

This is perfectly reflected in what Gary Sudduth, then president of the Minneapolis Urban League, said to the Minneapolis school board in the spring of 1997, when he demanded to know what had been done with the hundreds of millions of dollars the district had received in recent years to improve the educational achievement of the city's poor children and children of color.

The situation that Sudduth decried couldn't last. Certainly it needed to be changed, given the basic question of social equity. It didn't do enough to open the suburbs to the poor. And cross-district busing didn't sell either.

This was evident the day officials from the Minnesota Department of Education and central city districts took Gleason Glover – another former Minneapolis Urban League President – to lunch, to try to talk him into metro-wide desegregation. Glover had grown up in Newport News, VA. "We didn't want to go to the white schools because they were white schools," he told the state and district officials. "We wanted to go to those schools because we perceived them to be the *quality* schools. Just get us *quality* schools." And that's all he would say.

So the practical solution was to let *somebody else* offer quality public education *where the students live*. This is what the states are now in the process of doing – largely through the process of chartering new public schools. In

some cities, an "Open Sector" is being created to authorize, oversee and support these new schools that's parallel to and independent of local school districts. In others, districts themselves are creating schools *new* – with varying degrees of autonomy.

E|E 'snapshot' looks at 17 major cities

Against that background and rationale, Education|Evolving has developed this snapshot of how the unbundling of public education is starting to emerge in seventeen cities across the country. Each city has a different combination of strategies involved; different ways of providing the options; a different understanding, too, of what's happening and why. In some cases, the district is quite involved. In others, this is going on to the puzzlement – often dismay – of district leaders. In all cases, the potential for very different dynamics – for families, students and schools – is very real.

Overall, it's a work in progress, only a few years along, so this snapshot will be updated on Education|Evolving's website -- www.educationevolving.org. For more on the context for this change, also see E|E co-founder Ted Kolderie's new book, "Creating the Capacity for Change: How and Why Governors and Legislatures are Opening a New-Schools Sector in Public Education."

It should be noted that the numbers that appear below understate the shift in enrollment in four respects:

- 1) The numbers don't include 'move-outs' – the number of families/students who got to enroll in somebody else's schools by going to live somewhere else.
- 2) The numbers don't reflect inter-district open enrollment – where that option exists – ie: students in central city districts open-enrolling into suburban districts. Of course, movement in the opposite direction also is not reflected, as students exercise the choice option to move from suburban districts to central city districts and charters.

3) With two or three exceptions, the numbers don't include enrollments in private schools, though this is a significant factor in some cities including Chicago and St. Paul. Neither do they include home schooling, by some estimates, the fastest growing sector of K-12 education – perhaps two percent of the school-age population nationally.

4) Except in a couple of cases, the examples don't track the trend in overall district enrollment. But, in a number of older urban communities, those trends are now tracking downward on their own, due to changing demographics, less immigration since 9-11 and other factors.

Against this backdrop, here's a quick look at the emerging "Open Sector" in 17 major urban communities, as of late January, 2005, and subject to continual updating as new developments unfold.

Baltimore, MD

Few observers would disagree with the premise that Baltimore is a city badly in need of fundamentally different schools. The 95,000 student system has been plagued by low test scores, high drop-out rates, soaring deficits and increased concerns about overcrowded classrooms and rising alienation among students.

At the extreme, students are taking out their frustrations by setting fires at record numbers in their schools. In the first two months of this school year, at least 76 fires were reported in the district's high schools – 20 blazes in one school alone, a school that commanded its own fire truck and four firefighters stationed outside the school every day. In October, the district's frustrated board voted to spend \$1.5 million to enable 15 schools to hire 37 more hall monitors and 34 more security officers.

Part of the response is a more proactive effort to create new and smaller schools – both by breaking down existing district schools and through new charter schools.

The city has divided three traditional large high schools into smaller schools and transformed another into a state-of-the-art Digital Harbor High. Four new innovative high schools have also opened, including two last fall.

And, under Maryland's admittedly weak charter law, the Baltimore school board voted in November to approve the opening of the city's first charters – seven conversions and three "from scratch" schools that will open next fall. Several of the conversions had been operated as charter-like schools under a district-sponsored "New Schools Initiative" that dates to 1997.

Despite the progress, the entry of new schools in Baltimore remains tightly controlled by the district, with no non-district sponsors and a law that retains charter school teachers as district employees. Maryland's Governor Robert Ehrlich is a strong charter supporter, however, and is committed to strengthening the state's charter law – a pre-requisite for the degree of autonomy needed to create the number and different nature of schools most observers believe the city really needs.

Buffalo, NY

Buffalo has shrunk a lot; was at one time a district of about 80,000 students. The city district now has about 40,000. Lots of families with school-aged children moved out. The overall population declined from 700,000 after World War II to under 300,000 today.

The charter sector in Buffalo was initially created mainly by the state authorizing entities that were designated by New York's charter law. Of the 12 charters open last fall, two were authorized by the Buffalo School Board (including one conversion) and the rest by New York's two state-wide authorizers – the SUNY Charter Schools Institute and State Board of Regents (New York's state board of education). As of this past fall, total charter enrollment is about 4,700 students – or more than ten percent of the district's enrollment.

Earlier this year, amidst growing concerns about the financial condition of the district, the Buffalo school board decided to begin more aggressively chartering new schools itself – figuring it could retain more control over what was inevitably happening and perhaps cushion its fiscal impact. It put out an RFP and 20 proposals were submitted by the mid-March deadline.

This move toward chartering was strongly opposed by the local teachers union, which, along with other district employee unions, was in the midst of contract negotiations at the time. Not surprisingly, the board's pro-activity on chartering became an issue in the May school board election when all nine board seats were on the ballot.

As a result of the election, the board is now badly split. And, after first turning down a moratorium, the board reversed itself in late October and approved a one-year moratorium on additional district-sponsored charters. It also voted to establish a task force to study the issue.

The one year moratorium does not affect the Buffalo board's earlier vote to authorize two additional charters to open next fall and to allow an existing charter to expand by adding more grades. This is on top of one additional SUNY-sponsored charter already approved to open next fall. So, by next fall, Buffalo will have at least 15 charters, with upwards of 5,500 students – approaching 15 percent of the district's total public school enrollment.

Chartering schools remains highly controversial in Buffalo in part because the state's charter law funds charters through districts – making it easier for districts to blame chartering for their on financial woes.

A senior Buffalo district administrator made that case last fall in a report to the board that calculated more than \$50 million in what he called "transfer payments" to Buffalo charters since 2000 – plus an additional \$38.5 million this school year – without producing corresponding budget savings. Without an increase in state aid, the official said, the district will be forced to borrow money just to meet operating expenses.

The number of proposals put before the Buffalo School Board last spring remains an indicator, however, that demand for creating new schools through chartering is strong. And, regardless of district support, those proposing

new schools still have the option of seeking charters from SUNY and/or the Regents. Both state authorizers are still within limits on the number of charters they may grant under the New York's chartered school law.

Chicago, IL

Illinois' charter law originally allowed up to 45 charters; 15 in Chicago, 15 in the Chicago suburbs and 15 downstate. Districts are the only direct chartering authority, although the state board of education can grant charters on appeal – something it has done only twice. So – outside of Chicago – growth has been slow and the caps never reached.

In Chicago, the charter friendly administration of Mayor Richard Daley has control over the school district and, under CEOs Paul Vallas and now Arne Duncan, originally got around the 15 charter cap by allowing individual charters to operate multiple campuses. Last session, Illinois charter supporters got the State Legislature to raise the Chicago cap to 30 charters – while agreeing to future restrictions on multi-campus charters. As of last fall, 20 Chicago charters had been granted that operate schools on about 50 campuses or sites – with 12,000+ students. About half that number are on waiting lists.

Overall, Chicago Public Schools enrolls about 425,000 students, so the charter sector is still a relatively small part of the total picture. That may change, however, under the “Renaissance 2010” initiative announced by Mayor Daley last June.

Under this initiative, 100 new public schools will be created in Chicago over the next six years and a number of low performing schools closed. Of the 100 new schools, one-third will be independent charters, one-third schools operated under contract with the district and one-third operated by the district itself. In some areas, the new schools will be developed in partnership with broader community and economic development initiatives. Several developers of existing successful charters were asked to submit proposals to replicate their models elsewhere in the city.

Mayor Daley's plan has been controversial in some neighborhoods that will see schools closed and replaced by new schools. It has also drawn barbs from the teachers union which is concerned about the use of non-district and non-union teachers in charter or contract schools. And, some charter supporters have also complained that the plan leaves too much control with the district and forces charters to absorb unnecessarily high costs of using district buildings and support personnel.

The plan has strong support from the business community, which is being asked to raise up to half the \$50 million in supplemental support the plan is expected to cost to implement.

The first four of the new schools were approved in late 2004 and 12 more were approved in late January.

Cleveland, OH

The middle-class east side of Cleveland emptied out some decades back as families moved to the suburbs. Today it's a black area in-between the tony east-side suburbs and the ethnic/white west side of the city. The district has been a troubled organization, going through a half-dozen superintendents in fewer than 10 years. The state first assumed control of the district, later turning it over to mayoral control. The district now has about 72,000 students.

There's a growing charter sector with 33 schools open last fall, enrolling some 9,600 students. Most of these and other charters in Ohio were originally granted by the state board of education. The state legislature decided in 2003 to remove the state board from this role, however, and then open up chartering to non-profit organizations. Schools originally chartered by the state board have two years to switch to new sponsors.

There's no inter-district enrollment, given the city/suburban feelings in this area. There is a large parochial school sector, enrolling about 14,000 students in the city. About 6,000 students are attending private schools at public expense under a limited voucher program ruled constitutional by the U.S. Supreme Court in 2002. Students are attending about 40 different schools, with a maximum voucher of \$2,700.

Dayton, OH

Dayton has received considerable attention in the last few years as an urban district with one of the highest percentages of students in non-district schools anywhere in the country. As of last fall, there are 20 chartered schools operating in Dayton, enrolling about 4,300 students. The district's enrollment was about 19,800 students in 2003-04, down from almost 26,000 five years ago. About 40 percent of the elementary-school enrollment in Dayton is now in chartered schools in the city.

Dayton's charter sector has been slower to generate high schools, though this seems inevitable as students move up in age and want to continue in chartered schools rather than move into high schools run by the district. As noted above, the state board of education has been the primary non-district sponsor in Ohio. But, the Legislature has now ordered a shift in the state's role – to authorizing and overseeing sponsors – including non-profit and higher education institutions. One of the first of the new sponsors approved is the Fordham Foundation – based in Dayton, but well-known nationally, largely through the work of its high profile president, Chester E. Finn, Jr.

Dayton as a city had experienced a big ‘egress’ of population before the chartered schools began appearing: people moving out, and moving into private schools, both independent and commercial, where they could afford it. There has been a privately-financed ‘scholarship’ program to help families access the private schools.

Also, there is a big growth of e-learning in Ohio, with about 90 e-schools now in operation statewide,

enrolling about 25 percent of Ohio charter students. Many of these programs enroll students statewide, but there is no information available on how many students, for example from Dayton or Cleveland, are currently enrolled.

The chartering program has had the strong support of business and community groups in Dayton, frustrated by the district. The district has been intensely hostile. The Dayton Education Association has a lawsuit against the program. Facing reality, the district may now be showing signs it will adjust to its smaller role as a school-operator in the city.

Detroit, MI

There are 46 chartered schools in Detroit, as of last fall. Seven were originally sponsored by the district under a prior administration and five by the county 'intermediate' district. The remainder are sponsored by one of Michigan's state universities, the entities that authorize a large majority of the charters in the state.

Under Michigan's state charter law, the state universities are currently capped in how many charters they may grant statewide. This cap has significantly slowed Michigan charter growth in the last several years, although Bay Mills, a tribal community college in the Upper Peninsula – has stepped in to fill some of the void, sponsoring 15 of the 19 new Michigan charters opening last fall. Unlike other community colleges – with geographic regions that limit their chartering – Bay Mills operates statewide.

In total, Detroit's 46 charters enroll over 24,500 students, or about 15 percent of public school enrollment in the district. There are also about 5,000 students on waiting lists for chartered schools in Detroit. In addition, some Detroit students attend the 24 chartered schools in Wayne County outside the city.

The growth in chartered school enrollments in Detroit is just one factor in a school system that's projected to drop from 140,000 students this year to 100,000 in 2008. The district is currently facing a \$198 million deficit in its \$1.5 billion FY 2005 budget. District administrators have developed a plan to address the combined fiscal and enrollment crisis by closing 110 schools in the next three to five years – producing estimated annual savings of some \$380 million.

A statewide voucher initiative failed several years ago in Michigan, but there is a private scholarship program that finances attendance in non-public schools. Inter-district open enrollment, while permitted, is small. And, the Detroit school district operates some elite schools – Cass Tech the best known - on the model of those found in other large eastern cities: like Boston Latin and the Bronx School of Science.

Houston, TX

Houston is a city that grew largely by annexation, so has fewer suburbs and a higher percentage of the metro area population than many cities in the North. The Hous-

ton Independent School District is also very large – with about 211,000 students – the seventh largest in the country

Texas' chartered school law authorizes two broad categories of charters: Campus Charters are granted by districts and Open Enrollment Charters are granted by the State Board of Education. The Houston school district has been the most aggressive chartering district in the state, granting 28 campus charters that were operating last school year that were serving about 11,600 students. In addition, about 16,000 students were attending 50 Open Enrollment charters in the greater Houston area. The district-granted charters have varying degrees of autonomy, but taken together, about 12 percent of Houston's public school enrollment is now in charters.

Virtual, online schools are now also appearing in Texas. These electronic schools cannot now be created directly, but if established and approved by the state as programs they may then be 'converted' to operate as chartered schools.

Indianapolis, IN

The original city of Indianapolis was expanded in 1970 to be coterminous with its county, Marion County. So the city is far larger than the old Indianapolis school district, covering a total of 11 districts in what might be considered both central city and suburban areas. In 2001, the Indiana Legislature passed a charter law allowing districts and state universities to grant charters and also granting chartering authority to the mayor of Indianapolis – to create up to five chartered schools each year that can be located throughout the city.

Indianapolis' moderate Democratic mayor, Bart Peterson, is now in his second term and has set out to use this authority to create a new sector of public education. He has created what amounts to a chartering board to advise him and created a small staff, assisted by consultants and a local university, to review proposals and provide ongoing oversight of schools that are approved.

As of last fall, ten charters authorized by the mayor were open, serving about 1,900 students. Three more schools have received charters and will open in 2005 or 2006. Together these schools will enroll nearly 4,500 students by 2008. In addition, a school chartered by Ball State University is located in the Indianapolis Public Schools district. Most of the students in the Indianapolis chartered schools are low-income and students of color.

Total public school enrollment in Indianapolis/Marion County is about 130,000, with about 41,000 in the Indianapolis School District that serves the core part of the combined City/County.

The City of Indianapolis chartering program is more purposeful and proactive than most around the country; making an effort to seek out learning models proven elsewhere for use in the new Indianapolis schools. A grant from the Richard M. Fairbanks Foundation is being used to attract education models to Indianapolis that are seeking to

replicate. Two Big Picture Company schools and a KIPP school are currently operating in Indianapolis. One district is currently seeking a charter from the Mayor to open an Expeditionary Learning Outward Bound model school.

The Fairbanks Foundation grant also provides funds to train leaders to start new schools through Building Excellent Schools and to create a facilities financing pool for charters – also drawing on local and national philanthropic support. Finally, a grant from the Bill and Melinda Gates Foundation is being tapped to provide start-up assistance – both to the new charters and to new schools that may be created in the district.

The mayor's initiative has focused on creating high quality schools that will improve student achievement. The initiative includes a comprehensive accountability system to track school and student performance. It includes a combination of standardized testing, site visits, confidential surveys of parents and staff and outside review of schools' finances. This information is shared widely through a web site and an annual accountability report.

Milwaukee, WI

Wisconsin has, in effect, two chartered school laws. Outside Milwaukee (with one exception in Racine) only school districts can grant charters. And most charters are tightly tied to the district's governance, personnel policies and finances. A bill opening sponsorship to state universities statewide passed the Legislature in 2004, but was vetoed by Governor Jim Doyle.

In Milwaukee, however, charters may be granted by the school district, city government, U of W, Milwaukee or Milwaukee Technical College. Milwaukee also has the nation's largest publicly funded voucher program. The combination of public and private school choices open to families has made Milwaukee one of the most dynamic education environments in the country – including a school district that has both granted charters and significantly altered relationships with its own schools.

Overall, Milwaukee now has 35 chartered schools with a total of about 14,000 students. Over half are what are called “instrumentality charters” – or schools chartered by the district whose teachers remain employees of the district. Several of these charters are effectively issued to teacher (worker) cooperatives, where the teachers remain employees of the district and members of the union, but have considerable autonomy in running their schools.

The district also contracts with a number of non-profits for special ed and for at-risk students. And, the rest of Milwaukee's chartered schools are independent non-profits that have been granted charters by either the city of Milwaukee or the University of Wisconsin, Milwaukee.

This year, Milwaukee's publicly financed voucher program will enroll another 15,000 students in about 120 private schools – both religious and non-sectarian. That program's enrollment is now capped, though its supporters

have proposed legislation to allow the addition of another 1,500 students.

Taken together, the various publicly funded choice options serve more than 20 percent of the district's enrollment. And, Milwaukee is unusual in that the district board of education has actively promoted not only options inside the district but also options outside the district, including charters and the publicly funded voucher program.

This posture has varied somewhat, as the struggle for control of the board has shifted from employee control to reform control. But when the latter has had a majority, the attitude has been to encourage all the options possible. More enlightened school board members and administrators have also had an awareness that the district organization will not respond to the board's pressure for change unless its people know they're looking at losing students and dollars.

As an aside, some years back, as a ‘deseg’ device, Wisconsin enacted the “220” program under which Milwaukee students could attend school in suburban districts. The state paid both districts – the one where the students were attending *and* their former Milwaukee schools. Demand for this program is now shrinking as Milwaukee students have more options in the city where they live.

Minneapolis/St. Paul, MN

Chartering in both Minneapolis and St. Paul is now on an accelerating track – fueled by serious concerns about student achievement gaps and dropout rates, a favorable charter law, numerous non-district authorizers, public and private planning and start-up grants, state facilities aid, and a constant stream of individuals and organizations stepping forward with proposals to start new chartered schools.

There are currently 23 chartered schools in Minneapolis and 27 in St. Paul, with the potential for as many as 20 additional charters opening in the two central cities by next fall. There are currently about 10,000 students in charters in Minneapolis and St. Paul – or about 11.0 of overall public school enrollments. Once all currently approved charters are open, the total market share of chartered schools in the two cities will approach 15 percent.

Both the Minneapolis and St. Paul districts have granted charters themselves, but at a declining pace and not pro-actively. In fact, both districts are now in the midst of reducing the number of district schools – due to a combination of budget strife, surplus space and declining enrollments. That makes it tough for conventional-thinking school board members and administrators to explain to voters, taxpayers, employees and loyal parents why they might want to charter some schools *new*.

That dilemma isn't discouraging others, however, under a state law that allows public and private colleges and universities, non-profit organizations, intermediate districts and the state commissioner of education (on appeal) to all grant and oversee charters.

As a result, of the 31 additional Minneapolis and St. Paul charters that opened last fall or are approved or proposed to open next fall, only one is sponsored by either district. During the last year, it's also worth noting that seven of the 25 schools originally sponsored by the Minneapolis or St. Paul school boards have switched their relationship to non-profit or higher ed sponsors. Five others originally authorized by either central city district have closed.

Chartered schools in both Minneapolis and St. Paul are concentrated in lower income areas and communities of color, including schools serving rapidly growing immigrant populations. Middle class families – who tend to live on the outer edges of the cities – are more satisfied with their existing district schools.

Ironically, however, some of those schools are being targeted by district officials for closure – triggering interest in some middle class neighborhoods in chartering as an option to closing district schools they like and believe are working quite well. (Note, for a more complete Education|Evolving analysis of the growing “Open Sector” in Minnesota, go to www.educationevolving.org.)

New York, NY

New York's charter law was passed in December of 1998, as part of a deal cut between Governor George Pataki and legislative leaders to raise legislator salaries. Despite two statewide non-district authorizers, however, growth in the number of schools has been slow and concentrated almost entirely in the state's biggest cities.

New York City has the largest number of schools, with 32 open last fall. Of these, 17 were authorized by the State University of New York (SUNY) Chartered Schools Institute, four by the New York Board of Regents (state board of education) and eleven (including four conversions) by the New York City Board of Education.

Total enrollments in the New York City charters are estimated at about 8,000 students – a tiny percentage of the city's one million students in over 1,300 district public schools.

These numbers and percentages are expected to grow in the next few years as the leadership of the city's school system – Mayor Michael Bloomberg and Chancellor Joel Klein – implement a broader plan to expand choices and create new schools. Charters are part of that plan, with the district intending to open 50 new chartered schools in the next several years – what might be thought of as an “in-district open sector.”

Although the numbers would still be quite small – relative to the district system – the additional New York charters are likely to be well-supported. The district is raising millions of dollars in public and private funds for its new schools plan – including \$40 million for charters.

In addition, Mayor Bloomberg had \$250 million in the City's budget approved for charter school facilities. The initiative will also be pro-active in bringing in strong

learning models from elsewhere. And, so far, at least, its teachers union has not opposed the plan. In fact, the union recently hired the district's former chartered school director to help design a chartered school organized by the union itself.

Oakland, CA

Facing huge budget deficits, the 50,000 student Oakland School District is now operating under a state-appointed administrator who wants to close or restructure more than a quarter of the 94 schools the district operates. This year, alone, the district's city-wide enrollment dropped by 2,700 students, resulting in the loss of an additional of \$19 million in state funding.

The cuts and closures are controversial at a time that the Oakland district has also chosen to open a number of new and smaller district schools. Some charters have also been approved.

Oakland's new schools initiatives have been supported since the late 1990s by a grassroots group, Oakland Community Organizations. Another influential partner has been the Bay Area Coalition for Equitable Schools, funded in part by the Bill & Melinda Gates Foundation.

And Oakland Mayor (and former California Governor) Jerry Brown has been a strong charter supporter, initiating several new schools himself.

Philadelphia, PA

The Pennsylvania Legislature originally put a ‘takeover’ law on the books for Philadelphia when it and former Superintendent David Hornbeck weren't getting along. Then, a couple of years ago it activated that law.

The Legislature didn't act as Congress did for D.C. by creating a separate board for chartering. Rather, it kept a single all-purpose governing board for the district and tried to restructure it with a mixture of gubernatorial and mayoral appointments. The state, under the leadership of then-Commissioner Charles Zogby, also tried to get the board to contract for the management of both charter and district schools.

After a lot of negotiation, the district was divided into five non-geographic sectors. First: the traditional district-administered schools, enrolling about 170,000 students. Second: 21 district-run schools ‘reconstituted’ and given extra help and financing. Third: 45 schools contracted to six EMOs (including Temple and Penn); about 33,000 students. Fourth: chartered schools; 46 at that time sponsored by the district and two sponsored by the state appeals board, then having about 21,000 students. Fifth: Alternative schools. This is new – currently with about 2,000 students - but will grow under Supt Paul Vallas, who wants to get these students out of mainline schools. There are about six contractors for the alternative schools.

The district has the EMO schools on a pretty short leash, according to some local observers. The city buys the

learning program and the management, but school-level administrators and all teachers have to be (or become) district employees. Some of these schools can select their teachers. A school can become “site-selected” by 75 percent vote of teachers in the school.

As of this school year, there are 52 charters in the city with about 23,750 students. Three of the charters were granted on appeal by the state’s charter appeal board, but all the rest have been granted by the district board – making it one of the most active district chartering authorities in the country.

There’s also some post-secondary enrollment, but no inter-district open enrollment around Philadelphia. Formerly suburban students could tuition-in to the city’s elite high schools, but this was stopped some years ago.

San Diego, CA

California has the second oldest charter law and has now gone past Arizona as the state with the most chartered schools – about 540 open this school year. This is despite the fact that virtually all chartering is done by districts in California, with a county board of education appeal option from the start and, more recently, the option of appealing to the state board of education. Charter advocates also continue to press the Legislature for direct alternative sponsorship through state higher ed institutions.

San Diego had 28 charters in operation last fall, with an estimated 12,000 students. Of those operating last year, 11 are “arm of the district” charters (three of these conversions) like the ‘instrumentality’ charters in Milwaukee. San Diego is big into choice within the district. About 30,000 of the district’s total 140,000 students are in one such program or another.

The future of charters and other reform strategies in San Diego is now at a critical crossroads. On one hand, the district board has been considering converting existing low-performing district schools into charters. Four of eight such schools submitted charter proposals in early January.

At the same time, the district’s reform-minded superintendent, Alan Bersin, was forced to resign in late January as part of a leadership change triggered by the election of several new board members last fall.

One bright-spot, regardless, has been the success of the city’s High Tech High Learning Network, with a total of 15 sites expected to be in operation throughout the country by the 2005-06 school year.

Washington, DC

There are two options for authorizing new chartered schools in Washington, D.C. The first is the D.C. Public Chartered Schools Board – which has created what might be thought of as a “second school district” in-and-for the city. The authority to create new chartered public schools was created by Congress in 1995, acting as state legislature for the District of Columbia. A total of 26

charters have been issued by the DC charter board and are operating on 31 campuses this school year.

In the same federal legislation, the D.C. Board of Education also has chartering authority and has 16 operating charters as of this fall. There’re about 59,000 students in district-operated public schools. So students in charters – about 15,800 total in the two ‘open sectors’ combined -- represent about 21 percent of total public school student enrollment in the District.

Accessing and affording facilities is one of the biggest challenges facing chartered schools in the nation’s capital. Congress has tried to address that challenge by providing what is arguably the most generous per pupil charter facilities aid program in the country. Last fall, in the annual appropriations bill, Congress also included language designed to provide greater access by DC charters to surplus space in district school buildings. The 21st Century School Fund, a DC non profit, has estimated that the DC school district now controls nearly six million square feet of school space it no longer needs to house its students.

Last year, Congress also authorized and funded a limited voucher program for low income families in the District. Families of about 8,500 students made inquires about the program and 1,011 students enrolled this fall in 53 DC private schools. The program provides vouchers of up to \$7,500 per student. Eligible families must have incomes under 185 percent of the poverty line to qualify, which amounts to \$34,400 for a family of four.

Prior to introducing charters as an option, private schools had become the system of choice for many families who could afford tuition and wanted to live in the District. The Clintons sent Chelsea to Sidwell Friends; the Dan Quayles and Jesse Jacksons were both members of the PTA at St. Albans. Many middle-class families opted into private schools, too, or left the city. Interestingly, since the advent of charters, overall public school enrollment in the District rose some and has now leveled off.

Wilmington, DE

The old Wilmington school district actually disappeared some years ago, as a part of the city’s desegregation plan. In its place, four surrounding districts extend into Wilmington, picking up parts of what had been the city district. Students living in Wilmington attend schools in these four districts; bused to accomplish racial balance. None of the four districts operates a general district high school in the city any more. If you want that district option, you’re bused to a suburban site.

Overall, Wilmington, a city of about 72,600 population, has about 10,860 students attending public schools in the four ‘suburban’ districts, including schools located within the city limits.

More recently new schools have begun to appear in Wilmington, as charters, most authorized by the state department of education. As of this school year, there are four chartered elementary schools (some K-8) and one

chartered high school. They include the Charter School of Wilmington, a 950 student district-authorized charter high school that routinely produces the top high school test results in the state.

Overall, Wilmington's chartered schools enrolled about 2,750 students last fall – or about 20 percent of the city's public school enrollment. There is some interest in creating a 'charter district' in Wilmington. Such a proposal passed the city council three years ago, but was vetoed by the mayor because it involved changing school district lines, which he opposed. He was not opposed to the charter district concept.

There is also full open enrollment among the four suburban districts. So all the organizations – both the charters and the districts – have to “earn their students.”

Concluding comments

This gradual unbundling of the old district system, and movement away from the public-utility model – the “exclusive franchise” – away from the notion that the board must own and run all its schools – causes puzzlement in some places and is obviously contentious in many others.

The districts are reacting in different ways. Some resist fiercely the state offering options to ‘its’ students. (One superintendent was known to say, “We own our headcount.”) Others see the opportunity to charter and to contract as a gift, as a way to get learning models and teacher practices they cannot get by changing existing schools.

Minneapolis and Detroit – at least, so far – belong in the ‘resistant’ group, regarding schools chartered – seven by the board – as “the enemy.”

On the other hand, Milwaukee and Chicago are cities where the leadership has been more comfortable with not owning-and-running some schools, and uses the new authority given by the state to both authorize new chartered schools and open new district schools of their own.

San Diego and Buffalo are also examples of how the local politics around creating an “Open Sector” can change quickly – sometimes over night. At a minimum, it seems essential that all “Open Sector” communities have both in- and outside-the-district options for authorizing and overseeing new schools.

Overall, the emergence of an “Open Sector” in public education forces communities to think about a distinction it never had to think about before: between the interests of the district as an organization and the interests of the students and of the city in the general sense. Many districts deny any such difference. Others, including mayors, business leaders, community activists and, certainly, parents and students, will see otherwise.

The one thing that's certain is that things will never again be the same as they were when Albert Shanker made his “take our customers for granted” comment in 1988. That's what state policy makers intended. And, all protestations to the contrary, that's good for their current

and future students and for the interests of individual communities and for the country as a whole.

About this report and its authors

This policy brief was edited by Education/Evolving's coordinator, Jon Schroeder, and is based on an earlier document developed by E/E's co-founder, Ted Kolderie. Re-search assistance was provided by Chrissy Lee.

Because “Open Sector” activity in each of these cities represent a “work in progress,” this inventory will be regularly updated on the Education/Evolving web site at www.educationevolving.org and will occasionally be re-published.

Feedback and information on new developments are welcomed and should be directed to Education|Evolving via e-mail to info@educationevolving.org or by calling 651-644-6115.

Funding for this publication was provided by the Annie E. Casey Foundation. We thank them for their support, but acknowledge that the findings and conclusions in this document are those of the authors alone and do not necessarily reflect the opinions of the Foundation.



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