

‘Charter Schools’ Is System Change

The system change introduced into public education by the states beginning in 1991 is commonly described as ‘charter schools’.

That’s a misnomer; confusing the discussion. But it’s understandable. School is where learning occurs and the country wants better learning. So it has been natural to talk in terms of the schools, and to ask if the new chartered schools have been ‘better’ than district schools.

That effort to link school status directly with ‘better’ – i.e. higher student scores – seems intellectually indefensible, largely nonsense. Students probably learn not from schools being ‘charter’ or ‘district’ but from what their own school has them reading, seeing, hearing and doing. Research has embarrassed itself by failing to describe what the schools are, and do. That failure to describe the schools has encouraged advocates to present ‘charter’ as a kind of school. But in each sector, charter and district, the schools differ widely in their approach to learning. As a result studies about ‘better’ usually conclude: “The evidence is mixed” . . . as of course it would be. So the dispute rolls along unresolved.

It is important to see beyond the schools; to see chartering as a state strategy for change and improvement in the system of public education. A quick recap of recent history will bring that into perspective.

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After **A Nation at Risk** in 1983 the effort was to improve school and student performance directly. The assumption was that public education had an ‘effort’ problem: We needed to get the existing schools to do-better. So the idea was to introduce standards, assessments and accountability.

There was some effort to change the locus of control: ‘downward’ with site-management, laterally with mayoral control and upward with state takeover. But boards of education resisted decentralization; communities soon wanted their schools back from the state; mayoral control was inconclusive.

Then in the late ‘80s the definition of ‘public education’ began to broaden; states encouraging alternative schools (sometimes run by nonprofits on

contract), introducing inter-district enrollment and beginning to let colleges offer the top two years of high school.

Still frustrated, though, by the districts not giving them the changes needed, legislators and governors in the '90s realized they could “get somebody else who will”, not with vouchers but within the principles of public education.

Quickly through that decade states created a second and dramatically different sector of public education. Where the district sector tries to get existing schools to do-better the charter sector lets people try new and different kinds of school. Where the district sector is organized on the public-bureau model the charter sector is organized on the contract model. The district sector is centralized; the charter sector largely decentralized. The district sector is overseen by local boards, the charter sector—indirectly, through authorizers—by the state.

Introducing so dramatically different a new sector changed ‘the rules of the game’, opened public education to innovation and so created incentives -- reasons and opportunities -- for districts to change.

What can we see in the way of system change?

What follows is an effort to describe chartering as system change: indicating some innovations chartering has been able to produce and identifying some approaches to learning and forms of organization being picked up by the district sector from the charter sector.

I’m hoping this will contribute to the national discussion; will help clarify that the charter sector is basically the R&D sector for America’s system of public education. People need to see that for the change and innovation it needs, our \$700-billion-a-year system relies heavily on the efforts of those starting schools in its new sector and on the private contributions that support those efforts.

None of what follows is to say that all the state chartering programs display all or any particular one of the effects I describe. It is only to say that the two-sector arrangement creates an opportunity for innovations in the new schools; that this in turn creates incentives for change in the district sector. We have the potential for a self-improving system. Research could now, and should now, be identifying these innovations and system effects in the state charter programs.

Absent research of this sort, most of the examples here are drawn from the state I know; Minnesota, the earliest of the state chartering programs. Perhaps these will suggest the agenda for the needed research.

Let's start with the ways chartering has changed the system, then consider the different kinds of schools the system change has produced.

System effects from the introduction of the charter sector

1. The appearance of chartering has significantly changed the calculus for the district about how to respond when proposals for 'different' appear.

Good people in the traditional district sector would often say, "We have to change". But that was not true in any real sense. They did not have to. Albert Shanker put it bluntly at the Itasca seminar in 1988: "This is a system that can take its customers for granted." 3M Company discovered this when it tried to sell its strategic-planning program to districts. The premise was that your organization could die if it doesn't change, and "superintendents didn't relate to that", the 3M person in charge said candidly later. Many saw change simply as doing the same thing better, or talked about the difficulty even of modest adjustment. "Fold your arms across your chest", the head of the National School Boards Association said to Minnesota school board members. "Now cross them the other way". They did. "Doesn't feel right, does it?" Chartering . . . certainly where a charter sector contains alternate authorizers . . . creates a new situation: If a district rejects a proposal for 'different' the school might appear anyway. The local board must then ask itself: Given that a different school is going to appear, do we want it to be somebody else's or would we rather do it ourselves?

2. While the district sector continues in the public-bureau model, the charter sector is testing the contract arrangement.

In the district sector schools have no legal existence; they are a part of the overall organization much as the 'fire stations' belong to 'the fire department'. The effort in the 1980s to bring contracting into the district sector quickly faded: Joining a private operator directly to a political board proved painful; like bone on bone. The chartering laws took a different approach. Authorizers, surrogates for the state, approve and oversee schools they do not own and run. Between authorizer and school there is an agreement, a contract. Approvals are for a defined term of years; are renewed (or not) subject to fiscal and student

performance related to standards set by the state and to objectives set or approved by the authorizer. Further, the school may (sub)contract for its management and operation -- or for its teachers (see #14 below).

3. The charter sector is, as a result, providing a real-time test of the concept of the free-standing, 'site managed', school.

It has always been difficult in the district sector for a school to acquire significant authority to run its own operation. Principals at times have pushed for greater authority. But the authority-granted is usually poorly defined and has usually faded; has returned to the central office. In the charter sector the school does handle its own operation – even when its decision is to sub-contract for its management. Over and over, too, people in autonomous schools say: If we have a problem we can deal with it ourselves; overnight.

4. Chartering is providing a test of different management arrangements for pre-K-12 public education.

Many chartered schools are free-standing autonomous entities. Some contract for their management and operation. And CMOs — charter management organizations – have appeared, to run groups of schools. These exist and operate now in a number of states. It is a concept promoted by some of the organizations and foundations most active in the charter sector. It is a controversial experiment. CMOs resemble private-sector districts, so might come to operate in the manner of the district central office, reluctant to delegate authority to the site. In effect the charter sector is testing, at the same time, both decentralization and new mechanisms for 'scale'.

5. Where an authorizer oversees a collection of schools, chartering is providing a real-time test of the 'portfolio' or 'network' arrangement.

In the charter sector the schools set up their own operating arrangements. There is no 'central office'. Authorizers do not, like districts, "run the schools". They set objectives, oversee quality, enforce accountability. The contrast is striking with the district arrangement, which centralizes so many operating functions. To run its 75 schools, for example, the Minneapolis district has more than 500 people in its central office, just staffing their centralized functions costing perhaps \$30 million a year. In the 24-school system overseen by Innovative Quality Schools -- one of Minnesota's 'single-purpose' authorizers – operating functions, decisions, are in the autonomous schools. IQS has no employees: Its board contracts with a three-person partnership which in turn

has agreements with a ‘cadre’ of current and former teachers, administrators and university professors knowledgeable about school models, evaluation and data analysis, governance, finance and school operations. (The model was developed by Bob Wedl, earlier Minnesota’s commissioner of education.) To finance its oversight IQS collects about \$350,000 a year from charges to the schools. It ran a surplus in 2016, carries a nice reserve and depends not at all on private foundation or government grants. I recently gave a copy of its annual report to the chair of the Saint Paul (district) Board of Education; said, “You could organize your district like this”.

6. For-profit public education is getting a test in the charter sector.

In a few states a charter may be issued directly to a commercial organization. In states where the school must organize as a nonprofit, the school may contract with a CMO – which in some states will be a nonprofit but which in some may be for-profit. The Edison Project came quickly into the new sector of public education, contracting to put its program into the new schools. Contracting need not be as controversial as it has been. Contracting does not ‘privatize’ public services: That is an accusation employee groups make in an effort to block elected and administrative officials from carrying out public objectives through an organization other than the public bureau. Contracting of course needs to be handled competently and honestly; like any arrangement, it can be done badly. It would be good for research to reduce the level of ideological argument by explaining what changes and improvements are in fact being introduced by the for-profit operator and how successful these are.

7. The growth of the charter sector in several major cities is now shaping for states a major policy question about the future arrangement for public education; a question that for some time states have needed to address.

A new debate about strategy is beginning. About 17 cities now have a third or more of their students enrolled in the charter sector. As the traditional district sector loses ground to the new charter sector a cry arises to “save the district” – as if the institution could be saved by returning to the old public utility arrangement; could be saved by not changing it. Another ‘scenario’ sees the district as an obsolete institution; suggests that the sooner it is replaced the better. A third – rather peculiar – notion looks toward a kind of super-board to oversee both sectors. The sensible course is probably to keep the current two-sector arrangement; the charter sector free to try things with the districts picking up its innovations. That will require districts to act positively, and that of course will be a challenge. The internal resistance is strong, both to

delegating authority to schools and to letting teachers control professional issues. Almost any effort to do-different is checked by what one superintendent calls “the remorseless pressure for sameness”. Still, clinging to the status quo will not be without consequences. Learning could move outside school. Already we can see the ‘bypass’ appearing. The state, in its own interest, will need to push the district sector to pick up innovations appearing in the charter sector. It is time; past time. Minnesota’s legislature has made no change in its system of public education since it introduced chartering a quarter-century ago.

8. The need and the potential for radical improvement in schooling is making it clear the states need to re-think their own arrangements for innovation.

Our 25 years of experience with chartering has made clear that to encourage and support efforts to do-different the state will need to rearrange itself. As the chartering laws appeared the new charter sector was placed under the state department of education alongside the district sector. A classic bureaucracy, the state agency is not in the business of encouraging ‘different.’ Just the opposite. It is devoted to making and enforcing rules, ensuring things are consistent and uniform. Its role in providing help and support to the districts has diminished. Increasingly its job has been to implement the rules the U.S. Department of Education attaches to federal support. More and more of its employees are paid by the U.S. Department. Somehow ‘innovation’ has to be located elsewhere; within, or in some nonprofit entity contracted to, state government. This is not for the charter sector only. People in the district sector, too, see the need for non-traditional schooling. The idea is for the state to be supporting the non-traditional in both sectors.

Changes in the schools from the introduction of chartering

Across the states innovations have appeared in the way the schools are organized and operate and in what they have their students reading, seeing, hearing and doing. The fundamental in this might be ‘too obvious’: The system change we call ‘charter schools’ makes it possible to try kinds of schools, new approaches to learning and new roles for teachers and students without having to demonstrate that “everybody wants it”. That produces a more responsive and more innovative system – a major implication for policymakers.

9. Chartering has demonstrated the viability of schools organized at significantly smaller scale.

For years district schools had been growing larger, partly as districts consolidated and partly as the desire to reduce average-cost-per-student led superintendents and boards to close small schools. “When I came this district had nine schools; when I leave it’ll have three”, Dave Metzen said toward the end of his time as superintendent in South St. Paul. In the charter sector, initially, the new schools were small. As were their budgets. Most operated in rented space. There was a downside to this: Most could not afford amenities and extra-curriculars. But the schools created did demonstrate that the 3,000-student three-grade high school typical in the suburbs of Minnesota’s Twin Cities area is not a necessary model; is a model driven perhaps more by adult than by student interests. Relationships improve, too, with smaller scale. Teachers and administrators can know students and parents.

10. The new sector has been trying different configuration of age and grade.

Some chartered schools were the conventional K-12. Some were elementary only; some secondary only. Some started with one, or a few, grades and gradually expanded. There have been age3/grade3 schools, and grades 11-14 schools – such as the Technical Academies of Minnesota that aim to graduate students with certificates enabling them to go directly to work at livable-wage jobs in local industries currently struggling to find enough skilled workers.

11. Chartering has greatly expanded the approaches to learning available.

Some districts began in the ‘80s to offer some intra-district choice of school. Soon after that *inter*-district choice appeared in Minnesota and in some other states. But except in the ‘alternative schools’ the schooling was still pretty traditional. The charter sector provided the opportunity to try a much wider range of approaches to learning. Its essential contribution is to let those starting a school experiment with new ways of reading, seeing, hearing and doing that might increase student motivation. So many schools tried so many different things that today there is no such thing, pedagogically, as ‘a charter school’. Chartering offered new choices for districts; choice for boards. Unhappily, most boards have declined the opportunity. It is offering professional opportunities to teachers, who have been conspicuously interested.

12. With it left open for those organizing schools to try the approach to learning they wished, the charter sector has generated or expanded a variety of different pedagogies and learning strategies.

- Some schools, recognizing the learning difficulties of their students, moved to install a program of ‘direct instruction’. KIPP, Harvest Prep in Minnesota and similar charter programs nationally are the best known.
- Responding to the imperative for accountability, some schools have quickly moved to maximize student motivation by personalizing learning. ‘Project-based’ was a known model, primarily in alternative schools serving at-risk students. But in the charter sector whole schools have been organized on this model, the student becoming a co-worker on the job of learning.
- Schools appeared offering world languages; some of them ‘immersion’ schools: in Russian, German, Chinese, Korean, Hebrew, Spanish.
- ‘Digital’, too, had been in public education. But in the charter sector more people began organizing whole schools on the digital platform serving the entire state. This, too, has been controversial. In some states the prospect of full per-student financing and low operational costs attracted unsavory operators; some painful lessons were learned in the scandals that developed. With good operators, ‘digital’ works for students who learn well independently. Level Up Academy in White Bear Lake, Minnesota uses digital games as a primary tool for math and other instruction. EdVisions has an online project-based school; perhaps the only such anywhere.

13. Schools in the charter sector have set objectives for their students that go beyond state standards, that are related to the students’ aptitudes and aspirations. These schools have as a result developed a broader definition of achievement and have begun to use broader – and multiple -- measures of performance.

Those starting -- designing and operating – schools in the charter sector commonly have a broad concept of student achievement; for what a young person should know and be able to do. They regard the subjects tested on the state assessments (principally English language and math) as important but not all-important. Their object is to have students do well enough on these

assessments to get by, leaving time for their students to develop other skills and knowledge as well. They are proud of their achievements – of the visible, tangible student engagement. Yet state accountability does not look beyond test scores. The charter sector has struggled to articulate the case for a multi-dimensional concept of achievement and to develop the alternate measures this will require. The Hope survey used in Minnesota shows how students' optimism about their own future is key for the effort they make in school. Other efforts are under way to define and measure broader achievement.

14. The charter sector began early to test – and has validated -- the professional-partnership model for the organization of schools, providing teachers an opportunity to shape the program of learning.

As early as 1992 one of the new schools in Minnesota's charter sector set up with the teachers forming a workers cooperative to run the school on contract to the nonprofit board. It was essentially the partnership model common in other white-collar vocational fields; the professionals in charge, doing the administration or having the administrators working for them. With help from Tom Vander Ark (then) at the Gates Foundation, the first teacher cooperative, EdVisions, got its model widely known. The model proved pedagogically and financially successful; providing teachers the opportunity to have the kind of job and career they could not get in the district sector where professional issues are reserved to management. When in charge of the learning these teachers can and often do change the model of school, moving to the personalized learning that motivates students. The appearance in the charter sector of professional opportunities for teachers is proving attractive to the teacher unions. In 2014 an effort was organized to move the 'partnership' idea into the district sector, through teachers. (This national initiative appears on the Education|Evolving website.) A serious effort to expand the partnership model could become a national strategy not only for improving learning but also for helping recruit and retain top-quality people in teaching.

Implications for policymakers

Clearly, a strategy emerges from this view of 'charter schools' as system change. Its central idea is not complicated.

- Learning improves when students are motivated to learn; are engaged.

- Student motivation improves when teachers, given the opportunity to lead the learning, move to personalize student work.
- Schools provide teachers that opportunity to personalize learning when districts make schools a real delegation of meaningful authority.
- Districts make that delegation of authority when state policy gives them incentives – reasons + opportunities – to do so . . . by opening the way for ‘somebody else’ to offer the new-and-different if the districts do not.
- The job for state policy leadership is to set this sequence in motion.

The two-sector arrangement of public education puts us within reach of a self-improving system. What remains is to get districts to pick up from the charter sector that delegation-of-authority-to-schools so teachers can then have the ability to adapt the program to their students.

The politics of this might be easier than people think. People in politics will note how strongly the American public favors choice within public education. (See the opinion surveys done for The Kappan, which also make clear that student-engagement is what the public wants schools to be accountable for.) Teacher union leadership will note that overwhelmingly teachers want a professional job and career; will understand this means working to get the district to delegate authority to the school.

Our country really does need to do this. Since the 1970s we have been struggling without great success to ‘do’ improvement from the top. John Goodlad saw that problem clearly: ‘The usual impulse when a good school appeared was to say, “Bottle it! Scale it!” No, he said. Do not try to replicate the schools. Replicate *the conditions that made it possible to create good schools. Arrange things so those at the school can “shape their own educational business”*’.

Education policy did not listen; has kept trying to ‘do’ improvement’ from the top . . . producing centralization and standardization.

After 40 years it is time to change a losing game. It is time to stop searching for “the one best system”; time to use innovation in the two-sector system to make public education at last a self-improving system.

This will have to overcome the tendency in education policy to think of change as comprehensive action politically engineered. It will confound conventional wisdom to suggest that the transformation of American public education can – and perhaps will – be carried out by using the institutional innovation of

‘charter schools’, the two-sector system, to create a self-improving public education system . . . enabling teachers at the school level, as professionals, to adapt the learning program in ways that maximize student motivation, and then getting the district sector to pick up these new approaches.

The way forward is obviously to be practical; to step outside the ‘education’ silo and consider the way successful systems change. Look at communications, computing, entertainment, now retailing, soon transportation. Change comes from innovation at the working level, voluntarily adopted, gradually spreading and improving as it spreads. Look at, think about, Paul Kennedy’s **Engineers of Victory**, explaining the innovations critical to winning World War II. Read Everett Rogers’ **Diffusion of Innovations**.

It is time to apply that common sense to public education. It is not too much to suggest that, to survive, the district institution . . . and public education . . . depends on the innovations – and, candidly, the enrollment and financial pressure – generated by a successful charter sector.

As the idea of delegating authority to schools and making teaching a truly professional career moves into the district sector, it will be clear the two-sector strategy is working . . . that ‘charter schools’ is in fact system-change.

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Saint Paul, Minnesota
June 2017