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All Charter Schools are Public Schools
Charter Schools are designed to root student achievement
Charter Schools never charge tuition
Proponents of market-based education reform often argue that introducing charter schools and other school choice policies creates a competitive dynamic that will prompt low-performing districts to improve their practice. Rather than simply providing an alternative to neighborhood public schools for a handful of students, the theory says, school choice programs actually benefit students remaining in their neighborhood schools, too. Competition motivates districts to respond to the loss of students and the revenues students bring, producing a rising tide that, as the common metaphor suggests, lifts all boats.

But in order for this to happen, districts must first recognize the need to compete for students and then make efforts to attract those students, who now have the chance to go elsewhere. Since 2007, enrollment in charter schools has jumped from 1.3 million to 2 million students, an increase of 59 percent. The school choice movement is gaining momentum, but are districts responding to the competition? In this study we investigate whether district officials in a position to influence policy and practice have begun to respond to competitive pressure from school choice in new ways. Specifically, we probe whether district officials in urban settings across the country believe they need to compete for students. If they do, what is the nature of their response?

by MARC J. HOLLEY, ANNA J. EGALITE, and MARTIN F. LUEKEN
A small number of studies and numerous media reports have attempted to capture the reactions of public school officials to these new threats to their enrollments and revenues. A few reports of obstructionist behavior by districts stand out and have been chronicled in these pages by Joe Williams (“Games Charter Opponents Play,” features, Winter 2007) and Nelson Smith (“Whose School Buildings Are They, Anyway?” features, Fall 2012). Yet our evidence suggests that the dynamics described in Williams’s report of guerilla turf wars may be evolving in many locations to reflect new political circumstances and the growing popularity of a burgeoning charter sector.

To explore the influence of school choice on district policy and practice, we scoured media sources for evidence of urban public-school districts’ responses to charter competition. Our express purpose was to catalog levels of competition awareness and types of responses by public school officials and their representatives. Our search retrieved more than 8,000 print and online media reports in the past five years (since the 2007 Williams article) from 12 urban locations in the United States. We then reviewed minutes from school board meetings, district web sites, and other district artifacts to verify if, in fact, the practices and policies described in media reports have occurred.

We selected cities according to specific criteria. We chose three urban districts with high percentages of minority and low-income students (at least 60 percent on both counts) in each region (Northeast, Midwest, South, West). In addition, districts in our sample needed to have a minimum of 6 percent of students in choice schools, the level Caroline Hoxby identified as a threshold above which districts could reasonably be expected to respond to competitive pressure (see “Rising Tide,” research, Winter 2001). Finally, we sought to include cities across the range of choice-school market shares within each geographic region, so long as they were above the 6 percent threshold (see Figure 1).

**Market Share** (Figure 1)

*Charter school market share in the 12 sample locations in 2011 ranged from just over 8 percent in Atlanta to nearly 70 percent in New Orleans.*

<table>
<thead>
<tr>
<th>Region</th>
<th>City</th>
<th>Market Share</th>
</tr>
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<tbody>
<tr>
<td>West</td>
<td>Phoenix, AZ</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Los Angeles, CA</td>
<td>20%</td>
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<td></td>
<td>Denver, CO</td>
<td>20%</td>
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<td></td>
<td>Washington, D.C.</td>
<td>30%</td>
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<td></td>
<td>New Orleans, LA</td>
<td>50%</td>
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<td></td>
<td>Atlanta, GA</td>
<td>60%</td>
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<tr>
<td>South</td>
<td>Indianapolis, IN</td>
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<td>Detroit, MI</td>
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<td></td>
<td>Chicago, IL</td>
<td>30%</td>
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<td></td>
<td>Newark, NJ</td>
<td>40%</td>
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<td></td>
<td>Harlem, NY</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Boston, MA</td>
<td>60%</td>
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</tbody>
</table>

**Sources:** National Alliance for Public Charter Schools (NAPCS); figures reported for Harlem based on authors’ calculations using data from the Common Core of Data, compiled by the National Center for Education Statistics. Calculations based on New York Geographic Districts 3, 4, 5, and 6 and charter schools within the zip codes that encompass these districts.
evidence of competition awareness in all 12 cities, indicating that traditional public-school leaders generally acknowledge students’ alternative schooling option of attending a charter school.

In Denver, for example, school board members Jeanne Kaplan and Andrea Merida provided evidence of their awareness of competition among education providers in a 2011 guest commentary in the Denver Post. The board members raised the following point:

Before adding more charters or other new schools, the district should wait for the data to come in to justify doing so…We challenge Superintendent Tom Boasberg and our board to commit to a level playing field so neighborhood schools receive the same resources as charter and innovation schools.

In New York City, Joel Klein, chancellor of the New York City Department of Education until January 2011, was keenly aware of competition and openly welcomed charter schools, even if it meant publicly criticizing the public schools he oversaw. In a May 2011 Wall Street Journal op-ed, Klein wrote,

A full-scale transition from a government-run monopoly to a competitive marketplace won’t happen quickly, but that’s no reason not to begin introducing more competition…We pursued that goal in New York City by opening more than 100 charter schools in high-poverty communities. Almost 80,000 families chose these new schools—though we had space for only 40,000; the rest are on waiting lists. Traditional schools and the unions have been screaming bloody murder, which is a good sign: It means that the monopolists are beginning to feel the effects of competition.

Los Angeles Unified School District superintendent John Deasy has expressed his awareness of competition from schools of choice. Although not all of his subsequent actions conform to his claim that he is seeking healthy competition, this quotation makes it clear that he is aware of a competitive dynamic. Speaking at the Charter School Leadership Symposium in Los Angeles in 2010, he said,

Charter schools are a viable and necessary part of education. We are now in a multiple-provider world…. We’re in a moment of unhealthy competition, and I’m looking forward to healthy competition.

We identified 132 pieces of evidence of either competition awareness or of either a constructive or obstructive response, an average of approximately 11 per city.

These are just a few examples of media reports that demonstrate cognizance of the threats posed by alternative providers, but awareness is just the first step. We next sought to figure out if knowledge actually led to action.

Characterizing Competitive Responses

Having established that districts acknowledge charter schools and are aware that they compete with them for students, we then attempted to characterize public school districts’ responses to the competition. Our characterization of responses is informed by basic economic assumptions underlying competitive markets and the premise that functional markets will lead to a rising tide of achievement for all students. Competition between charter schools and traditional public schools for students may induce a constructive reaction, an obstructive reaction, or no response.

In a constructive response to competition, school faculty and administrators may implement reforms that use resources more efficiently, improve the overall quality of education within the traditional public schools, and increase responsiveness to student needs. If the efforts are successful, then the quality of traditional public schools will increase relative to what it would have been in the absence of competition from charter schools.

In an obstructive response to increased competition for scarce public resources, public school officials may attempt to block the growth of charter schools by limiting access to buildings and information, adding burdensome bureaucratic requirements, or supporting legislation that would hinder the development of such schools.

Of course, school and district officials may choose not to respond at all if, for example, the threat or the school’s or district’s perception of a competitive threat to their resources is negligible. Similarly, schools and districts, when faced with competition, might make public statements about how they need to change but never translate these statements into action. We consider the symbolic responses described by Frederick Hess in Revolution at the Margins (2002) as effectively falling into this third
category of offering no response. It is for this reason that we verified that any policy or practice change referenced in a public statement by a district official and reported in the media actually did occur.

Constructive Responses
Contrary to the largely symbolic reactions to competition evident when the school choice movement was just beginning, we find evidence of significant changes in district policy and practice. The most common positive response, found in 8 of the 12 locations, is district cooperation or collaboration with charter schools. We were even able to find evidence of this constructive response in Atlanta Public Schools, a district previously relatively unwelcoming to charter schools: in late October 2012, the U.S. Department of Education awarded a collaboration grant for teachers and administrators at B.E.S.T Academy Middle School, a district-run school in Atlanta, to participate in training conducted by the KIPP Metro Atlanta. The next three most-common constructive responses, found in seven locations, are partnerships with successful nonprofit CMOs

Changing Practices (Table 1)

<table>
<thead>
<tr>
<th>Region and District</th>
<th>Replicate charter practices</th>
<th>Collaborate with charters</th>
<th>Support pilot, innovation schools, etc.</th>
<th>Market to students/families</th>
<th>Expand/improve schools/offering</th>
<th>Partner with CMOs or EMOs</th>
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<tbody>
<tr>
<td>Northeast</td>
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Constructive responses × Obstructive responses

SOURCE: Authors’ calculations
or for-profit charter school operators, education management organizations (EMOs), to operate schools; the replication of successful charter school practices; and an increase in active efforts to market district offerings to students and families (see Table 1).

The decade between 1999 and 2009 saw a dramatic expansion in CMO schools, with increases of approximately 20 percent per year, a higher growth rate than seen by independent charter schools, according to a recent study by Mathematica Policy Research. The KIPP network and CMOs Uncommon Schools and Rocketship Education have demonstrated the ability to achieve success with challenging populations, so it may not be surprising that districts pursuing reform seek to partner with them or with equally successful EMOs. In March 2011, for instance, Detroit Public Schools (DPS) emergency financial manager at the time, Robert Bobb, proposed inviting charters and private schools to take over Detroit’s 41 most academically challenged schools. Dubbed the DPS Renaissance Plan 2012, the purpose was to engage proven charter-school operators in the district’s school-improvement effort. In April 2011, the National Association of Charter School Authorizers agreed to assist DPS as the district designed a competitive and rigorous RFP (Request for Proposal) process to identify schools that it would authorize as charters beginning in fall 2011. The district’s portfolio now includes two DPS schools that were converted to charter schools in partnership with CMOs (EdTech and the Detroit Association of Black Organizations) and three in partnership with EMOs (SABIS, Solid Rock, and the Leona Group).

As an example of a district imitating successful charter-school practices, Denver Public Schools is, as Education Week has reported, “aiming to re-create within its own buildings the innovation seen in top charter schools, and keep the state funding.” The approaches used by Denver schools in the Blueprint Schools Network since 2011 are supported by high-quality research and guided by the following five “tenets”: 1) excellence in leadership provided to students who remain in traditional district schools.

<table>
<thead>
<tr>
<th>Improve efficiency</th>
<th>Deny applications/restrict renewal</th>
<th>Create legal obstacles</th>
<th>Freeze or delay payments to charters</th>
<th>Block access to facilities</th>
<th>Withhold information</th>
<th>Use regs. to restrict choice/competition</th>
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In summary, districts pursuing reform are increasingly turning to charter schools, EMOs, and CMOs to achieve success with challenging populations. Gone are the days of simply opening new charter schools; districts are now seeking innovative partnerships and competitive process to identify and authorize the best operators.
and instruction; 2) increased instructional time; 3) a no-excuses school culture of high expectations; 4) frequent assessments to improve instruction; and 5) daily tutoring in critical growth years.

Across all four regions, districts have increased marketing efforts to recruit and compete for students. For example, in Harlem, Jennifer Medina of the New York Times reported in 2010, schools were putting out fliers and actively seeking to change their images. She quoted then principal of Public School 125 Rafaela Espinal saying, “We have to think about selling ourselves all the time, and it takes a concerted effort that none of us have ever done before…We have to get them in the door if we are even going to try to convince them to come here.”

In addition to the responses described above, we find evidence of three other constructive competitive responses: expanding or improving district schools, programs or offerings (6 locations); improving district efficiency (5 locations); and supporting semiautonomous charter-like schools (5 locations).

**Obstructive Responses**

Although obstructive responses continue to exist and may occur in far greater number in districts not covered by our study, we found fewer visible instances of resistance to competitive pressures than of other types (see Table 1). This could reflect the activities that receive media coverage or districts’ acting more covertly when they are working against charter schools. The most common obstructive response we observed was districts seeking to block access to buildings. We find evidence of this response in three locations, with one district in three of four regions displaying this behavior. Two districts, Los Angeles Unified School District and the District of Columbia Public Schools, have recently demonstrated such unwillingness to share public space with charter schools.

California provides constitutional assurance of adequate charter school facilities. Under Proposition 39, public school districts are required to provide “reasonably equivalent” space to charter and district students. A protracted legal battle between the California Charter Schools Association (CCSA) and L.A. Unified began in May 2007. At issue was the formula used to calculate how much space should be offered to charter schools. A settlement was reached in April 2008, but the charter association returned to court in May 2010 citing failure of the district to comply with the agreement, and again in May 2012 to enforce the trial court’s earlier order. In June 2012, L.A. superior court judge Terry Green ruled that the district should factor in rooms not being used for regular classes. The school system appealed the order, and it was reversed in December 2012. In his opinion for the court of appeals, Judge Edward Ferns ultimately found the district’s formula for assigning classroom space to charter schools was consistent with the intent of Proposition 39. This case is now headed to the California Supreme Court.

While she has increased efficiency by consolidating district schools that have lost students to charter schools, Washington, D.C., schools chancellor Kaya Henderson initially seemed intent on preventing charters from accessing the empty buildings. Fifteen D.C. public schools were marked for closure in January 2013 as a result of under-enrollment or underutilization of facilities, yet Henderson did not plan on making these facilities available to charter schools. Recent developments on this front, however, suggest that the district may allow more than a dozen charter schools to enter into leases of former district school buildings. Time will tell whether the district follows through on these plans.

The five other categories of obstructive responses observed are: 1) excessively denying charter applications, 2) creating legal obstacles to charter schools, 3) freezing or delaying payments to charter schools, 4) withholding information from charter schools, and 5) using regulations to restrict choice or interfere with competition.

In Atlanta, for example, media reports indicated that local boards were denying charter applications and setting up legal obstacles to charter school formation. In response to this behavior, in 2008 a group of lawmakers created a commission to approve and fund charter schools. In May 2011, however, the Georgia Supreme Court struck down the law after seven districts, including Atlanta Public Schools, sued to have the state law that created the commission declared unconstitutional. Ultimately, despite the efforts of these districts, a referendum passed
in November 2012 that will amend the state constitution to allow for an alternate charter-school authorizer.

Broadening of Responses
The ground war between charter schools and their opponents described by Joe Williams has begun to shift. As the charter sector continues to expand, some of its competitors appear to be changing strategy. Where school districts once responded with indifference, symbolic gestures, or open hostility, we are starting to see a broadening of responses, perhaps fueled by acceptance that the charter sector will continue to thrive, or by knowledge that many charters are providing examples of ways to raise academic achievement.

Traditional public schools are aware of the threats posed by alternative education providers, but they are analyzing the moves made by competitors and demonstrating that they may have the savvy to reflect, replicate, experiment, and enter into partnerships with school choice providers. This evidence suggests that while bureaucratic change may often be slow, it may be a mistake to underestimate the capacity of these bureaucratic institutions to reform, adapt, and adjust in light of changing environments.

Marc J. Holley is evaluation unit director at the Walton Family Foundation and research fellow in the Department of Education Reform at the University of Arkansas, where Anna J. Egalite and Martin F. Lueken are doctoral academy fellows.

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