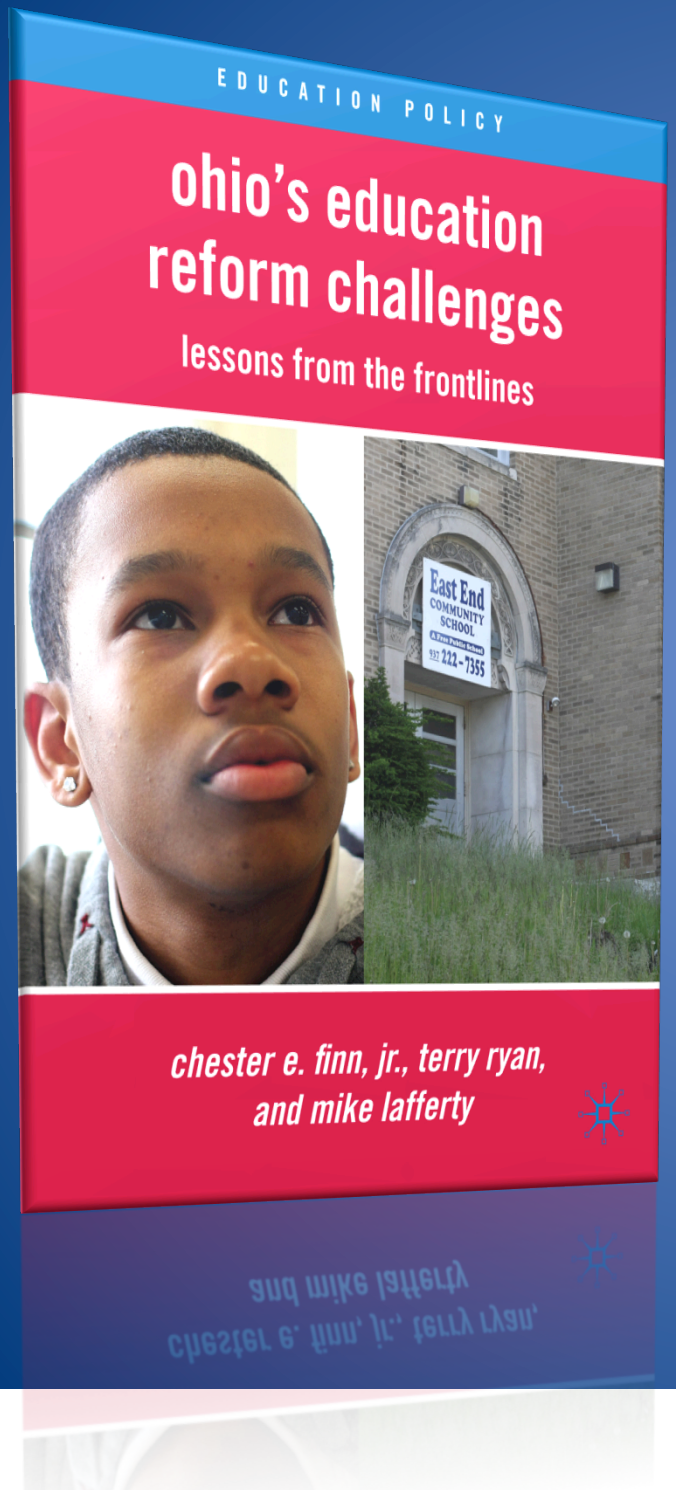


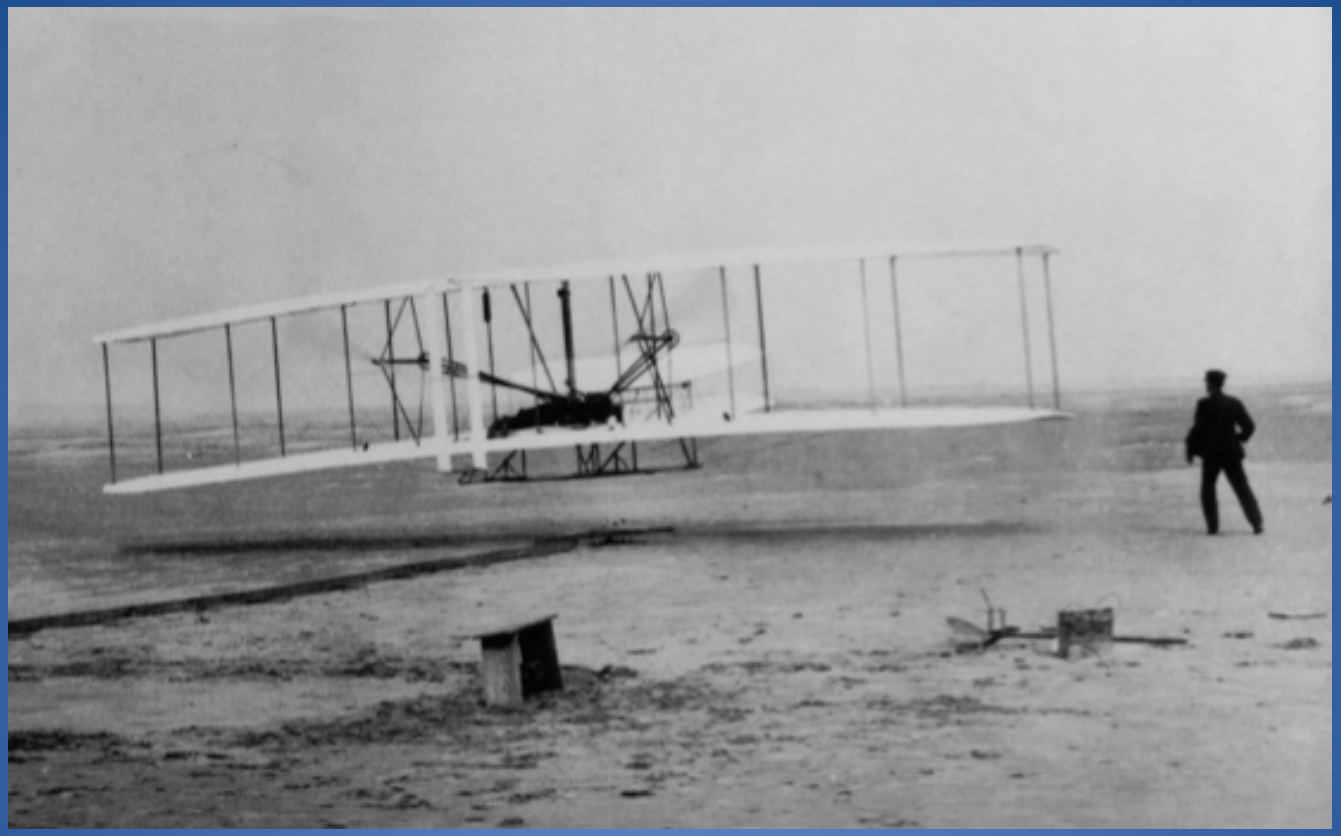
2010 National Charter Schools Conference

Chicago

June 30, 2010

Chester E. Finn, Jr., President
Terry Ryan, Vice-President
Thomas B. Fordham Institute

Dayton: Silicon Valley of Its Day



The Wright brothers and their flying machines loom over Dayton's history, but the city has also spawned cash registers, refrigerators, automobile parts, tires, paper and much more.

Racial Strife and Economic Decline

The last quarter of the 20th century in Dayton was marked by racial turmoil and economic decline. By 2008, 90% of children attending Dayton public schools qualified for free or reduced-price lunch.

Broken Schools

"With dwindling enrollments and abysmal test scores, the [Dayton] school district looked like a poster child for all that was wrong with the big urban school systems. Too many students were dropping out. Too many never came at all. There was little or no discipline. Teacher morale sagged. School board members bickered. Deficits soared."

Scott Stephens
Cleveland Plain Dealer, 2001

The Dawn of Charter Schools

Ohio's charter school program was conceived in 1997 as part of the state's first budgetary response to the supreme court's ruling that the school funding system was unconstitutional. Subsequently, charters were a by-product of the most contentious funding debate in state history.

District/Charter Collaboration?

In late 1997, Dayton's superintendent proposed turning three of the district's lowest-performing elementary schools and two of its worst middle schools into "conversion" charter schools, and turning their day-to-day operations over to Edison Schools out of New York City.

Short-sighted victory for the Status Quo

"We will not sit down and discuss options with an organization or a corporation whose primary objective is to destroy public education…We've known for a number of years that the private sector sees a major bonanza in getting into public enterprises, in ripping money off."

Michael Billirakis, President

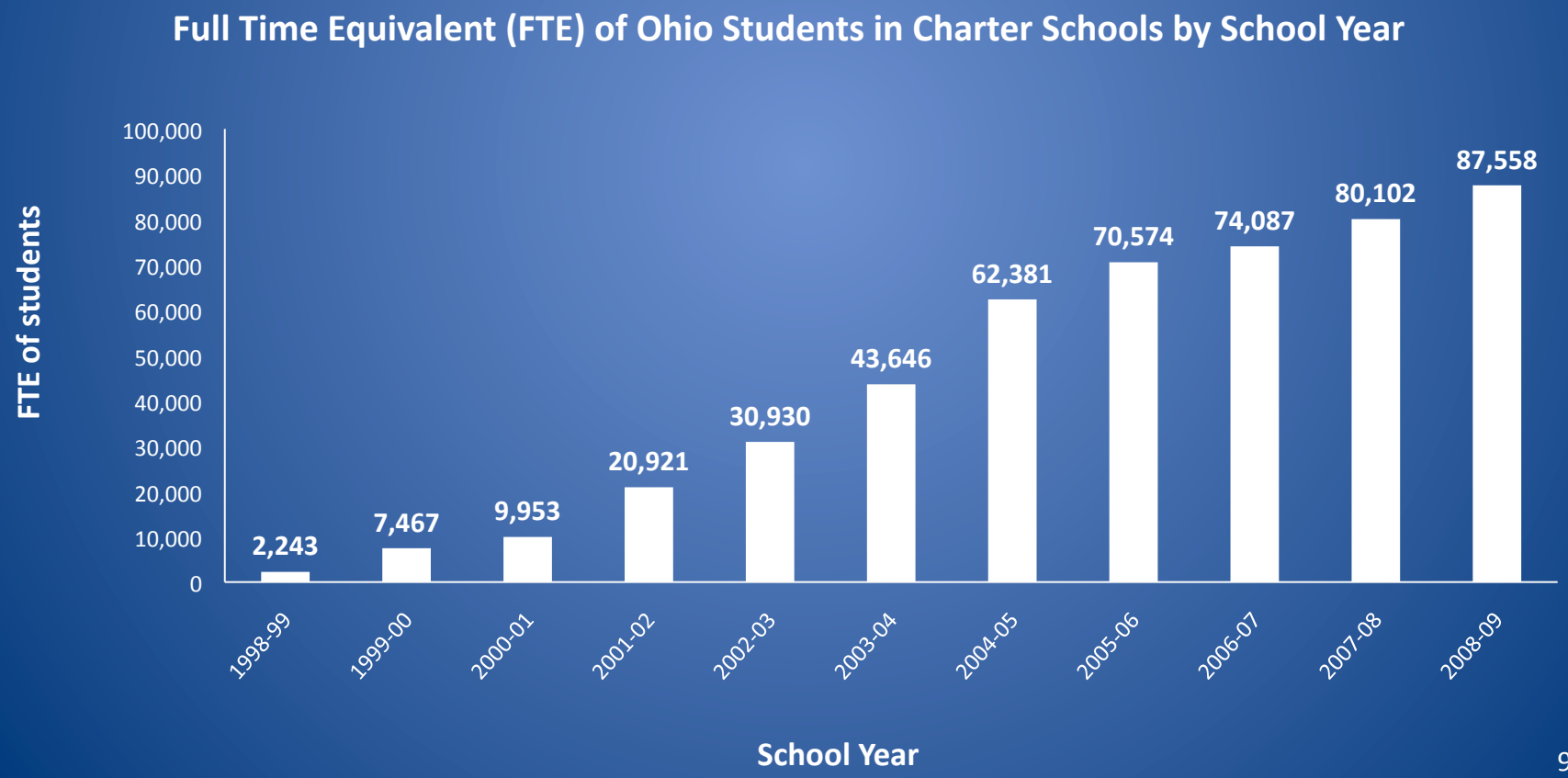
OEA President, 1998

A veritable bazaar of school choice

By the mid-2000s, Dayton had more children (per capita) enrolled in charters than any city in the country save for post-hurricane New Orleans. Some were decent, some were mediocre and some were downright abysmal, but they nearly all drew students away from the Dayton public schools.

Quantity versus Quality

It wasn't just in Dayton where charters exploded in number. In a decade Ohio's version of charter schooling expanded rapidly.



Quality Issues

"Charter school students did worse on the mandatory exams than youngsters in the academically distressed districts from which they fled…Statewide, only 5% of charter school students who took the 4th-grade proficiency test passed all five parts, compared to a 31% passage rate for public schools. Just 3% passed the 6th-grade test, compared to 35% for public schools."

Cleveland Plain Dealer, 2000

Repair Efforts (First of Several)

"I knew that our community (charter) schools law and the enforcement of that law were inadequate to the point that we were setting many schools up for failure."

State Representative Jon Husted
Author of House Bill 364

House Bill 364

(Signed into law January 2003)

Among other reforms HB364 fired the state department as a charter school authorizer and called on new schools to be sponsored by districts, county ESCs, state universities, and nonprofit 501(c)3 organizations that met certain minimum requirements.

Supporting Charter Schools

From the start of Ohio's charter program Fordham had provided support that included:

- Start-up grants to new schools;
- Funding to support a Dayton-based charter school resource center;
- Launching a charter school sponsorship institute; and
- Support for a state charter school association.

Fordham had also generated books and research studies on national charter school issues.

Fordham Becomes a Charter Sponsor*

"I thought we should do it because this would give us a more hands-on approach to doing what we said we wanted to do, which is create quality charter schools in Dayton"

Bruno Manno
Former Fordham Board Member

"I don't think think-tanks should run schools, but I was outvoted."

Diane Ravitch
Former Fordham Board Member

A Mixed Bag

We agreed to sponsor ten schools (8 we inherited from ODE and two were start-ups).

We knew from our initial vetting that our ten schools faced problems of one sort or another and assumed that we could work with them to help boost their performance.

Their challenges generally paralleled those of charter schools across Ohio.

Struggling to Balance Roles

We struggled initially to balance our role as school doctor (providing grants and technical assistance) with our role as monitor, evaluator and judge.

Dollar and Cents

Charters are underfunded. From these meager state dollars sponsors can charge a sponsorship fee of up to 3 percent of per pupil funding.

Dollar and Cents (part II)

To make their budgets work many sponsors turn to selling supplemental services to their sponsored schools. This creates serious conflicts of interests and blurs the lines of accountability.

Large schools (massive e-schools) and school management organizations with multiple schools have powerful influence over their sponsors because they control the flow of dollars.

Each School Has Its Own Story

(R.I.P.)

- The W.E.B. DuBois Academy
- The Omega School of Excellence
- The East End Community School
- The Moraine Community Schools

Birth

- KIPP Journey Academy
- The Columbus Collegiate Academy

Polarization and Politics

When it comes to charter schools in Ohio, two competing interests typically turned what should have been the sensible center into a bloody battlefield.

On the one side was organized labor. On the other side was business, represented by profit-making management companies.

Neither side really understood, nor much cared about, the role of sponsors as quality controllers.

Have charters helped Dayton/Ohio?

"There is no evidence in any of the locations [including Ohio] that charter schools are negatively affecting the achievement of nearby traditional public schools."

On the other hand, "There is also little evidence of a positive competitive impact on nearby [district students]."

RAND Corporation
2009

Charters Have Made a Difference

- In both Dayton and Cleveland the charters as a sector regularly out-perform the district schools;
- Charters are drawing talent into urban education (teachers, principals and governance);
- Charters and districts are starting to take collaboration seriously; and
- Charters have given parents a powerful voice.*

Context for Today's Education Reformers

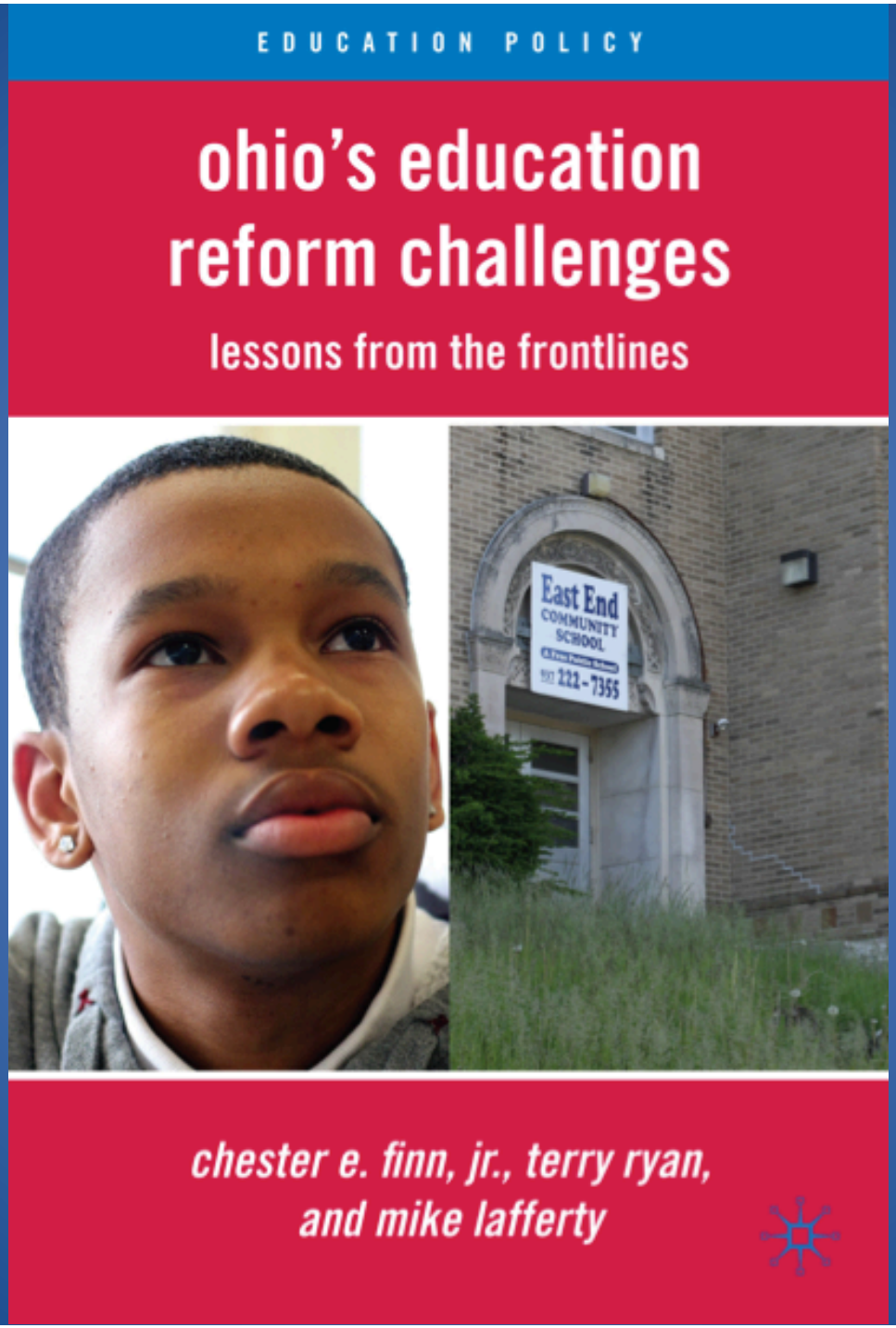
- Placing a "charter" sign over a schoolhouse door ensures only the opportunity to be different;
- Neither school choice nor results based accountability is going away;
- Choice and standards-based education have occurred with uncommon speed;
- Education is profoundly shaped by demographics and economics; and
- Risks need to be taken and changes embraced.

Essential Elements

- Really good schools do make a difference;
- Schools and systems that work best are not all alike and are seldom static;
- The incentives need to be right for everyone in the system;
- Incentives aren't enough without resources;
- Good charters need quality sponsors;
- Good data really matters; and
- Innovation in pursuit of better education for needy children is an honorable and necessary quest.

What to Watch Out For

- The education marketplace doesn't work as well as we believed;
- Closing a charter is harder in practice than theory;
- The sponsor-school relationship only works well when both entities hold similar values and priorities;
- Reformers can quickly turn into their own vested interests;
- Adult/institutional interests far too often trump the interest of children; and
- Nothing lasting thrives in a hostile environment.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