

## How reform-friendly is Chicago?

CATEGORY	HUMAN CAPITAL	FINANCIAL CAPITAL	CHARTER ENVIRONMENT	QUALITY CONTROL	DISTRICT ENVIRONMENT	MUNICIPAL ENVIRONMENT
Rank	6 of 26	16 of 25	23 of 24	17 of 25	7 of 26	1 of 25

### Overview

Which American cities are most hospitable to education reform, especially the “entrepreneurial” kind? To answer this question for Chicago and other cities examined in this study, we used publicly available data, national and local surveys, and interviews conducted with on-the-ground insiders. Respondents provided information about the city environment as a whole as well as the Chicago Public Schools.<sup>1</sup> Judgments based upon these data, however, are the responsibility of the authors. Note, too, that due to the study’s timing, any major policy changes that cities (or states) may have made in connection with the *Race to the Top* competition are not captured in these rankings (but see sidebar for partial update).

### Background

**Chicago’s** longstanding and abysmal achievement and graduation rates have catalyzed education reform—especially via the municipal sector—for more than a decade. But it’s still an uphill battle, with challenges such as school violence hindering gains on key performance indicators. (In June 2010, the city announced a \$25 million initiative to combat school violence.)

Since 1995, Chicago’s schools have been under mayoral control—and under the same mayor, Richard Daley (elected in 1989). In 2004, Daley launched “Renaissance 2010,” an initiative to shut the city’s

worst schools and replace them with new higher-quality charter and district ones. The project spawned the Office of New Schools within the Chicago Public Schools (CPS) and, under former Schools CEO Arne Duncan and successor Ron Huberman, the city restarted or turned around ninety-two schools as of late 2009.

### Race to the Top Update: Illinois—Chicago

Illinois applied for round 1 of Race to the Top funding. It was chosen as a finalist, but ultimately lost, despite enacting a teacher and principal evaluation bill that bases half of the evaluation on student data. The state reapplied for round 2 and was again chosen as a finalist. In preparation for round 2, lawmakers passed legislation that allows nonprofits to certify principals and eliminates Chicago residency requirements for CPS teachers.

### Snapshot

Chicago’s **human capital** pipelines are robust. The city boasts a deep pool of locally grown talent and a thriving city lifestyle that lures accomplished and ambitious outsiders. In addition, the city has a sizable corps of Teach For America teachers, hosts a well-established Chicago Teaching Fellows program (run by The New Teacher Project), and is one of the largest New Leaders for New Schools placement sites.

1. This profile provides a snapshot of the data collected for Chicago, Illinois, in fall 2009. For the full data, see [http://edexcellence.net/index.cfm/news\\_american-best-and-worst-cities-for-school-reform](http://edexcellence.net/index.cfm/news_american-best-and-worst-cities-for-school-reform).

The city is also home to a relatively new teacher performance pay system (the Teacher Advancement Program or TAP), which may help to attract fresh talent.

**Financial capital** is not as readily available in Chicago as it is in other cities in this study. CPS labors under a tight purse: District per-pupil expenditures are low when normed for the cost of living, and budget woes have worsened during the recession. CPS does actively seek philanthropic support for its endeavors—and such support is abundant—but it lacks a coherent vision for how to spend those dollars.

Chicago's **charter environment** is probably better than its ranking. It does suffer from dismal state-level support. Though Illinois first passed charter legislation in 1996, the state law has numerous flaws pertaining to authorizer accountability and charter funding, as well as a too-tight charter cap.<sup>2</sup> There are only four authorizers—three districts and the state Board of Education—which together operate only thirty-five charters.<sup>3</sup> (Thirty of those are in Chicago, and authorized by CPS's Office of New Schools.) To their credit, however, CPS and charter operators have managed to work around the cap by opening multiple campuses under the same charter, though this practice has been divisive and controversial. Notwithstanding these hurdles, charter operators will find support for their efforts in the Windy City. Renaissance 2010's focus on charters has given the sector a further boost, and there are a handful of successful charters in the city such as Urban Prep and the Noble Network schools.

Chicago's **quality-control** efforts are unsatisfactory. Though the municipal government and CPS help nontraditional reformers navigate regulatory hurdles, the metrics used to gage the quality of programs, services, and tools are poorly designed. The feeble exercise of quality control at the city level is made worse by an underwhelming state longitudinal data system—one that does not, for instance, have the ability to link student and teacher data.<sup>4</sup> The quality-control exception is the charter realm, which respondents say benefits from an outcomes focus.

Chicago's **district environment** is relatively strong among cities in this analysis. The reform overtures of CPS are dampened, however, by a strong union that wields enough power to derail change they consider distasteful. The district CEO and the mayor have what interviewees describe as a “functional” relationship with the Chicago Teachers Union; but even when reform is agreeable, it moves at a glacial pace. This functional relationship may soon become dysfunctional—the July 2010 union elections brought a staunchly anti-reform constituency to power.

Though Chicago's district environment is mediocre, its **municipal environment** is praiseworthy, securing the top slot in this analysis. Education entrepreneurs will enjoy reform-friendly philanthropic and business communities, which not only support charter schools and performance-based pay, but are willing to expend political capital to secure them. The mayor's office is also willing to go to bat for education reform—after all, Mayor Daley controls the school system—which paves the way for entrepreneurs to set up shop in Chicago.

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2. For more information, see: *How State Charter Laws Rank Against the New Model Public Charter School Law* (Washington, D.C.: National Alliance for Public Charter Schools, 2010).

3. As of April 2010, according to the National Alliance for Charter School Authorizers. See <http://www.qualitycharters.org/state-by-state-overviews-106>.

4. For more information, see: *2009-10 Survey Results Compendium—10 Elements and 10 Actions* (Washington, D.C.: Data Quality Campaign, 2010), [http://www.dataqualitycampaign.org/files/Elements\\_Compendium.pdf](http://www.dataqualitycampaign.org/files/Elements_Compendium.pdf) and [http://www.dataqualitycampaign.org/files/Actions\\_Compendium.pdf](http://www.dataqualitycampaign.org/files/Actions_Compendium.pdf).

## Bottom Line

Nontraditional reformers will find a relatively welcoming district and municipal environment in Chicago, as well as ample talent to staff their efforts. Still, entrepreneurs must be willing to confront some practical roadblocks—such as scant public funds, a poor state data system, and an anti-reform union—that ensnarl education reform in the Windy City.

### Our Categories

**Human Capital.** Entrepreneurs must have access to a steady flow of talented individuals, whether to staff the organization's central office or to fill the district's classrooms. This component evaluates an entrepreneur's ability to find talent in the city and/or recruit talent to move there. We examined such factors as the alternative certification routes for aspiring teachers, district human resource policies for teachers and central office staff, and the restrictiveness of the local collective bargaining agreement as it pertains to tenure and differentiated pay, among other areas.

**Financial Capital.** A pipeline of readily accessible funding from private and public sources is particularly important for nonprofit organizations trying to break into a new market or scale up their operations. This component tests whether, and how much, national and local philanthropic organizations give to nontraditional providers in each city, as well as the local availability of dollars from public sources. Though education reformers often tout the importance of quality over quantity, from the perspective of an entrepreneur, free-flowing dollars are an asset.

**Charter Environment.** Charters are one of the main ways in which entrepreneurs can enter new education markets, both as providers of instruction and services and as consumers of other nontraditional goods and services. We evaluated both the current market share of charters in each city—under the assumption that, once a path has been blazed by others, it is easier for new providers to follow it—as well as the various legal and policy hurdles faced by current or potential charter operators. More formal barriers often occur on the state level (e.g., charter laws) so, where appropriate, we incorporated state-level metrics into city grades.

**Quality Control.** Lest we unduly credit innovation for its own sake, the study takes into account the quality-control metrics that guide and regulate entrepreneurial ventures in our cities. These may take the form of official regulations and practices, such as the quality of the state achievement test (again, we extrapolate state grades for our cities), or more informal guides, such as support organizations for nontraditional providers that also keep an eye on quality, such as private groups that help entrepreneurs to navigate district rules and policies.

**District Environment.** Since many nontraditional providers must contract or otherwise work with the district to do business in the city, finding a district that is both open to nontraditional reforms and has the organizational capacity to handle dealings with such operators in a speedy and professional manner can make or break an entrepreneur's forays into a new market. We considered formal barriers, such as the power of the local teachers' union over district decisions, as well as informal ones, such as whether district leaders were audible voices for reform.

**Municipal Environment.** Beyond the school district is also the question of general municipal openness to nontraditional education providers. This amorphous sphere includes such entities as the local business community, newspaper editorial boards, and the city government. Having these folks on the side of reform, even if they are not the ultimate consumer of entrepreneurs' wares, can be a powerful asset.