

How reform-friendly is New York City?

CATEGORY	HUMAN CAPITAL	FINANCIAL CAPITAL	CHARTER ENVIRONMENT	QUALITY CONTROL	DISTRICT ENVIRONMENT	MUNICIPAL ENVIRONMENT
Rank	3 of 26	8 of 25	10 of 24	2 of 25	8 of 26	13 of 25

Overview

Which American cities are most hospitable to education reform, especially the “entrepreneurial” kind? To answer this question for New York City 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 New York City Department of Education.¹ 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

As the largest school system in the country—serving nearly a million students—**New York City** faces unique challenges. Yet it’s managed to become an entrepreneurial hotspot, largely due to the efforts of mayor Michael Bloomberg and schools chancellor Joel Klein. Both receive plaudits for opening doors to charter schools, venture capital, and nontraditional talent. Their “portfolio” district model, wherein more autonomy is conferred on individual schools while centralizing middle management, has also been well received—as have innovations such as School of One, a technology-infused pilot program that personalizes student learning. These accomplishments have not come without costs, however. Many groups, including community and parent organizations as well as the teachers’ union, have felt alienated by the Bloomberg/Klein top-down management style and the speed and scale of the changes.

Race to the Top Update: New York—New York City

New York applied for round 1 of Race to the Top funding and was selected as a finalist, but ultimately did not win. The state reapplied for round 2 and was again named a finalist. In advance of the competition, legislators passed measures that: establish new teacher and principal evaluation protocols that allow for 40 percent of each evaluation to be based on student growth; raise the charter cap from 200 schools to 460 schools, with the provision that only 114 of the new schools can be located in New York City; allow financial audits of charter schools by the state comptroller; hold charter schools more responsible for enrolling and serving special needs students; and create a statewide charter school enrollment application.

1. This profile provides a snapshot of the data collected for New York City, New York, in fall 2009. For the full data, see http://edexcellence.net/index.cfm/news_americas-best-and-worst-cities-for-school-reform.

Snapshot

New York City's **human capital** pipelines are robust. It hosts myriad alternative certification programs, including the nation's largest cohorts of teachers trained by Teach For America and The New Teacher Project (New York Teaching Fellows), though these teachers make up just a small percentage of the huge teacher workforce. The city also has a deep pool of local talent and, given its many lures and amenities, it's easy to recruit outside talent to move there. Still, roadblocks remain: A complex and restrictive collective bargaining agreement protects veteran teachers at the expense of new talent and precludes efficient integration of human capital to the city's classrooms.² This has ignited ongoing political battles as the city contemplates if and how to make the least damaging layoffs in light of the financial crisis.

The city's **financial capital** pipelines are in good shape. It is home to numerous local philanthropies, as well as the headquarters of a few national ones. These groups have for the most part worked in partnership with the New York City Department of Education (NYCDOE), which actively seeks out dollars and has a coherent vision for spending them. Yet the city's sheer size—and sky-high cost of living—blunt the impact of reform dollars.

New York City's **charter environment** includes many high-quality schools. State law allows for multiple authorizers; the State University of New York (SUNY), the NYS Board of Regents, and NYCDOE all operate locally and emphasize charter quality. But charter schools serve just 2 percent of Big Apple students overall, though Harlem and central Brooklyn enjoy notably higher densities of charters (18 and 16 percent of all neighborhood schools, respectively).³ Charters enjoy much local support: NYCDOE provides start-up funding on top of state dollars, access to facilities, and special education services, and many city- and state-level organizations advocate for and provide technical support to the sector. Still, state law does not provide equitable funding for charters,⁴ and union-backed legislators bickered for months before finally lifting the charter cap in response to Race to the Top (though this change is not reflected in this analysis). The teachers' union was the main opponent to lifting the cap and its hostility to charters has not abated.

Quality-control mechanisms in the Big Apple are quite good. The state's longitudinal data system is judged to be adequate by the Data Quality Campaign, and though the state test is less rigorous than the National Assessment of Educational Progress (NAEP), it is not as poor as many other state tests considered in this analysis.⁵ But local efforts have made the most difference. Under Klein's leadership, NYCDOE has become relentless in its pursuit of data. This has been revolutionary for the district, but not without side effects. Trial and error brought many changes very quickly; some city metrics proved to

2. For more information, see: *National Council on Teacher Quality, Teacher Rules, Roles and Rights (TR3)* database, <http://www.nctq.org/tr3/home.jsp>.

3. Citywide data from National Alliance for Public Charter Schools, 2009. *Top 10 Charter Communities by Market Share* (Washington, D.C.: National Alliance for Public Charter Schools, 2009). Data specific to Harlem and Central Brooklyn from New York City Charter School Center, <http://nyccharterschools.org/>.

4. 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).

5. 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 and http://www.dataqualitycampaign.org/files/Actions_Compendium.pdf. See also: Victor Bandeira de Mello, Charles Blankenship, Don McLaughlin, and Taslima Rahman, *Mapping State Proficiency Standards onto NAEP Scales: 2005-2007 (NCES 2010-456)* (Washington, D.C.: National Center for Education Statistics, October 2009), <http://nces.ed.gov/nationsreportcard/pubs/studies/2010456.asp>.

be flawed, rendering them untrustworthy as independent audits of schools. Respondents indicated that the district is aware of this and is working to correct its system's problems.

Entrepreneurs will find a relatively welcoming **district environment**. On the one hand, NYCDOE leadership is a strong voice for reform, communicating a sense of urgency about student achievement and willing to make bold moves to see its reform vision put into action. And mayoral control has allowed Klein to make key changes. On the other, Klein's boldness has alienated some community, teacher, and parent groups. While Klein and the UFT have compromised on some issues, NYCDOE personnel policies are largely tied up in debilitating, union-induced restrictions. The local union remains a powerful force in Albany, too.

Mayoral control and a reform-friendly community of businesses and philanthropies make for a hospitable **municipal environment**. Bloomberg has tied the success of his mayoralty to the success of the city's public schools, which means that not only is education one of his top priorities, but he is willing for the most part to do whatever it takes to advance education reform. His top-down approach, however, can be alienating to parent and community groups, some of whom are uncomfortable with the rapid and pervasive change he champions.

Bottom Line

New York City is a welcoming place for entrepreneurs. Its wealth of resources, including both talent and dollars, combines with determined, reform-minded city and district leadership to create a thriving environment for education reform.

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.