

How reform-friendly is Newark?

CATEGORY	HUMAN CAPITAL	FINANCIAL CAPITAL	CHARTER ENVIRONMENT	QUALITY CONTROL	DISTRICT ENVIRONMENT	MUNICIPAL ENVIRONMENT
Rank	21 of 26	3 of 25	19 of 24	13 of 25	19 of 26	21 of 25

Overview

Which American cities are most hospitable to education reform, especially the “entrepreneurial” kind? To answer this question for Newark and other cities examined in this study, we used publicly available data, national and local surveys, and interviews conducted with on-the-ground insiders.¹ Respondents provided information about the city environment as a whole as well as the Newark Public Schools.² 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

Newark has struggled to grow a critical mass of reform-minded education entrepreneurs. The state takeover of the Newark Public Schools (NPS) in 1995 diffused power among key leaders, stripping them of the ability to push for bold reform. The weak district continues to struggle with this arrangement,

especially in the face of a centralized, vocal, and anti-reform teachers’ union. But the city has seen some changes of late: Mayor Cory Booker and Superintendent Clifford Janey are both vocal supporters of reform. National and local philanthropies, as well as nonprofits, provide nontraditional providers with a necessary base of support.

Race to the Top Update: New Jersey—Newark

New Jersey applied for round 1 of Race to the Top funding but was not chosen as a finalist. The state reapplied for round 2 and was chosen as a finalist.

Snapshot

Newark’s **human capital** pipelines are limited. Although Teach For America, The New Teacher Project, and New Leaders New Schools all contribute to the talent pool in Newark, their presence remains relatively small—not because of lack of interest, but because NPS fails to open wide its hiring processes to capitalize on the availability of talent. NPS maintains inefficient hiring cycles and adheres to “last hired, first fired” seniority-based layoff procedures. Such policies institutionalize low teacher-turnover rates (when some teachers need to go) and protect ineffective veteran teachers during layoffs.

1. This analysis examines the reform environments in the nation’s twenty-five largest cities, plus five additional smaller communities. We reasoned that, as alleged “hotbeds” of reform, these five would permit comparisons of conditions in big cities with those of smaller but potentially more nimble locales. In addition to Newark, NJ, these smaller cities include Albany, NY; Gary, IN; New Orleans, LA; and Washington, D.C.

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

Financial capital pipelines are extraordinarily strong in Newark. NPS per-pupil expenditures, normed for the cost of living, are the second highest among districts in this analysis. Money may not guarantee strong schools—and in Newark, it certainly doesn't—but it does create fertile soil for entrepreneurs. Public and private sectors make funding readily available for nontraditional providers, with both local and national organizations ensuring that such reforms get an ample supply of philanthropic funds.

Newark's **charter environment** suffers from poor institutional support. State law permits only the state commissioner of education to grant charters.³ As an authorizer, the commissioner is somewhat selective in granting charters but makes little effort to improve existing low-performing charter schools.⁴ The charter sector's saving grace in Newark is strong support from organizations like the Newark Charter School Fund. Local charter support organizations emphasize charter school quality and work to improve low-performing schools. Newark is also home to quite a few high-performing charter schools (e.g., North Star Academy and KIPP).

Quality control is not a high priority in Newark. Neither the state nor NPS manages data in a way that informs or drives needed change. State data collection is not robust, uniform, or presented in a user-friendly manner.⁵ Moreover, NPS fails to utilize data to make real-time adjustments in practice or policy—though this may gradually change, thanks to a new research collaborative between NPS and Rutgers University. Despite the data issues, support organizations outside of NPS do help nontraditional providers navigate finances, facilities, and regulatory guidelines.

The **district environment** within NPS does not embrace reform. The state takeover dispersed the authority to make bold decisions; a tense relationship between the state-appointed advisory board and the superintendent complicates the situation. The local teachers' union presents a more unified front, opposing reforms such as alternative certification, charter schools, and performance pay. But the recent appointment of Superintendent Clifford Janey and the launch of an administrative training program may serve to revitalize the district.

Entrepreneurs will find some support in Newark's **municipal environment**. Civic leaders, business, and philanthropic communities are all well disposed toward education reform. Mayor Cory Booker specifically is willing to expend political capital for this purpose, though he may effect more change in rhetoric than reality. On the other hand, the *Newark Star-Ledger* is still neutral, if not hostile, to reform efforts.

3. 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).

4. In January 2010 (after data were collected), Bret Schundler took office as the new commissioner of education, and Chris Christie took office as governor.

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.

Bottom Line

After years of dysfunctional district management, entrepreneurs will find pro-reform leaders and organizations beginning to threaten the status quo in NPS. Still, a reform-averse teachers' union and restrictive teacher hiring policies could hamper needed reforms.

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.