

Renewal and Optimism:

Five Years as an
Ohio Charter Authorizer

2009-10

Fordham Sponsorship Accountability Report

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Acknowledgments

The Thomas B. Fordham Foundation (Fordham) would like to recognize several organizations and individuals with whom we worked in 2009-10. First and foremost, we would like to acknowledge the staff, leadership, and governing authorities at each of our sponsored schools for their efforts and hard work. Additionally, we greatly appreciate the generosity of the Bill and Melinda Gates Foundation, which has been essential in supporting and building the sponsorship program at Fordham.

We are also grateful to Chas Kidwell and his colleagues at Porter, Wright, Morris & Arthur for their advice and counsel; our colleagues at the National Association of Charter School Authorizers (NACSA) and the Office of Community Schools at the Ohio Department of Education.



Mission Statement of the Thomas B. Fordham Foundation

The Thomas B. Fordham Foundation and its sister organization, the Thomas B. Fordham Institute believe that all children deserve a high-quality K-12 education at the school of their choice. The Institute is the nation's leader in advancing educational excellence for every child through quality research, analysis, and commentary, as well as on-the-ground action and advocacy in Ohio.

Nationally and in our home state of Ohio, we advance:

- High standards for schools, students and educators;
- Quality education options for families;
- A more productive, equitable, and efficient education system; and
- A culture of innovation, entrepreneurship, and excellence.

We promote education reform by:

- Authorizing (aka, sponsoring) charter schools across Ohio;
- Producing rigorous policy research and incisive analysis;
- Building coalitions with policy makers, donors, organizations, and others who share our vision;
and
- Advocating bold solutions and comprehensive responses to education challenges, even when opposed by powerful interests and timid establishments.



Year in Review: 2009-10

As we chronicled in last year's Fordham Sponsorship Accountability Report, *Seeking Quality in the Face of Adversity*, the 2008-09 school year was a brutal one during which our schools, and their peers, faced many existential threats. As one example, early versions of the state's biennial budget bill would have decimated the charter sector and no doubt forced many schools, even top performers, to close up shop.

Ohio charters continue to receive disparate funding compared to district schools, and many face obstacles when it comes to busing or securing facilities. But overall, the 2009-10 school year was a much quieter one for the charter sector and for state education policy in general. If anything, federal policy supporting the expansion of charter schools and education documentaries featuring some of the nation's top-flight charters were a boon for the charter movement.

As we head into the next biennium with a new governor and a General Assembly more supportive of school choice than in the past, we remain hopeful that charter schools won't have to face the sort of undermining threats they faced just two years ago. We'll report on the actions of the new governor and the legislature as well as other charter sector developments in next year's report. In the mean time, what follows is our honest and wide-ranging account of the past year of charter school sponsorship for the Thomas B. Fordham Foundation.

Charter Contract Renewals

The 2009-10 school year was Fordham's fifth year as a charter school authorizer (aka, sponsor) in the state of Ohio. As such it marked a milestone in

our sponsorship efforts because it was the first time we had to make contract renewal decisions for our sponsored schools. In June 2005 we issued five-year sponsorship agreements to the following schools:

- The Dayton Academy (now called Dayton Leadership Academies: Dayton Liberty Campus);
- The Dayton View Academy (now called Dayton Leadership Academies: Dayton View Campus);
- Phoenix Community Learning Center; and
- Springfield Academy of Excellence.

In each contract we shared expected achievement targets for each school over the term of their five-year agreements; all of which expired on June 30, 2010. The key academic requirements for contract renewal included that a school must:

1. Have a state academic rating of Continuous Improvement or higher;
2. Make AYP in reading and mathematics and overall; and
3. Meet or exceed at least one year of expected gains on the state's value added metrics in reading and mathematics.

We look at other academic growth factors in making our renewal decisions (see overview of Fordham-sponsored schools in 2009-10), and take into consideration school performance in comparison to the schools children would attend if they were not in a Fordham-sponsored charter school (these data are reflected in the individual school profiles in the second portion of this report).

Table I: Fordham-sponsored School Results over Time by State Rating

	2005-6	2006-7	2007-8	2008-9	2009-10
Dayton Liberty Campus	Continuous Improvement	Academic Watch	Academic Watch	Academic Watch	Academic Emergency
Dayton View Campus	Academic Watch	Academic Watch	Academic Watch	Continuous Improvement	Continuous Improvement
Phoenix Community Learning Center	Effective	Continuous Improvement	Continuous Improvement	Academic Watch	Continuous Improvement
Springfield Academy of Excellence	Academic Emergency	Continuous Improvement	Academic Watch	Academic Watch	Continuous Improvement

Table II: Fordham-sponsored Schools' AYP and Value-Added Results over Time

	2005-6	2006-7	2007-8	2008-9	2009-10
Dayton Liberty Campus					
Made AYP?	No	No	No	No	No
Made AYP in Reading?	No	No	No	No	No
Made AYP in Mathematics?	Yes	No	No	No	No
Value Added of at least one year?	NA	NA	No	Yes	No
Dayton View Campus					
Made AYP?	No	No	No	Yes	No
Made AYP in Reading?	No	No	No	Yes	Yes
Made AYP in Mathematics?	Yes	No	No	Yes	Yes
Value Added of at least one year?	NA	NA	Yes	Yes	No
Phoenix Community Learning Center					
Made AYP?	Yes	Yes	Yes	No	Yes
Made AYP in Reading?	Yes	Yes	Yes	Yes	Yes
Made AYP in Mathematics?	Yes	Yes	Yes	No	Yes
Value Added of at least one year?	NA	NA	Yes	Yes	Yes
Springfield Academy of Excellence					
Made AYP?	No	No	No	No	Yes
Made AYP in Reading?	No	No	No	No	Yes
Made AYP in Mathematics?	No	No	No	No	Yes
Value Added of at least one year?	NA	NA	No	Yes	Yes

Table I shows state academic ratings for the schools during the period 2005-06 to 2009-10. The state provides six ratings for schools: Excellent with Distinction, Excellent, Effective, Continuous Improvement, Academic Watch, and Academic Emergency.

Table II shows how the four sponsored schools did in terms of meeting AYP goals and value-added targets over the five-year term of their contracts.

The achievement data show that all four original Fordham-sponsored schools struggled to comply fully with the basic achievement goals set for them in their contracts. As such, in the autumn of 2009 members of the Ohio Policy and Sponsorship Committee of Fordham's board of trustees met individually with the board leadership of each school to discuss their weak academic performance and to learn how each school planned to improve their performance in the coming school year.

After these conversations the committee members agreed to one-year renewals for each of the four schools. It was clear to committee members that each school was operating in a hostile and uncertain political and fiscal environment. Despite these challenges and academic shortcomings, their results were equal to or even better than the local district schools with which they competed. And, all four schools had actually showed more than a year's worth of academic growth on the state's value-added indicators in reading and math for 2009. Even so, issuing one-year contract renewals presented us with a dilemma that was summed up in a note to the full Fordham board by one of the Ohio Policy and Sponsorship Committee members:

While there are reasons to be very dissatisfied with many of the schools we sponsor, there are so many challenges they have faced that have not been of their making. Down deep we know we should not be accepting poor or even mediocre performance but we should also not worship at the altar of rubrics that do

not tell the whole story. I am comfortable renewing all of our current schools for one year this February with the idea that next February we will have done all we can to help them and we can pull the plug on the ones that just do not step up. Hopefully, we will see enough improvement by February 2011 to again renew all if not most BUT at that point we must establish definitive benchmarks and stick to them. The largest reason for being flexible this year is that I am convinced the students will be harmed by any of our schools closing.

After much internal debate and deliberation the Fordham board issued all four schools one-year renewal agreements for the 2010-11 school year with the understanding that if they didn't meet the basic academic goals of being rated at least Continuous Improvement, making AYP, and showing gains on the state's value-added metric the schools would likely face non-renewal in 2011.

We are happy to report that three of the schools – Dayton View Academy, the Phoenix Community Learning Center, and the Springfield Academy of Excellence – showed positive gains in 2009-10. Further, these schools seem well-positioned to make further gains and improvements in 2010-11 and beyond. We expect to issue these three schools two-year contracts in early 2011 that will extend our relationship with each through the 2012-13 school year.

One school, the Dayton Liberty Campus, failed to make any academic gains in 2009-10, and in fact has struggled to deliver academically for four consecutive years. Our challenge for the 2010-11 school year is dealing fairly and effectively with this school's future. Moreover, the school was recently placed on the state's potential academic "death penalty" list, and could well face automatic closure under state law at the end of the 2010-11 school year if it is again rated Academic Emergency and fails to make growth on the state's value-added metrics in reading and math. Next year's Fordham sponsorship report is sure to have a lot to say about the lessons learned from dealing with this school and its challenges.

Columbus Collegiate Academy and KIPP: Journey Academy

The 2009-10 school year represented the second year of operation for both the Columbus Collegiate Academy and the KIPP: Journey Academy in Columbus. The first couple of years are always tough for start-up charter schools and this has been the case for these two schools as well. As we observed in last year's annual charter report, "A charter start-up, like any new business venture, is fragile. Such a school depends totally on student numbers for its operating revenue yet it has no track record to use for recruitment purposes. It can offer little more to prospective students and their parents than a promise to deliver."

No doubt these two schools still struggled with new school issues in year two of their operations. Specifically, to varying degrees they struggled with enrollment issues and tight funding. Moreover, they had to navigate politically fraught relationships with the Columbus City School district around things like busing, and had to build and sustain talented teams of teachers and administrators. Despite these challenges, however, the academic results were solid for KIPP, and downright remarkable for the Columbus Collegiate Academy (CCA).

After just two years, the Columbus Collegiate Academy is the top-performing middle school in Columbus and the second-highest performing urban charter middle school in Ohio's "Big 8" cities. In its second year the school received a state academic rating of Effective (a B). Further, among schools that serve a high number of disadvantaged students (75 percent or more eligible for free or reduced-price lunch), CCA ranks in the top 10 performing of all such schools statewide and is the top performing high-poverty middle school in Ohio. Last school year, 73 percent of CCA's sixth graders and 93 percent of its seventh graders were proficient in reading; in math, 80 percent of sixth graders and a full 100 percent of seventh graders attained proficiency.

This outstanding performance was recognized by New Leaders for New Schools via the 2010 silver

EPIC award (Effective Practice Incentive Community). This award identifies principals, assistant principals, and instructional staff who drive significant student achievement gains, and also grants financial bonuses and enables other EPIC-participating schools to learn from winning schools' successes through a robust professional development community. CCA was one of only 22 charter schools in the nation, and the only one in Ohio, to win this prestigious award. Further, the school's director, Andrew Boy, received the *Columbus Business First's* prestigious "40 under 40" award. The award recognizes outstanding Columbus-area leaders under the age of 40 who have demonstrated strong leadership and professional success and are making a positive contribution to the community.

KIPP: Journey Academy made significant academic gains from 2008-09 to 2009-10, and received a state academic rating of Continuous Improvement (a C). While 79 percent of the school's students were economically disadvantaged it met AYP in both reading and math, and exceeded value-added expectations in both reading and math. More importantly, the school is solidifying the academic team it needs to continue its improvement in 2010-11 and beyond.

New School for 2010-11

In September 2010, Fordham added a new school to its sponsorship portfolio -- Learning Without Limits Academy (LWL). LWL is a pilot effort with the Tri-Rivers Educational Computer Association (TRECA), an association of more than 40 school districts and charter schools. Fordham issued a one-year contract for the school, which is a blended-learning model that will comprise a combination of online learning, dual credit for college, reciprocity with existing district schools, and a new Ohio initiative, credit flexibility. The school expects to serve up to 50 14-22 year-olds, and we are working with the school's leadership to determine how to quantify student learning in such an innovative environment. Done well, this school could become the first of its kind in Ohio and serve as a model

for the state as districts work to blend traditional classroom-based instruction with online distance-learning opportunities.

Second Generation Authorizing in Ohio

The Thomas B. Fordham Foundation and the Educational Service Center of Central Ohio (ESCCO) are engaged in an effort to establish a new high-performing large scale charter school authorizer in Ohio. Both Fordham and ESCCO support the voluntary consolidation of their sponsoring activities with those of others that will subscribe fully to the National Association of Charter Schools Authorizers' (NACSA) *Principles and Standards for Quality Charter School Authorizing*. In May 2010, NACSA provided a \$50,000 planning grant to support this effort.

Ohio has about 80 charter school sponsors and many of them lack the resources and expertise to do their jobs well. Others lack the motivation because they must make ends meet by selling services such as financial management and special education services to their schools. In those situations, authorizers may put more value on continuing to sell those services than on making certain children in the schools are actually learning.

Charter school supporters and experts have argued for multiple charter school authorizers since the first charters opened in the early 1990s. The Center for Education Reform, for example, writes that "charter schools grow and flourish in environments that provide multiple ways for groups to obtain charters to open."¹ There is, however, such a thing as too much of a good thing. When it comes to authorizing in Ohio there are simply more sponsors than the state needs or can effectively support, especially if school quality is the primary goal.

Quality sponsorship costs money to deliver. For example, authorizers need the resources to pay the legal bills associated with closing a school, which

can become costly fast. Under Ohio law, charter sponsors can charge schools sponsorship fees of up to three percent of their per-pupil funding. It is not a stretch to say that for most authorizers in Ohio (52 of the state's authorizers sponsor two or fewer schools), quality sponsorship costs more than the school fees they generate.

To improve quality across the state's sponsorship landscape through economy of scale and shared expertise, ESCCO and Fordham are working together to launch a new statewide charter school authorizer that:

- Becomes the premier authorizer in Ohio;
- Helps current quality school models expand their efforts;
- Recruits proven high-quality school developers to Ohio's neediest communities;
- Works with partner districts to help turn around persistently troubled schools;
- Contributes to the development of best practices in charter authorizing;
- Becomes a model of quality authorizing for others;
- Helps other authorizers in Ohio improve; and
- Serves as the sponsor of last resort for quality schools orphaned by sponsors leaving the sponsorship arena.

At the start of the 2010-11 school year Fordham and ESCCO collectively sponsored 15 schools serving about 3,400 students. As of October 2010, five school districts and two additional county educational service centers were seriously interested in committing to a next-generation authorizer model. Taken together these nine authorizers represent 7.5 percent of Ohio's authorizers and slightly more than 5 percent of all students in Ohio charters.

Despite the obvious need and the goodwill of our various partners, there is considerable work to be done before Fordham would commit itself and its schools to a new authorizing entity. But, if all

the pieces can be brought together for a successful effort—and we are doing all we can to help—we’d begin work to integrate our current authorizing operation into a new unified authorizer during the 2011-12 school year.

Ohio’s Education Reform Challenges: Lessons from the Front Lines

This past July, Palgrave Macmillan released *Ohio’s Education Reform Challenges: Lessons from the Front Lines*, written by Fordham’s Chester E. Finn, Jr., Terry Ryan, and Michael B. Lafferty. The book –

part of what we promised the Bill & Melinda Gates Foundation we’d produce when they issued us a grant for our sponsorship efforts in 2005 – chronicles our experiences in Ohio over the last decade, and lays out what we’ve learned on the ground as an authorizer working directly with schools. The book outlines 18 lessons learned, the first being that hanging a “charter” sign over the schoolhouse door doesn’t guarantee anything except the opportunity to be different. What the school actually does with that opportunity is what matters. For more on the book see the reprinted *Education Next* article, “Authorizing Charters,” in the middle of this report.

SECTION I



The Fordham Sponsorship Program

Accountability – A Solemn Responsibility

Fordham believes that a successful charter school is academically effective, fiscally sound, and organizationally viable, and that such schools should be allowed to operate freely and without interference. In return for these essential freedoms, however, charters are to be held accountable for their academic, fiscal, and operational results. Holding schools accountable for results is the sponsor's most solemn responsibility.

Fordham focuses its sponsorship efforts on overseeing and evaluating the performance of the schools we sponsor, a view of sponsorship that is also supported by the National Association of Charter School Authorizers (<http://www.qualitycharters.org>).

Fordham's Oversight Responsibilities

The essential responsibilities of Fordham as a charter school sponsor include:

- monitoring and evaluating the compliance of each Fordham-sponsored school with all laws and rules applicable to it;
- monitoring and evaluating the educational and fiscal performance, organizational soundness, and effective operation of the school;
- monitoring and evaluating the contractual commitments that the schools have made with the Fordham, above all their academic performance;

and

- providing technical assistance to Fordham-sponsored schools in complying with all laws and rules applicable to community schools.

In 2009-10, Fordham had sponsorship responsibility for six charter schools in four communities:

Table III: Fordham's Portfolio of Sponsored Schools, 2009-10

School	Charter Term	Location
Dayton Liberty Campus	2005-2010	Dayton
Dayton View Campus	2005-2010	Dayton
Phoenix Community Learning Center	2005-2010	Cincinnati
Springfield Academy of Excellence	2005-2010	Springfield
Columbus Collegiate Academy	2008-2013	Columbus
KIPP: Journey Academy	2008-2013	Columbus

Each school has entered into a performance contract with Fordham detailing what it will accomplish, how student performance will be measured, and what level of achievement it will attain. The contract incorporates the school's education, accountability, governing, and business plans and spells out the school's mission and performance indicators.

How Fordham’s Charter Contract Defines Academic Effectiveness

The academic accountability plan for each Fordham-sponsored school outlines three sets of indicators that mark the floor of academic achievement for schools. Attainment of those requirements and goals is expected of all Fordham-sponsored schools on an annual basis, and such performance is heavily weighted in decisions about probation, suspension, school closure, or contract renewal.

Academic achievement indicators

The first, and most important, set of indicators requires that the school:

- make overall Adequate Yearly Progress (AYP);
- make AYP in reading participation and achievement; and
- make AYP in math participation and achievement.

The second most important indicator is that the school will:

- be rated at least Continuous Improvement by the Ohio Department of Education (and be making progress toward earning Effective and Excellent ratings).

Additional contractual goals call upon the school to:

- meet or exceed “expected gains” in reading on the Ohio value-added metric.
- meet or exceed “expected gains” in math on the Ohio value-added metric.

Additional contractual goals include outperforming similar neighborhood schools and charter averages. These goals are spelled out further in Section II of this report.

Accountability Plan

The accountability plan is the crux of each school’s contract and establishes the academic, financial, and organizational performance standards that Fordham uses to evaluate the schools. Transparent accountability plans allow all school stakeholders to understand the minimum required performance measures of the school. The “Profiles” section of this report shows the performance to date of each Fordham-sponsored school.

Annual Review Process

Pursuant to Fordham’s contracts with the Ohio Department of Education and its sponsored schools, Fordham conducts an annual review of each school’s performance.

The academic performance of all Fordham-sponsored schools is published in this annual sponsorship report and also summarized for the governing authority of each school in the twice yearly site visit reports that are issued to all board members of each Fordham-sponsored school. If a school is in danger of non-renewal or Fordham has other serious concerns, we document those issues in letters to the school’s board, and meet with board members in person so that any problems and potential consequences are transparent.

Such letters are intended in part to inform the school’s governing authority and staff of issues associated with school performance and, in part, to serve as formal reminder that the school must meet the academic performance terms of its contract. If, over two or more years, the school fails to meet the

basic contractual requirements of making Adequate Yearly Progress (AYP) and earning a state rating of (at least) Continuous Improvement, the school will face consequences.

Technical Assistance Efforts

Sponsors in Ohio are required by law to provide their sponsored schools with “technical assistance.” Section 3301-102-02 (AA) of the Ohio Administrative Code defines “technical assistance” as “providing relevant knowledge and/or expertise and/or assuring the provision of resources to assist the community school or sponsor in fulfilling its obligation under applicable rules and laws, including, but not limited to, guidance, information, written materials and manuals.”

Technical assistance from Fordham includes providing schools with information on issues that affect them as a group (e.g., charter school funding, pending legislative action, changes to laws and rules). Fordham also undertakes a substantial amount of customized technical assistance each year. Customized technical assistance occurs when Fordham staff work on a project, conduct research, or navigate a particular issue for a single school.

Depending on available resources, technical assistance may also include making grants to Fordham-sponsored schools for a specific purpose. Our goal in providing technical assistance is to provide each school with information and tools so that if the issue arises in the future the school has the knowledge to handle it in-house. Fordham staff tries to turn most research requests around within 48 hours; however, that timeframe varies depending on the complexity of the issue and questions asked.

As noted in previous annual sponsorship reports, Fordham, first and foremost, is a charter-school sponsor and not a vendor of services to the schools it sponsors. Further, Fordham does not require any schools it sponsors to purchase or utilize any specific services from any specific vendors or school operators.

Fordham receives no funding or payments from schools or the state beyond the sponsorship fees paid by the schools (which under state law cannot exceed three percent of a school’s per-pupil funding). We believe that an inherent and improper conflict of interest arises whenever a sponsor is also a paid vendor of services to the schools that it sponsors. The sponsor’s appropriate role is to point schools seeking specific services to competent providers of such services but to play no role in a school’s decisions about which services (if any) to procure from which providers.

Summary of Technical Assistance Provided during 2009-10

In 2009-10, major technical assistance provided to Fordham-sponsored schools included free AOIS (Authorizer Oversight Information System), research assistance to schools and direct grants.

Table IV contains a brief summary of select technical assistance offered to schools.

Sponsorship Governance Decision-making Strategies

All formal sponsorship decisions are made by the trustees of the Thomas B. Fordham Foundation. To keep up with the complexities and ever-changing landscape of sponsorship, to provide regular oversight of Fordham’s sponsorship activities, and to advise Fordham’s full board, a board-level committee on sponsorship meets quarterly—more often if necessary—to discuss pressing sponsorship issues. This committee—formally known at the Ohio Policy and Sponsorship Committee—is also interested in policy issues affecting education in the Buckeye State. As needed, Fordham also utilizes ad hoc advisory councils and outside experts. Staff plays an important role in informing sponsorship activities and decision-making.

Table IV: Selected Technical Assistance Provided by Fordham to Sponsored Schools in 2009-10

2009-10 Major Technical Assistance	
Grants and Financial Assistance	Cost
Grant to Alliance Community Schools for Academic and Operational Evaluation	\$25,000
School Fees Subsidy to Columbus Collegiate Academy and KIPP: Journey Academy	\$24,500
Grant to ESCCO for New Sponsorship Organization Planning	\$10,000
Grant 1 for Second Year Operations to Columbus Collegiate Academy	\$25,000
Grant 2 for Second Year Operations to Columbus Collegiate Academy	\$25,000
Experts, Consultants and Training Opportunities	Cost
Fordham provided its web-based compliance management system, AOIS, free of charge, to all its sponsored schools	\$18,000
Experienced legal counsel for transportation, organizational and audit/financial	\$54,500
Review of Loan Guaranty for facilities	\$500
Webinar training for AOIS compliance and requirements at no cost to schools	\$2,000
Total	\$184,500

Fordham’s Ohio Policy and Sponsorship Committee consist of the following individuals:

- David P. Driscoll, Chair – Former Commissioner of Education, Commonwealth of Massachusetts
- Chester E. Finn, Jr. – President, Thomas B. Fordham Foundation and Thomas B. Fordham Institute
- Thomas A. Holton, Esq. – Partner, Porter, Wright, Morris & Arthur
- Bruno V. Manno (emeritus non-voting member) – Senior Education Advisor to the Walton Family Foundation
- David H. Ponitz – President Emeritus of Sinclair Community College

The Fordham Foundation’s sponsorship program is staffed by Kathryn Mullen Upton (director of sponsorship), Theda Sampson (assistant director of sponsorship), and Whitney Gilbert (staff assistant). Fordham’s vice president for Ohio programs and policy (Terry Ryan) oversees the sponsorship operation. The sponsorship program also receives

part-time support from the Thomas B. Fordham Institute’s Emmy Partin (director of Ohio policy and research), Jamie Davies O’Leary (policy and research analyst), and Michael Petrilli (executive vice-president).

For more details on individual committee members or Fordham staff, please visit our website at <http://www.edexcellence.net/index.cfm/about-us>.

Sponsorship Financial Overview

Because Fordham is a nonprofit organization, it makes no profit from school sponsorship and expects to continue subsidizing with grant dollars its sponsorship activities into the foreseeable future.

As Table V shows, the fees Fordham receives from schools for sponsorship covered only 25 percent of its sponsorship costs. The remaining 75 percent came from Fordham’s own resources and from support from the Bill and Melinda Gates Foundation.

At five years old, Fordham’s sponsorship operation has been able to cut costs and operate more efficiently

Table V: Fordham Foundation Sponsorship Financials (July 1, 2009, to June 30, 2010)

Revenues	Amount	Percent
School Fees	\$110,412	25%
Foundation Subsidies	\$334,505	75%
Total Revenues	\$449,917	100%
Expenses	Amount	Percent
Staff	\$218,821	49%
Consultants/Grants	\$88,759	20%
Professional/Legal Fees	\$52,362	12%
Office/Technology/Other	\$84,975	19%
Total Expenses	\$449,917	100%

Table VI: Fordham Sponsorship Expenses over Time

	2005-06	2006-07	2007-08	2008-09	2009-10
Expenses	\$715,512	\$788,520	\$628,678	\$409,961	\$449,917

than it did in 2005. As Table VI illustrates, the costs of Fordham's sponsorship operation were \$265,595 less in 2010 than in 2005, and \$338,603 less than in 2006-07, where costs peaked at \$788,520.

Growth of Fordham Sponsorship in 2011 and Beyond

As noted above, we added a new school in 2010-11, Learning Without Limits Academy. We are also excited to be in serious discussions with two schools in Sciotoville, Ohio – Sciotoville Elementary Academy and East High School – about joining Fordham's current roster of seven schools. Discussions with other promising candidates are in the works, and we're hopeful that in the 2010-11 report we can

share that several new schools have joined Fordham's sponsorship operation.

We are also actively seeking applicants for new schools, replications, or assignments of contract. Under the terms of its sponsorship agreement with the Ohio Department of Education, the Thomas B. Fordham Foundation can sponsor up to 30 Ohio charter schools. Fordham has developed an application packet for prospective schools. This document spells out in detail how Fordham operates as a sponsor, how the Ohio charter law works, Fordham's expectations of its sponsored schools, how to apply for Fordham sponsorship, and how applications will be evaluated. This document is available at: <http://edexcellence.net/template/page.cfm?id=359>.

Highlights of Fordham Non-sponsorship Initiatives in Ohio, 2009-10

Sponsorship isn't all that Fordham does in Ohio. Our mission, nationally and in Ohio, has four elements:

- High standards for schools, students, and educators;
- Quality education options for families;
- A more productive, equitable, and efficient education system; and
- A culture of innovation, entrepreneurship, and excellence.

Selected Fordham (Ohio) reports & events in 2009-10:

- *World-Class Academic Standards for Ohio* (event)
- *Needles in a Haystack: Lessons from Ohio's high-performing, high-need urban schools* (report and companion video series)
- *Ohio's Education Reform Challenges: Lessons from the Front Lines* (book, published by Palgrave Macmillan)
- *Ohio Urban School Performance Report & Annual Analysis of Local School Report Cards* (report)
- *Tracking Student Mobility and Gauging its Impact in Dayton* (report and event)

Selected Ohio and national organizations that partnered with Fordham sponsorship in 2009-10:

- KidsOhio;
- Ohio Grantmakers Forum;
- Ohio Alliance for Public Charter Schools;
- School Choice Ohio;
- National Association of Charter School Authorizers (NACSA);
- National Alliance for Public Charter Schools;
- Policy Innovators in Education Network (PIE Network);
- CEE-Trust;
- University of Dayton; and
- Ohio Business Alliance for Higher Education and the Economy.

Authorizing

Helping mom-and-pops in Ohio



PHOTOGRAPHY / ASSOCIATED PRESS

Charters

By CHESTER E. FINN JR.,
TERRY RYAN, and
MICHAEL B. LAFFERTY



The Thomas B. Fordham Foundation’s long and deep immersion in Ohio education policy, particularly in the charter-school realm, includes a half decade of direct experience as “authorizer” of several charters. To recount and draw lessons from that experience, Fordham president (and *Education Next* senior editor) Chester Finn, Fordham vice president for Ohio policy and programs Terry Ryan, and veteran journalist Michael Lafferty authored the new book from which this article is adapted.

Initially, the Ohio Department of Education (ODE) was chief authorizer of charter schools in the Buckeye State. After the state auditor released a scathing review of ODE’s handling of its role, the legislature “fired” the agency and in early 2003 invited a host of other entities to undertake the challenges of school sponsorship. Along with state universities, and district and county school systems, the list of potential authorizers included nonprofit organizations that met certain criteria. If too few new authorizers were willing to step up to the plate, however, the legislature’s move would orphan more than 100 extant charter schools, forcing them to close.

The Thomas B. Fordham Foundation had long been active on the Ohio charter scene as critic, policy analyst, facilitator of new schools, and source of assistance (both financial and technical) to promising charter operators. But we had never really rolled up our sleeves and plunged into the fray. After fruitlessly seeking new sponsors to take on the potential “orphans”—eligible organizations feared the political, financial, and legal-liability risks—and after much internal soul-searching and debate, Fordham decided in 2004 to apply to become a school authorizer and by June 2005 we found ourselves occupying that hot seat.

Our 10 schools were a varied bunch. Eight had previously been sponsored by the Ohio Department of Education. The other two were allowed to open by virtue of winning the state’s 2005 lottery for new charters; both were sister schools of Cincinnati’s acclaimed W. E. B. Du Bois Academy, a now-defunct charter school that

*Adapted from Chester E. Finn Jr., Terry Ryan,
and Michael B. Lafferty,*

*Ohio’s Education Reform Challenges:
Lessons from the Front Lines,
Palgrave MacMillan Publishers (June 2010).*

was much acclaimed at the time. All 10 schools faced challenges that generally paralleled those of other charter schools across Ohio. Among the eight schools with track records, one was rated Excellent by the state in 2005 (Du Bois), and one was rated Continuous Improvement (Dayton Academy, an Edison-operated school), but the remaining six were in Academic Emergency. (At the time, 60 percent of Ohio's charter schools were rated in Academic Emergency, 11 percent in Academic Watch, 18 percent in Continuous Improvement, and just 11 percent Effective or Excellent.)

Troubled Schools

The Moraine Community School had struggled since opening in 2002, but surely it was worth trying to rehabilitate. The charter represented this Dayton suburb's only public school. Moraine was a General Motors industrial town, and many of its families were connected to the GM plant that had once made Frigidaires and later built SUVs. (The last vehicle rolled off its assembly line on December 23, 2008. The sprawling factory is now dark.)

Before the charter opened, all Moraine students were bused to schools in the nearby suburbs of Kettering and West Carrollton. Many felt like strangers there, and they and their parents longed for a neighborhood school of their own. For that reason, the Moraine charter originally enjoyed the support of community leaders and served about 200 children in grades K–12. Almost from the start, however, the school encountered serious governance, leadership, financial, and academic difficulties. Moraine Community School was in Academic Emergency for two years prior to Fordham sponsorship, and its board and principal had gone through a nasty split just before we took over. A serious leadership vacuum remained. Our sponsorship agreement made clear that we expected it to improve markedly—and fast. Its board assented. According to our contract, the school would show

- adequate academic gains from autumn 2005 to spring 2006, as measured on a national norm-referenced test
- market demand by enrolling at least 225 students by April 2006
- compliance with all special-education requirements by October 2005
- implementation of a viable curriculum by February 2006.

As the February deadline approached, we received a letter from the school's board president stating, "Our one-year sponsorship agreement had renewal

terms that we likely won't meet. There was an opportunity to secure 2006/2007 sponsorship through the Cincinnati-based ERCO (Education Resource Consultants of Ohio)."

With those words, Fordham learned, the Moraine school was fleeing our tough-love embrace. We had thought its leaders were game to make the hard decisions needed to render their school effective. We were wrong, and they spurned us for a less-demanding sponsor. What's more, under Ohio law the school was within its legal rights to "sponsor hop" when its leaders realized we were serious about holding them to account for improving their school. Two years later, the Moraine school and three others (with no Fordham sponsorship connections) would be sued by then Ohio Attorney General Marc Dann, citing a failure to educate children.

In hindsight, we were naïve about the Moraine school and our ability to turn it around through tough love. No matter how much we wanted the school to succeed academically, those in charge—the school leadership and teachers—did not have the capacity to make it perform at a high level. Even more important, we gradually realized that the school's leadership did not see their primary mission as delivering academic success to children.

For them, the goal was to provide a place that cared for the community's children with love, respect, and understanding. If learning also occurred, well and good, but the school's very existence was a sufficient end in itself for both the board and many parents. It was, quite simply, "their" school. Our efforts to inject a sense of urgency and focus on academic results just did not fly. That we didn't share the same values should have been obvious from the start. But we failed to see it.

Technical Assistance

Moraine was not the only school in our new "portfolio" that opened our eyes to some realities of the charter world that we had not fully appreciated in our earlier think-tank role. As we were learning, threats and deadlines alone did not bring about better performance. Thus, within the bounds of state law and our budget, we also provided technical assistance to "our" sponsored schools to improve their performance. For example, we offered all

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those in Academic Emergency expert counsel on how to use achievement data to improve instruction, develop a strategy for maximizing performance on state assessments, and help students gain test-taking prowess.

Toward that end, we engaged Douglas Reeves and his team at the Denver-based Center for Performance Assessment (CPA). In November 2005, participating schools were provided with the tools to analyze their own test data to ascertain where their students needed the most help. In February 2006, CPA trainers conducted sessions at each participating school to assess staff needs and provide more-focused professional development based on school and student-specific data. This assistance cost Fordham about \$70,000, but held out hope of helping the schools to boost student achievement relatively quickly.

We also offered the schools outside evaluations by a Massachusetts-based team of charter experts that provided school leaders and Fordham with thorough analyses of the strengths and weaknesses of individual schools and assisted in developing plans for bettering their performance. We asked team leader Joey Gustafson for a written report on each school akin to those produced by the acclaimed British school inspectorate. Four schools agreed to such evaluations—at Fordham’s expense.

After visiting the schools, Gustafson reported that all four—each an independent “mom-and-pop” operation with no links to national groups—faced a host of challenges, including strained budgets, low enrollments, curriculum problems, inexperienced staff, weak professional development for teachers, and board members ignorant of testing and other academic essentials. She also found a widespread belief that their academic setbacks were not the schools’ responsibility but, rather, the result of too many students from poor families with “home life” issues.

According to Gustafson, “These kids cannot” was the start of far too many conversations. She urged Fordham to take school leaders to visit high-performing charters in other states so they could see how such institutions worked. The result was a trip to Washington, D.C., where the heads of Fordham-sponsored schools spent time in a high-performing Knowledge Is Power Program (KIPP) school and the excellent charter boarding school called SEED Academy.

These repair efforts bore some fruit. The Phoenix Community Learning Center in Cincinnati, for example, made

solid academic gains during 2004–5, when it was in Academic Emergency, to 2005–6, when it was rated Effective by the state. (The school sustained those gains in both 2006–7 and 2007–8, then faltered in 2008–9.) This school, led by a savvy, veteran educator, was committed to constant academic improvement and willing to change course in order to strengthen student results. It also built a strong instructional team and in time turned into a reasonably solid

performer, a lamentably rare success within Ohio’s bumper crop of “mom-and-pop” schools.

It was evident, however, that some schools still needed far more help than we felt appropriate delivering as their sponsor, and more than we could afford financially. There was a real risk of veering from our role authorizing schools into school operations as we delved deeper into their problems and possible solutions. In 2004, before we even became a sponsor, one of the nation’s leading experts on charter schools and authorizing (and a Fordham board member), Bruno Manno, urged us to stop issuing grants to schools we would sponsor and to refrain from doing anything that could be seen as entangling us in their operations. Indeed, we agonized throughout the first year of sponsorship as to how much direct support to give schools for which we

also served as monitor, evaluator, and judge. In the end, we offered financial help via modest grants and reduced sponsorship fees, plus substantial technical assistance in the form of advice from outside experts.

This support was manifest in our budgets. In 2005–6, Fordham collected \$244,840 in school fees while our sponsorship expenses for the year totaled \$715,512, of which more than one-third went toward outside consultants, school-specific grants, and foregone sponsorship fees. The following year, we collected \$197,674 in school fees while our operating budget was \$788,520, nearly half of it for consultants, grants to schools, and reduced fees. In fact, during the first four years of our sponsorship operation, we spent more on consultants and grants (targeted toward helping individual schools to tackle specific problems or needs) than we actually received in school fees. Under state law, we could charge schools sponsorship fees of up to 3 percent of their per-pupil funding, but our schools were paying closer to 1 percent, and several received free sponsorship. As a result, school fees covered just 30 percent of our costs from 2005 through 2009.



In 2008, Ohio Attorney General Marc Dann sued four Ohio charters citing a failure to educate children.

PHOTOGRAPHY / ASSOCIATED PRESS



PHOTOGRAPHY / COLUMBUS COLLEGIATE ACADEMY

In March of 2010, Columbus Collegiate Academy was named one of only nine charter elementary schools nationwide to receive the silver EPIC award from New Leaders for New Schools for dramatic gains in student achievement.

We continued to remind ourselves, the schools, and the state that we would not cross the line into providing direct services nor would we charge schools anything beyond their sponsorship fees. In June 2006, we shared a formal policy along those lines with every Fordham-sponsored school, building on what we had told the Ohio Department of Education in our sponsorship application two years earlier. In short, our provision of technical assistance was a good-faith effort to help schools improve but, at the end of the day, they were responsible for their results and we were responsible for holding them to account for those results.

Our refusal to sell services to sponsored schools proved prescient in the long run, as became obvious when another sponsor's school, Harte Crossroads School in Columbus, blew up in 2007, revealing deep financial maladies. Its collapse resulted in much finger-pointing between sponsor and school as to who was responsible—and liable—for what. Even today, the state is still trying to sort out these tangles. In any case, this cautionary tale strengthened our conviction that sponsors ought not sell supplemental services to their schools. Unfortunately, many sponsors in Ohio made—and today still make—their own ends meet by doing precisely that. Legislation introduced in 2006 and 2007 to prohibit sponsors from selling supplemental services to their schools failed to become law. It would have unbalanced the books of too many sponsors. But neither did lawmakers solve the underlying problems of

sponsor funding in Ohio: the chronic need to raise operating funds from the schools themselves, whether by charging fees or selling services, combined with the perverse incentives and inherent role conflicts that arise when saying no to a school is tantamount to reducing one's own revenue.

Dollars and Cents

Sponsors weren't the only ones on the Ohio charter scene that faced financial challenges. We also came to realize that independent charter schools faced almost insurmountable hurdles in delivering high-quality academic instruction while running these small businesses on tight margins. Consider the Omega School of Excellence, one of the ODE "orphans" that Fordham came to sponsor in Dayton and a school that in 2005 enrolled just 184 students. It received about \$1.4 million a year from state and federal sources, which worked out to about \$7,610 per pupil. In contrast, the Dayton Public Schools

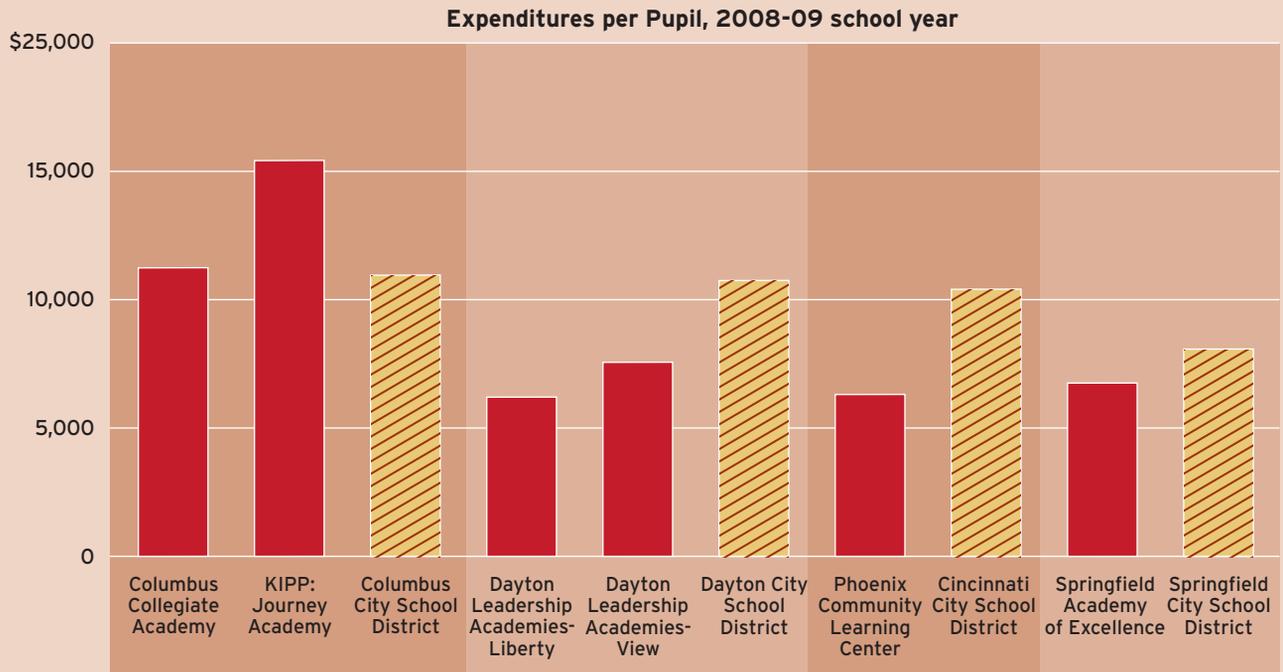
Independent charter schools faced insurmountable

were at the time operating at about \$13,000 a child. That difference was the result of some \$5,500 per student in local tax dollars going to district schools that charters such as Omega did not receive—all this in addition to money for facilities and other outlays that were also denied to Ohio charters.

From its meager per-pupil allocation, Omega had to pay for all staffing, food services, special education, facilities,

On a Shoestring (Figure 1)

Fordham's Ohio charter schools must operate with far less funding than their district counterparts—unless, like KIPP-Journey and Columbus Collegiate, they can attract philanthropic support.



SOURCE: Ohio Department of Education

instructional materials (books, computers, etc.), and other expenses associated with running a school. Omega spent about \$120,000 annually on facilities and utilities alone, and another \$75,000 on food services, leaving about \$1.2 million for instruction and operations. It was required to contribute to the state retirement system some 14 percent of salaries for every employee. Omega also offered basic health insurance and met the cost of federal Medicare payments. That meant the school paid about \$645,000 in salaries and \$175,000 in

a harsh tax. It certainly created animosity between new sponsors and schools. More than once we heard complaints that “under ODE we received free sponsorship, and now we’re paying you for sponsorship and you actually scrutinize our efforts far more than the state ever did.” This was another reason for us to keep our sponsorship fees as low as possible, but it made for an unsustainable situation over the long run.

Quality sponsorship costs money that somebody has to pay. Other states have realized this and fund their authorizers

hurdles in delivering academic instruction on tight margins.

benefits. The result was that the average Omega administrator earned about \$36,500 in 2005 while the average teacher made about \$38,350. By contrast, Dayton’s district-school administrators earned about \$68,500 and teachers about \$50,550.

Starting in July 2005, charter schools also had to pay fees to their sponsors, which cut further into their operating margins and was seen by many in the charter community as

in more rational (and less tight-fisted) ways. For example, Florida provides sponsoring agencies 5 percent of revenue, as do Colorado and Oklahoma. These dollars come directly from the state to the sponsors, not out of the schools’ operating funds. In fact, the average payment structure for U.S. sponsors falls in the range of 3 percent to 5 percent of a school’s per-pupil allotment.



PHOTOGRAPHY / DAYTON LEADERSHIP ACADEMIES

Dayton Leadership Academies, under the management of Edison Learning, have remained among the state's higher-rated charters.

Besides keeping charter schools on short fiscal rations and “taxing” them for sponsorship, Ohio imposed onerous and disruptive reporting requirements. For example, charters had to report their student counts to the state every month while districts did so only twice a year. A charter school’s monthly revenue could suddenly drop by several thousand dollars if, for example, a mother lost her job

Ohio imposed onerous and disruptive reporting requirements on charters.

and moved her five children to another school. Districts also feel the pain of losing students but they adjust their spending annually, not monthly. This becomes significant as teachers and other staff sign yearlong employment contracts, meaning that the charter school is on the hook for these costs whether pupils stay or leave.

Districts, of course, can also seek operating levies from local taxpayers to boost revenues beyond what the state affords them, while charters depend entirely on state and federal per-pupil allocations and whatever they can raise from philanthropy (see Figure 1 for current spending estimates). Some states—but not Ohio—provide charter schools with extra dollars in an effort to partially compensate for the absence of local dollars. Many now assist their charters with facility costs, too.

Strengthening the Support Network

The economic challenges facing charter schools, especially the mom-and-pop variety, were not just problems for Fordham-sponsored schools. In 2009, Ohio had 309 charters, of which almost 100 were independent operators. All but a handful served fewer than 300 students and many enrolled fewer than 200. In fact, fully 75 percent of the charter schools operating in Ohio in 2009 served fewer than 300 children apiece. Many ran on razor-thin margins.

In hindsight, many were financially doomed from the outset. In examining the causes of charter school closures in the United States, former National Charter Schools Institute CEO Brian Carpenter reported in 2008 that low enrollment was pivotal in the demise of almost three-fourths of the 100 cases he studied. He advised school boards and authorizers to “strive for 300 students as the minimum desired enrollment for each school.” Yet most Ohio charters were and are below that threshold.

In studying charter schools nationally, Paul Hill of the University of Washington observed in 2008 that, while money doesn’t assure educational success, it’s needed to innovate successfully. “Due to the way money flows,” Hill wrote, “new [charter] schools face major competitive disadvantages. Only entities that believe they can run effective schools with less money than district-run schools, or are able to gain some forms of subsidy, either philanthropic contributions or donated labor, can hope to compete.” The exception seemed to be schools associated with large, deep-pocketed national school-management organizations such as Edison and National Heritage Academies.

Worried about the appearance, the legitimacy, and the politics of a charter sector dominated by big out-of-state firms, many of them for-profit, we thought it was especially important for Ohio to develop and sustain a healthy crop of mom-and-pop schools with bona fide community roots. In 2001, we



Brian Carpenter reported that low enrollment was pivotal in the demise of almost three-fourths of charters.

We thought it was important for Ohio to develop and sustain a healthy crop of mom-and-pop schools with bona fide community roots.

launched the Education Resource Center (ERC), originally housed at the Dayton Area Chamber of Commerce and later within a private-scholarship organization named PACE.

The concept was straightforward. We would help independent charter schools acquire benefits of scale by concentrating some of their needs and corresponding services in a single place, particularly their business management and other “back office” functions. This should, we thought, lead to lower-cost services for individual schools while improving the quality of those services for all. This, we expected, would reinforce their capacity to compete, stay viable economically and, ultimately, deliver stronger academic achievement.

In 2003, ERC became a standalone nonprofit organization named Keys to Improving Dayton Schools, Inc. (k.i.d.s.). At the outset, Fordham’s Terry Ryan (as volunteer executive director) and Dayton businessman Doug Mangen ran the day-to-day operations of k.i.d.s., with help from Dayton-area philanthropists and business leaders, including the former CEO of Copeland Industries, Matt Diggs, who also worked to raise money for the new venture.

About 20 charters were then operating in Dayton. Mangen surveyed their needs and found that their most pressing challenges were improving financial management while boosting academic performance. It wasn’t just record keeping and poor test scores. Several schools admitted that they were on the verge of financial collapse. The situation was captured in a memo from Ryan to the k.i.d.s. board in late 2003. “Early hopes for their transformative potential,” he wrote, “are yielding to the realities of meager academic results, financial woes, leadership and governance difficulties, and political challenges. Local charter schools are largely consumed by issues of survival. As a result, they’re not pointing the way toward educational excellence.”

The Omega School of Excellence was first to sign on with k.i.d.s. Organized to serve 5th through 8th graders, Omega was modeled after the acclaimed Knowledge Is Power Program (KIPP) schools. Its graduates won scholarships to top local private high schools and to several of the country’s elite prep schools. But, like other

one-off charters, Omega faced severe challenges on the business side. Co-founder Vanessa Ward (with her husband) admitted that she lacked those skills. “This is a business. It’s a start-up business. I think most persons who are in education don’t necessarily come with those gifts managing budgets and forecasting, insuring that you’re making the best decisions fiscally to allow a start-up business to survive.” The Wards and their colleagues on the Omega board craved quality financial-management support, and k.i.d.s. was set up to help provide it to worthy but needy schools like this one.

By mid-2005, k.i.d.s. employed six staffers and three consultants who not only had the school-finance knowledge and appropriate state certifications, but also possessed real expertise in navigating Ohio’s byzantine data-reporting systems. At the start of the 2005–06 school year, k.i.d.s. was serving 11 schools in four cities with a combined enrollment of about 1,860 students. The services generated about \$400,000 in fees for “back office” services. Fordham also subsidized k.i.d.s. to the tune of about \$150,000 a year.

The board of k.i.d.s., which included Fordham’s Finn as well as Ryan, widened its mandate, adding academic and operating activities (e.g., food service support) and new schools in other cities. Too many Ohio charter schools were struggling academically as well as financially. K.i.d.s. wanted to see if it could build a full-fledged, high-quality, local charter-management effort, something almost absent from Ohio at that time. This service might even include running whole-school operations.

By this point, the Omega school was facing serious academic as well as financial challenges. Its initial success had been driven largely by Vanessa Ward’s vision, energy, and commitment. In 2005, however, she had to shoulder more church responsibilities when her husband became seriously ill. School heads came and went. Enrollment dropped and the school faltered. Such challenges, we were coming to discover, plagued many one-off charter schools that depended too much on the vision and leadership of a single dynamic individual.

Gradually, Omega’s future prospects became more and more entwined with those of k.i.d.s., both because the school came to consume more of the nascent CMO’s (charter management organization) time and attention and because k.i.d.s.’ other revenues were drying up. A support

grant from the Bill & Melinda Gates Foundation was spent. In 2006, Mangen spun off the one successful part of k.i.d.s.’ work—the financial services program—into his own new private business. Though Fordham and one or two other private donors did their best, the money just wasn’t there to keep k.i.d.s. afloat so long as its main client was the faltering, shrinking Omega School of Excellence.

When the Omega board authorized a formal resolution ceasing the school’s operations in June 2008, its demise dealt a mortal blow to k.i.d.s. and to our dream of creating a non-profit school-management organization that could run successful schools across Dayton and southwestern Ohio.

Both organizations were also wounded by the national economic downturn that reduced Fordham’s endowment—and those of many others—by more than one-third. This fiscal misery made it far harder to raise money for a struggling school and a fledgling CMO that faced uncertain futures, even in flush times.

Human capital proved problematic, too. Finding and keeping great talent to work in Dayton’s charter sector was a nut that k.i.d.s. never cracked. And when it engaged the services of really capable individuals, they swiftly proved to be in great demand elsewhere.

Under these circumstances, we had to shelve our hopes for a Dayton-based CMO. There are, to be sure, several national charter outfits—e.g., Edison Learning, National Heritage Academies, Building Excellent Schools, KIPP—operating in Ohio and some of them do good work. But what this approach neglects, and what Ohio (and many other places) still needs, are mechanisms for strengthening the “mom-and-pop” schools like Omega that have deep roots in their communities yet lack the educational and management capacity necessary to sustain success.

Sobered and a bit battered, Fordham continues as an authorizer of Ohio charter schools—six of them today, with a seventh in the offing—and a vigorous participant in the state’s larger education-policy debates. We’re constantly exploring new options including, at this writing, possible merger with several other authorizers into a larger and, we hope, more stable and effective state-wide sponsorship venture. Meanwhile, we’ve learned a lot about how much harder it is to walk the walk of education reform than simply to talk the talk, and about how the most robust of theories are apt to soften and melt in the furnace of actual experience. ♦

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SECTION II



Overview of Fordham-sponsored Schools in 2009-10

This section examines how well students in the Fordham-sponsored schools performed on state assessments in 2009-10, and compares those results to student performance in home districts and to other charter schools.

Academic Performance Information about Assessments Used

Ohio's accountability system assigns schools and school districts with one of six academic ratings: Excellent

with Distinction, Excellent, Effective, Continuous Improvement, Academic Watch, or Academic Emergency. These ratings are based on multiple indicators, including results on the statewide Ohio Achievement Assessments in core subjects in grades three through eight, the Ohio Graduation Test, and graduation and attendance rates. The state goal is that 75 percent of all students be proficient on each assessment.

Using results from these indicators, Fordham analyzed each of its schools' performance in 2009-10. See Table VII below.

Table VII: School Performance on Requirements and Goals of the Fordham Academic Accountability Plan, 2008-09 and 2009-10

Did School...	Columbus Collegiate Academy	DLA: Dayton Liberty Campus	DLA: Dayton View Campus	KIPP Journey Academy	Phoenix Community Learning Center	Springfield Academy of Excellence
Requirement 1: Make Adequate Yearly Progress (AYP) in 2009-10?				X	X	X
In 2008-09?			X			
Requirement 2: Make AYP in Reading in 2009-10?			X	X	X	X
In 2008-09?			X		X	
Requirement 3: Make AYP in Math in 2009-10?	X		X	X	X	X
In 2008-09?	X		X	X		
Goal 1: Receive rating of at least Continuous Improvement in 2009-10	X		X	X	X	X
In 2008-09?			X			
Goal 2: Average at least 5% growth on READING portions of state tests in 2009-10?				X		X
In 2008-09?			X			X

Goal 3: Average at least 5% growth on MATH portions of state tests in 2009-10?				X	X	X
In 2008-09?		X	X			
Goal 4: Average at least 3% growth on SCIENCE portions of state tests in 2009-10?		X	X	X	X	
In 2008-09?		X			X	X
Goal 5: Average at least 3% growth on WRITING portions of state tests in 2009-10?						
In 2008-09?			X			
Goal 6: Average at least 3% growth on SOCIAL STUDIES portions of state tests in 2009-10?						
In 2008-09?			X			X
Goal 7: Outperform home district average on all five portions of state tests in 2009-10?	X				X	
In 2008-09?	X					
Goal 8: Outperform state community school average on all five portions of state tests in 2009-10?	X				X	
In 2008-09?	X					
Goal 9: Met or exceeded the "Expected Gain" in Reading on the Ohio "Value-Added Metric" in 2009-10?	X			X	X	X
In 2008-09?			X		X	X
Goal 10: Met or exceeded the "Expected Gain" in Math on the Ohio "Value-Added Metric" in 2009-10?	X			X	X	X
In 2008-09?		X	X		X	X

X indicates the school met the requirement or goal.

A blank cell indicates that the school failed to meet the requirement or goal.

A gray cell indicates that the requirement or goal was not applicable to the school.

The analysis that follows details how Fordham-sponsored schools performed on state assessments including their Adequate Yearly Progress status, and reading, math, and science achievement test results.

Adequate Yearly Progress Status

Adequate Yearly Progress (AYP) is part of the federal *No Child Left Behind* Act (NCLB) and is determined by the number of students meeting or exceeding state academic proficiency standards in reading and math—plus test participation and (high school) graduation rates. AYP also indicates how certain groups of students (e.g., those from economically disadvantaged families or those with limited English proficiency) are doing in reading and math.

State Ratings

During the 2009-10 school year, two Fordham-sponsored schools improved upon the rating they received in 2008-09. One school was rated Effective, four were rated Continuous Improvement, and one was rated Academic Emergency. Two schools, Columbus Collegiate Academy and KIPP: Journey Academy, were unrated in 2008-09 because they were first-year schools, and in 2008-09 the Ohio Department of Education did not issue ratings to first-year schools.

Performance by Subject²

The school ratings for four out of six Fordham-sponsored schools in 2009-10 actually improved over 2008-09; however, as a group overall student performance in Fordham sponsored schools was

Table VIII: AYP Status of Fordham-sponsored Schools, 2008-09 and 2009-10

School	08-09 AYP Status	Change	09-10 AYP Status
Columbus Collegiate Academy	Did Not meet	→	Did Not meet
Dayton Liberty Campus	Did Not Meet	→	Did Not Meet
Dayton View Campus	Met	↓	Did Not Meet
KIPP: Journey Academy	Did Not meet	↑	Met
Phoenix Community Learning Center	Did Not meet	↑	Met
Springfield Academy of Excellence	Did Not Meet	↑	Met

Table IX: Academic Ratings of Fordham-sponsored Schools, 2008-09 and 2009-10

School	08-09 Academic Rating	Change	09-10 Academic Rating
Columbus Collegiate Academy	N/A*	N/A	Effective
Dayton Liberty Campus	Academic Watch	↓	Academic Emergency
Dayton View Campus	Continuous Improvement	→	Continuous Improvement
KIPP: Journey Academy	N/A*	N/A	Continuous Improvement
Phoenix Community Learning Center	Academic Watch	↑	Continuous Improvement
Springfield Academy of Excellence	Academic Watch	↑	Continuous Improvement

*First year schools were not issued ratings by the Ohio Department of Education in 2008-09.

Source: Ohio Department of Education interactive Local Report Card.

down from last year. Overall student performance was dragged down by the woeful performance of the Dayton Liberty Campus which served 613 students in 2009-10 (about 31 percent of all students in Fordham-sponsored schools).

The following graphs compare each individual school to the district where it is located and compare the overall performance of all the Fordham-sponsored schools to a weighted average of the four districts where the schools are located (for a more detailed explanation, see the methodology at note 2). Comparisons are available for reading, math, science, and value-added growth. Ohio House Bill 1 suspended writing and social studies tests in 2009-10.

Reading

Graph I shows how students in Fordham-sponsored schools in 2009-10 performed in reading in comparison to charter students and home district students. Pupils in Fordham-sponsored schools outperformed their peers in reading only in the fourth and seventh grades while they performed equal to the state charter

average in sixth grade reading. Overall, Fordham students outperformed their district peers but performed slightly below the charter average in reading.

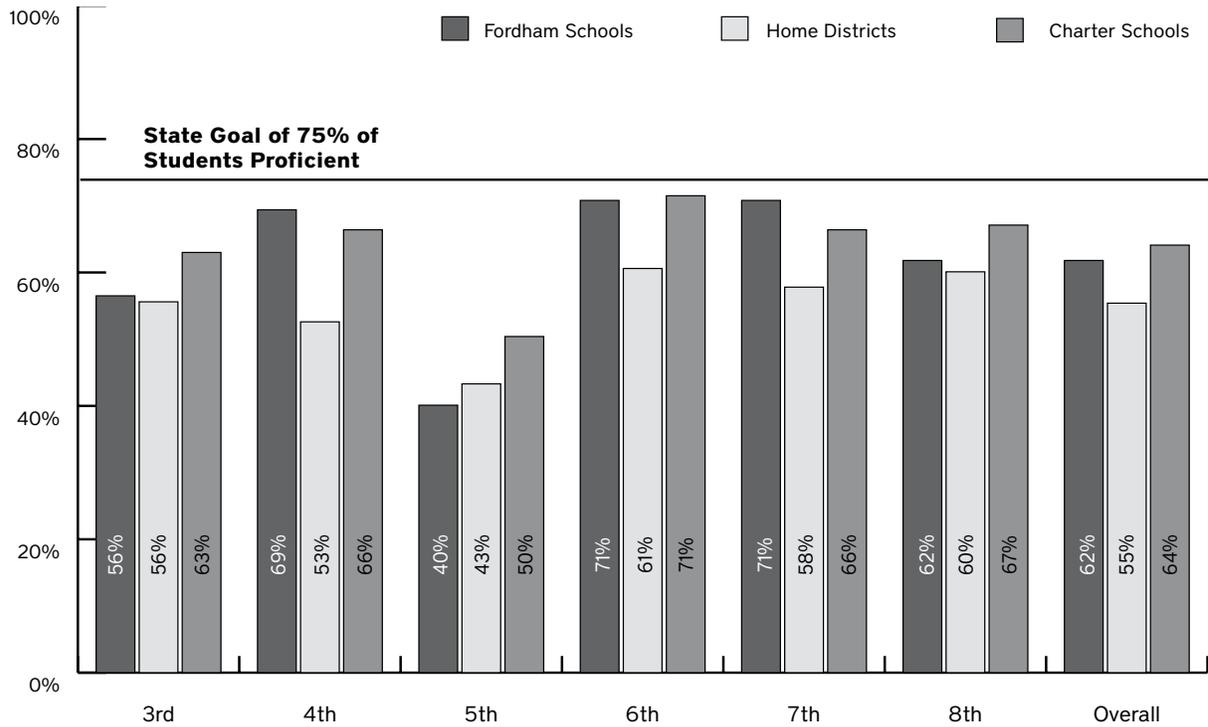
Math

Graph II shows math performance. In 2009-10, 52 percent of students—the same as in 2008-09—in grades three through eight attending Fordham-sponsored charter schools achieved or exceeded math proficiency. As a group, students in Fordham-sponsored schools performed better than students in their home districts and in other charter schools in the state in math in all grades except fifth and eighth.

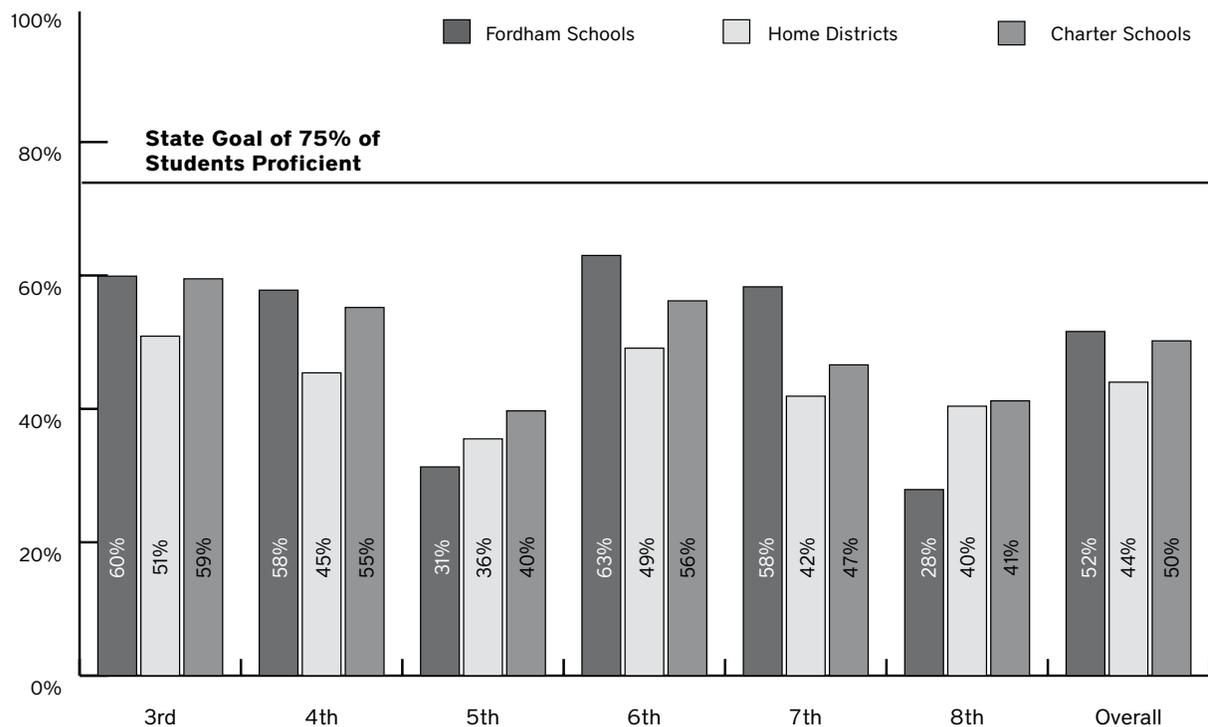
Science

Graph III shows science performance. In 2009-10, 32 percent of students attending Fordham-sponsored charter schools achieved or exceeded science proficiency (up from 21 percent in 2008-09). As a group, students in Fordham-sponsored schools marginally outperformed students in their home districts, but did not perform as well as students in other charter schools in the state in science.

Graph I: Percent of Students in Fordham-sponsored Schools, Statewide Charter Schools, and Home Districts Proficient in Reading, 2009-10, by Grade

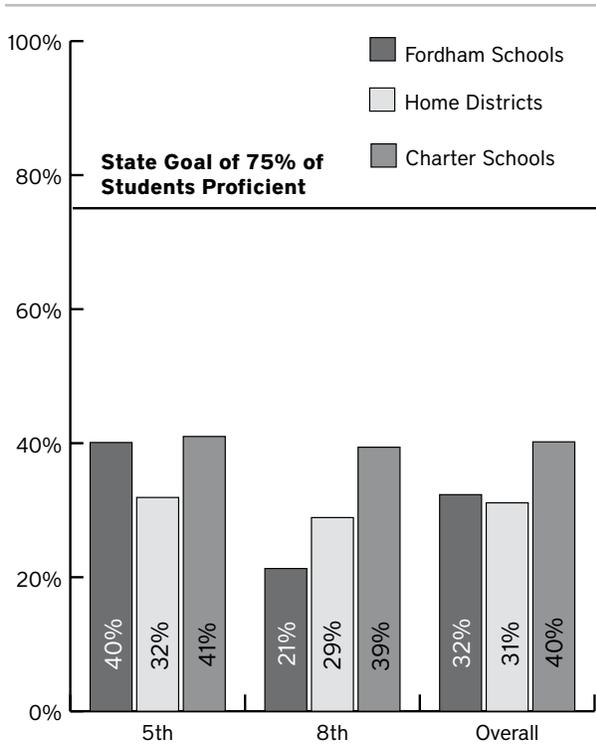


Graph II: Percent of Students in Fordham-sponsored Schools, State Charter Schools, and Home Districts Proficient in Math, 2009-10, by Grade



Source: Ohio Department of Education interactive Local Report Card.

Graph III: Percent of Students in Fordham-sponsored Schools, State Charter Schools, and Home Districts Proficient in Science, 2009-10, by Grade



Source: Ohio Department of Education interactive Local Report Card.

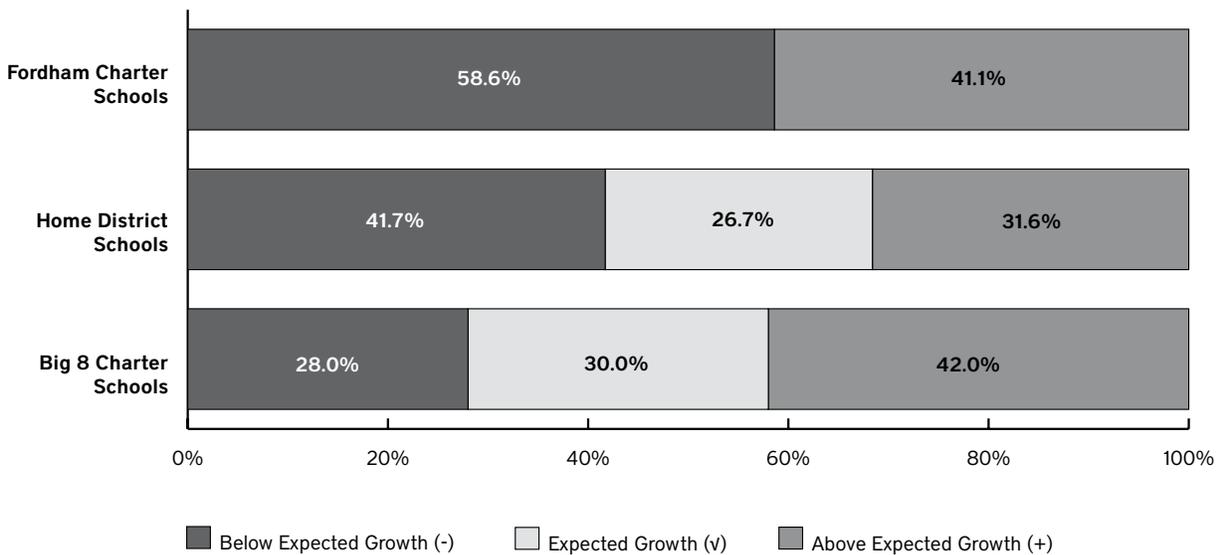
Value-Added Student Performance

Ohio's school report cards include value added—a measure of how much progress a school's students made in reading and math over the course of one year compared to how much the state expected them to improve. Value-added data are available in Ohio for grades four through eight. Forty-one percent of students (a decrease from 68 percent in 2008-09) attending Fordham-sponsored schools achieved above-expected growth.

When it comes to value-added growth, for schools that have such data, 42 percent of students in Ohio's urban "Big 8" charter schools attend a school that exceeded expected growth. Another 30 percent of these students attend a school that met growth expectations.

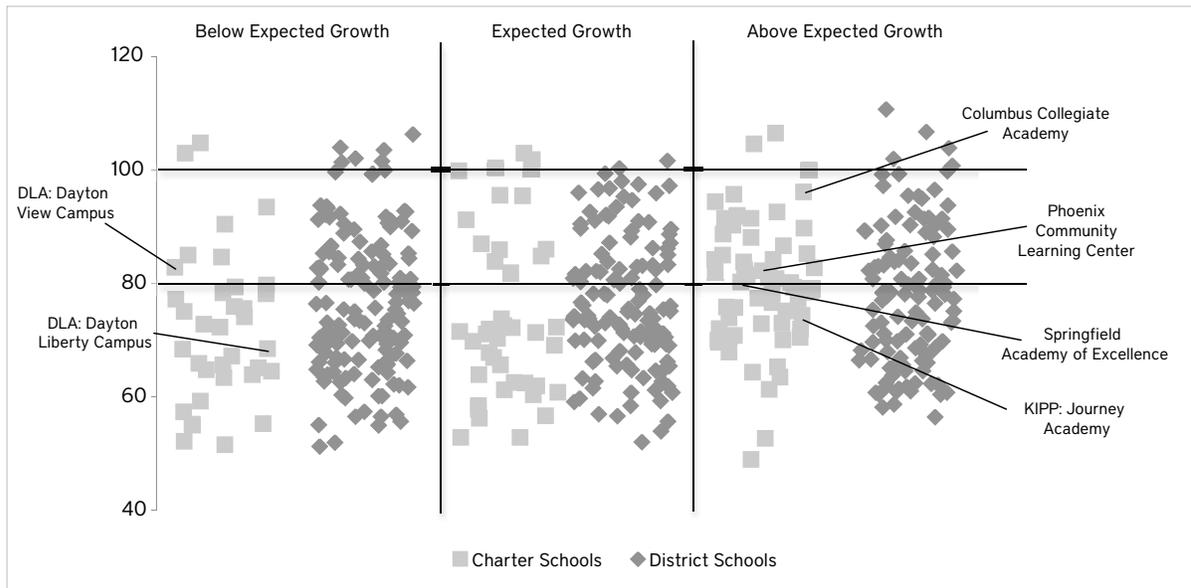
Among students in the four districts where Fordham-sponsored schools are located, 32 percent attend schools that exceeded their expected growth in 2009-10. Another 27 percent attend a school that met expected growth.

Graph IV: Percent of Students in Fordham-sponsored Schools, Home Districts, and State Charter Schools by Value-Added Rating, 2009-10



Source: Ohio Department of Education interactive Local Report Card.

Graph V: Academic Performance of Ohio 8 District and Charter Schools (Fordham-Sponsored Schools as Pull-outs), 2009-10³



This means that, among the district and charter schools most comparable to those Fordham authorizes, 28 percent of students in charter schools and 42 percent of students in district schools were enrolled in a building that failed to deliver at least a year’s worth of academic progress last year.

Statewide, approximately one in three Ohio schools were able to deliver to their students above-expected value-added gains, though this certainly does not necessarily translate into a solid “Performance Index” (PI) score, an indicator that takes into account whether students actually reach proficiency, not just whether they’re making gains. More specifically, PI scores reflect averages of a school’s student achievement in all tested subjects in grades three through eight, with the most weight given to students who exceed state standards. The PI runs on a scale from 0 to 120, with a state goal of 100 for all schools. Graph V tells the PI story at a glance. It shows that fully two-thirds of schools, charter and district alike, met or exceeded academic growth, but only five percent (26 out of 518) earned a PI score of 100 or higher.

Ohio schools have done a decent job meeting or

exceeding value-added growth for one year; however, few of them receive a PI score above 100, because many students in the state are still not reaching proficiency.

Governance and Non-academic Performance Leadership

Each Fordham-sponsored school is governed by a board of at least five members. Board member backgrounds are varied and include experience in education, nonprofit organizations, law, and business. Two Fordham-sponsored schools—Dayton Liberty Campus and Dayton View Campus—share a single board (in Ohio, an individual may serve on a maximum of two charter school boards).

In terms of school leaders, one Fordham-sponsored school experienced a change in school leadership in 2009-10.

Audit Information

All charter schools must meet financial accountability standards in their contracts and financial

reporting. Each year, the Ohio Auditor of State or its representative audits each charter school's financial statements. The audit examines the evidence supporting the amounts and disclosures in the financial statements and assesses the school's adherence to accounting principles.

Table X: *Availability and Most Recent Date of School Individual School Audits*

School	Most Recent Audit
Columbus Collegiate Academy	2008-09
Dayton Liberty Campus	2008-09
Dayton View Campus	2008-09
KIPP: Journey Academy	2008-09
Phoenix Community Learning Center	2008-09
Springfield Academy of Excellence	2008-09

Source: Ohio Auditor of State