FOREWORD

By Chester E. Finn, Jr. and Amber M. Winkler

Are bad schools immortal? Based on the pioneering analysis in these pages, it would seem so, at least for most such schools most of the time. About three-quarters of them stay open—and stay bad, certainly when judged by the meager (bottom quartile) proficiency levels that their pupils attain.

Even more troubling, this glum track record is nearly as weak in the charter-school sector as in the district sector, despite the acclaimed charter-movement doctrine that "bad schools don't last—either they improve or they close."

Would that it were so. Yet 72 percent of the original low-performing charter schools examined in this study were still operating, and still low-performing, five years later, compared with 80 percent of district schools. That means very few schools picked themselves up, rolled up their sleeves, and "turned around" their low achievement levels to above the state average. Bona fide turnarounds were rare: Just 1.4 percent of district schools and less than 1 percent of the charters earned that accolade.

We must, however, register three disclaimers. First and most obvious, analyst David Stuit did not—could not, talented though he is—actually examine eternity and thus we cannot truly speak of immortality. He tracked 2000+ low-performing public schools (1,768 of them district-operated, 257 of them charters) in ten states from 2003-04 through 2008-09. It's possible, even likely, that by spring 2010 at least a few more of them had improved or closed, and that this process is continuing. (It's just as possible, of course, that some schools in Stuit's larger sample that were *not* low-performing in the base years of his analysis could later have slipped down into that category.)

Second, we're tough graders. To be deemed a turnaround, a school in its state's lowest decile (i.e., proficiency at or below the 10th percentile) at the beginning of the period had to surpass the 50th percentile within five years. That means a school might have made substantial progress (e.g., 2nd to 50th percentile) yet not qualify as turned-around.

Third, this analysis relies on absolute proficiency scores on state tests (variable as these tests and proficiency definitions are) to judge school performance. Stuit did not—again, for the most part could not—undertake "value added" analysis. We may fairly surmise that some of these schools are adding considerable academic value to significant numbers of children even as they remain well below average in getting kids to "proficiency," compared with other schools in their states.

Still and all, the picture is not pretty. We find in these results two large takeaways that policy makers and educators should ponder:

- Though the charter sector does a bit better than the district sector at closing bad schools (19 percent of the low-performing schools identified in 2003-04 had closed by 2008-09, compared with 11 percent in the district sector), it still has a long, long way to go before it can truly be said to live up to the core assertion that its governance and accountability arrangements facilitate the elimination of low performers.

- Real transformation is truly rare in both sectors, which compels one to ask whether Secretary Duncan's emphasis on this reform strategy is warranted, whether the billions of federal dollars being channeled into weak schools may be largely wasted, and whether the many would-be turnaround experts and consulting firms springing up around the land to help states and districts spend those dollars are little more than dream merchants. Would not all that energy and money be better spent to strengthen the accountability (and sponsorship) systems that lead to shutting down and replacing bad schools?

We at Fordham know from direct experience how difficult it is for authorizers, even conscientious ones, to close bad schools. Kids are often content in them, as well as safe and decently cared for. Parents are frequently satisfied, welcome, and engaged, even when test scores are abysmal. Mediocre as such schools can be, they may well be better than the alternatives available to these families, often poor and minority residents of tough inner-city neighborhoods with few decent education options. Community relations and politics are involved, too.

We've walked in these shoes in Ohio, where Fordham is a charter authorizer in four cities. Over the past five years, we have sponsored a total of thirteen schools in the Buckeye State. Besides the seven that remain in our portfolio, one left of its own volition (because we were too demanding with regard to academic achievement); two are schools that, after costly but fruitless multi-year efforts to turn them around with neither cooperation nor success, we admonished to seek other sponsors (being unwilling ourselves to terminate them as no decent alternatives were readily available for those hundreds of kids); and three are schools which closed voluntarily with our help (one of these merged into the local district). We recount these tales and many more in *Ohio's Education Reform Challenges: Lessons from the Frontlines*.[1]

Indeed, we've learned a lot, including the sorry fact that charter authorizers have few incentives—beyond their consciences—to shut schools down and plenty of reason not to do so. Besides all the pain and suffering involved in closures, in Ohio and many other states, the authorizers' own revenues are determined by how many schools they sponsor and how many students those schools enroll. To shrink or shut a school is to reduce the sponsor's income.

Yet real school makeovers are even harder. Those that succeed generally entail soup-to-nuts transformations that replace the adults who work in the school—including tenured teachers—and start afresh with a new team, new curriculum, etc. In truth, a real transformation isn't much different from closing an old school and opening a new one, usually in the same building and likely with many of the same kids.

That these transformations *can* happen is demonstrated by the twenty-six schools out of the 2,025 low-performers in our original sample that actually made it into the top half of their states' proficiency rankings within five years. Several of the school profiles included in this report describe how this came about. And the education world has been awash for decades in books and articles about heroic principals who achieved miraculous transformations of once-dire schools. Yet this kind of extreme makeover is next to impossible to scale or replicate with any confidence that it will work as well in the Franklin School as it did in the Jefferson School. The odds are stacked against it happening even once, much less in a systematic way.

A somewhat larger (but still shockingly small) number of schools (164) made *moderate* performance gains. By 2009, their proficiency scores placed them in their states' second quartiles (i.e., 26th to 50th percentile). This was the case with 9 percent of the charters and 8 percent of district schools.

States Differ

The states in this study turned out to differ markedly from one another. Stuit chose them because they are home to about 70 percent of all U.S. charter schools and each had data that lent it to this kind of longitudinal analysis. But that doesn't mean the states behave alike. Indeed, some state-to-state differences are tantalizing, perplexing, in a couple of cases even somewhat encouraging. For example:

1. Minnesota's charter and district sectors displayed both the highest rates of persistent low performance and the lowest rates of closure among the ten states, notwithstanding that this state's charter law is deemed best-in-the-nation by the National Alliance for Public Charter Schools.[2]

2. In Arizona, Florida, and California, we find the charter sectors doing better—statistically speaking—than the district sectors when it comes to closing schools.

   - Arizona: A much larger proportion of low-performing charter schools has been closed in the Grand Canyon state than district schools—or than charter schools in most other states. Six of the nineteen low-performing Arizona charter schools in 2003-04 had shut by 2008-09, representing 32 percent of the sample. Just 5 percent (five of ninety-five) of low-performing district schools closed during that period.

   - Florida: Six charter schools that were low-performing in 2003-04 were closed by 2008-09, representing 23 percent of all charters, compared with 7 percent in the district sector.

   - California: Eighteen percent of California charter schools that were low-performing in 2003-04 were closed by 2008-09, versus 7 percent of low-performing district schools.

3. Ohio, we're pleased to note, has been significantly more successful in closing low-performing schools (both the district and the charter variety) than the other nine states in the study. Closure rates were almost identical in the two sectors of public education in the Buckeye State: 35 percent of Ohio's low-performing charters and 34 percent of its low-performing district schools were closed (compared with 19 and 11 percent, respectively, for the entire 10-state sample).[3]

4. Though Arizona is sometimes called the "wild west" of the charter world, Texas turns out to be wilder—both in terms of charter quality and closure rates. Over 30 percent of Texas's charter sector was low-performing in 2003-04, compared with just 1 percent of its district sector; in Arizona, it was 16 and 9 percent, respectively. Further, just 11 percent of the Lone Star State's weakest charters closed over five years, compared with a full 32 percent of Arizona's low-performing charters.

Policy Implications

Below, we offer some advice to policy makers. First, though, it's worth the reader's while to get reacquainted with some thoughtful remarks by Secretary Duncan to the National Alliance for Public Charter Schools Conference in June 2010:

> *All of you are in the room because you're a part of the charter school movement, you're part of the charter school franchise. Bad charter schools taint all of your reputations and allow your opponents, your opposition, to use those examples.*
>
> *There has not been…courageous leadership from the charter school movement itself to step up and say, "Here are criteria below which these schools should cease to exist."…[Y]ou should not be tolerating in your family academic failure.*
>
> *I think you need to do the same around authorizers, where you have states or districts that are much too lenient in whom they approve and much too lenient in whom they allow to continue to operate. I think you need to have a list of good authorizers and bad authorizers and very clear criteria about what it takes.*
>
> *At the end of the day, the movement can't be to create more charter schools; the movement has got to be to create more great schools. Unfortunately, we have far too many mediocre charters, and we have far too many charter schools that are absolutely low-performing.*
>
> *Your best are world-class—again, your best give me extraordinary reason for hope for public education in this country—but this movement has to do a much better job of policing itself, and again, the political costs that the charter school movement is paying for poor performance may be much higher than you realize.*[4]

Now to our own quartet of recommendations:

1. **Make sure that state standards (including Common Core) are not only linked to assessments but also to tougher accountability systems than we've seen in most places in recent years.** Accountability for individual district and charter schools cannot happen in isolation. We can't expect district leaders and charter authorizers to make tough decisions without support and political cover from state policy makers. For instance, states can help school leaders enforce accountability mechanisms by constructing user-friendly systems that identify low-performing schools, permitting or requiring that student achievement results play a part in teacher evaluations, and defining what it means to be college and career ready—then aligning high school exit and college entrance requirements to it.

2. **Those accountability systems (including next iteration of NCLB/ESEA) need to forego fake excuses for transformations and turnarounds.** No one, especially those who are in the business of repairing broken schools, thinks the transformation process is simple or painless. That so few low-performing schools attain turnaround status underscores this difficulty. NCLB's "sanctions" gave the false impression that school turnaround was simply a matter of implementing the right fix—whether by installing a new curriculum, appointing outside experts

to run the school, extending the day, contracting with an education management organization (EMO), arranging for a state takeover, etc. Let's stop pretending that transformations and turnarounds can be followed like recipes and admit that they're more art than science. As Bryan Hassel and others have suggested, our low-performing schools need to be nimble enough to try multiple intensive strategies, courageous enough to admit failure, and determined enough to tweak the mix until they get what works for them. That said, some schools simply don't work and won't work, which leads us to recommendation #3.

3. **Policy makers should focus more on shutdowns than turnarounds.** There's a reason that our most accomplished charter schools are start-ups. Turning low-performing schools into high-performing or even average ones is not work for the fainthearted. Seven years ago, we commissioned a report titled *Can Failing Schools Be Fixed?* in which author Ronald Brady dolefully concluded, "Success is not the norm…the intervention experience is marked more by valiant effort than by notable success." Sadly, the same could be said today. In fact, the limited research findings on school turnarounds and shutdowns—including those now before you—are not "mixed," as analysts like to say. Rather, they echo Brady's conclusion: Turnarounds are the exception, not the rule. So, let's *treat* them as exceptions—and adjust our focus, resources, and energies accordingly.

4. **Crack down on authorizers, including changing the incentives by which they operate, and/or building achievement-based "death penalties" into state law.** Secretary Duncan is right: Bad charters and shoddy authorizers taint the reputations of all those in the charter space. We've said it before: Just because a wannabe school operator asks to hang out a charter-school shingle does not mean it can run an effective educational institution that works for students. Keeping bad charters from opening—and intervening in those that deliver bad results—is what must remain the focus for authorizers.

Since that's easier said than done, we should think about how to make it less complicated. Andy Smarick, former think tank analyst and now a senior official in New Jersey's education department, wrote earlier this year:

> *After undergoing improvement efforts, a struggling private firm that continues to lose money will close, get taken over, or go bankrupt. Unfit elected officials are voted out of office. The worst lawyers can be disbarred, and the most negligent doctors can lose their licenses. Urban school districts, at long last, need an equivalent…The beginning of the solution is establishing a clear process for closing schools.*[5]

We agree. But we also need to be thoughtful about how closure processes should work. Ohio's charter "death penalty" is instructive here. In 2005, dismayed that authorizers were allowing bad schools to continue operating, the state passed legislation requiring the automatic closure of any charter school meeting specific low-performance criteria. The law has been tweaked since then—and contains nuances related to the grades that a school serves—but in essence it mandates closure for charter schools that have been in academic emergency for three of the four most recent years. In other words, it takes the difficult decision to close a school out of the hands of authoriz-

ers and bases it on objective measures of pupil achievement. This is a mixed blessing, to be sure. Conscientious authorizers are better able to tailor specific interventions or other remedies for low-performing schools than are one-size-fits-all statutes. But at least one of these two conditions must prevail if students are to be protected from bad schools that linger.

Changing the incentives for low-performing schools, though, means attention to penalties *and* rewards. Charter advocates might also take a page from New Orleans's Recovery School District (RSD), which is considering an "earn your freedom" clause whereby low-performing charters that make sufficient gains can transfer to another authorizing entity (outside of RSD) should they so choose. The point is that rethinking charter-school accountability means dismantling its perverse incentives and building in both attractive rewards and stringent consequences.

We leave you with an "ah-ha" moment. Many reformers (including ourselves, at times) have argued that turnarounds seldom work because schools remain burdened by the same old dysfunctions that made them bad in the first place: union contracts, central office bureaucracies, hiring regulations that send the best teachers elsewhere, etc. But charter schools don't face those stumbling blocks. So if bad charters can't turn themselves around, why on earth do we think bad public schools—still tied down by these constraints—will be able to do so?

Acknowledgements

Many people and organizations helped make this study possible. Our thanks go to the Walton Family Foundation for its support of Fordham's work on charter schools and school choice, and to the Doris and Donald Fisher Fund, the Lynde & Harry Bradley Foundation, and the Koret Foundation for their support of this study, which was also underwritten in part by our sister organization, the Thomas B. Fordham Foundation.

Special thanks to principal investigator David Stuit of Basis Policy Research. David is a recent policy Ph.D. from Vanderbilt University and a participant in the Emerging Education Policy Scholars (EEPS) program, co-sponsored by Fordham and the American Enterprise Institute, which aims to cultivate fresh talent within the education-policy sector. We appreciate the countless hours that Dr. Stuit spent responding to our feedback, scrubbing the data, revising drafts, and transforming—or shall we say "turning around"—our nugget of an idea into a solid piece of scholarship. Martin West, assistant professor of education at Harvard Graduate School of Education, served as external advisor for the project. We are grateful for his valuable and timely input, both on the initial study design and on multiple drafts.

We're thankful, too, for the hard work of many others on the Fordham team. Executive Vice President Michael Petrilli hatched the study idea and offered helpful input on drafts. Janie Scull, research analyst and production associate, assisted on numerous fronts—including helping Stuit interview school staff for the profiles, editing drafts, shepherding report production, and attending to myriad details to bring the report across the finish line. Policy analyst Daniela Fairchild also helped with the profiles and proofreading, along with intern Amanda Olberg. Public affairs director Amy Fagan and new-media manager Joe Portney managed dissemination. Erin Montgomery served as copyeditor and Bill Buttaggi fashioned the clever design.