



School Reform Strategies

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Quick Reference

DESE - Department of Elementary and Secondary Education
RsMo - Missouri Statutes
MSIP - Missouri School Improvement Program

Introduction

In the United States, the debate rages on about how best to reform schools. While most agree intervention is needed in poor performing schools, many argue over the implementation strategies that should be employed. This report is intended to provide an overview of the accreditation process in Missouri as well as provide information regarding the connection between district takeovers and charter schools, vouchers, and privatization as school reform strategies in the 21st century.

Accreditation in Missouri

In Missouri, there are three types of accreditation: full, provisional, and unaccredited. In 2006, an interim accreditation status was created, the specifics of which are discussed below. Under Missouri law, unaccredited school districts usually have two full school years to regain provisional or fully accredited status. If sufficient progress is not made, the school district may be closed, consolidated into another school district, or divided.

The accreditation process in Missouri is fairly straightforward, but has many components.¹ The following outline should only be regarded as an overview.

The accreditation standards are implemented through the Missouri School Improvement Program (MSIP).² The MSIP manual states that the goals of these standards are to ensure that all schools meet certain minimum standards and to ensure that schools continue to strive for excellence in an increasingly competitive world.³ A district's accreditation status is determined by resource, process, and performance standards.⁴ Resource standards outline the basic requirements that all districts must meet. These include the programs of study offered in the schools, class size, and teacher certification. Process standards look at the instructional and administrative processes in schools. They include instructional design and school services. Performance standards measure many areas of student performance including reading achievement, career preparation, graduation rates and attendance rates. Points are awarded for all of these standards, and accreditation status is determined by the total number of points awarded. In evaluating resource and process standards, points may be deducted for things like poor school safety, financial disarray, and failing to report school dropouts. The weighting of the points is not divided evenly among the three groups. The bulk of the points are distributed within the performance standards criteria.

Districts are evaluated every five years. Some districts may be eligible for a waiver. Obtaining a waiver means that certain aspects of the review process are waived. However, MSIP performance standards cannot be waived. Priority schools and financially distressed schools may not be granted any waivers.⁵

The Wellston School District

The Wellston School District lost accreditation effective June 30, 2003, through current enabling language found in RSMo. 162.081. The main reason cited was low test scores. Wellston earned 23 points out of a possible 100 points according to the state's accreditation criteria.⁶ In 2004, Wellston earned 39 points, shy of the 46 required to gain provisionally accredited status.

Children living in unaccredited school districts may elect to attend neighboring school districts if such districts allow non-district students to attend. Families of about 100 Wellston children chose to send their children to other school districts.⁷ Wellston was responsible for providing transportation and tuition to these other districts.

After two consecutive years of being unaccredited, Missouri enforced a law mandating the state takeover of the school district. In Wellston's case, the state decided to appoint a three member board that oversees the school district and reports directly to the state. The locally elected school board and the superintendent were relieved of their duties and responsibilities. Many school administrators were also replaced.

In 2006, the State Board of Education recognized that Wellston was in fiscal jeopardy and created an interim accreditation status to help alleviate their financial difficulties. Tuition for those roughly 100 children to attend schools outside Wellston cost the district approximately one-million dollars per year. The State Board's action to create an interim accreditation status directed that no new students were allowed to transfer to other districts. This move was made in an effort to control the cost of allowing students to attend schools outside the district. However, the students who already transferred were allowed to remain outside the district until graduation if they chose to do so. The interim accreditation status categorically falls between provisional and unaccredited. It does not seem that the interim accreditation status is automatically granted through the normal MSIP evaluation process. The sentiment of the State Board of Education reveals that Wellston's situation is unique and in some ways set a precedent. In the commissioner's newsletter in May 2006, the commissioner calls the interim status new and temporary. No mention has been made as to how temporary this state takeover will be.

It has been two years since the state took over the Wellston School District. Within this time academic performance in Wellston has improved in some cases yet not wholly. Wellston Superintendent Charles Brown stated in 2006, "Progress was not overwhelming, but our view is that things are good, and we want to go from good to great".⁸ Improvements that have been implemented include summer school for all ninth graders and implementation of more after school programs.⁹

St. Louis Public Schools

On March 22, 2007, the Missouri Board of Education voted to strip the St. Louis Public Schools (SLPS) of their accreditation. The takeover reasons cited were poor academic performance and financial distress.¹⁰ From 2003-2005, SLPS's accreditation points dropped precipitously from 64 to 39 points.¹¹ Sixty-six points are needed for full accreditation. Districts are provisionally accredited if 46-65 points are earned and those districts earning below 45 points are unaccredited.

The financial state of SLPS has also declined in recent years. From 2001 to 2006, the financial reserves declined from \$63 million to -\$30 million.¹² In 2002 and 2003, the State began suffering from a budget crisis and state revenues per pupil declined during this period.¹³ To make matters worse, pupil enrollment fell during this period, also decreasing the money flowing into SLPS. In 2004, the SLPS School Board brought in a new management group that cut \$20 million from the budget, but this was not enough to stave off a financial crisis.¹⁴

The accreditation process for the St. Louis Public Schools is slightly different from other parts of Missouri. The governing Missouri statute is RSMo. 162.1100.¹⁵ This section authorizes the creation of a transitional three member board that replaces the locally elected board. Under this law, SLPS does not have to remain unaccredited for two years to be taken over.

The district's school board remains in place but has no administrative authority. A new transitional board was formed to take control of the district. The three members were chosen separately by Governor Matt Blunt, St. Louis Mayor Francis Slay, and Lewis Reed, the president of the City Board of Alderman. Governor Blunt readily appointed businessman Rick Sullivan to lead the three member transitional board. The two newest appointees are Richard Gaines (Reed) and Melanie Adams (Slay). Both are members of the Black Leadership Roundtable.

Many stakeholders around the district are concerned. Superintendent Diana Bourisaw expressed apprehension regarding students who currently live within the district *and* attend private schools will ultimately seek to go to St. Louis County schools. This could have dire financial consequences on SLPS's budget, such as in the case of Wellston. As of recent weeks, Rick Sullivan, the gubernatorial appointee to the three member transitional board, has requested that surrounding school districts in St. Louis County not accept students from the City of St. Louis. While there is ample reason to support this request from the transitional team, it also raises concern on the actual motive of why it is important to maintain the student population within the City of St. Louis.

Elsewhere in Missouri

There are 524 school districts in Missouri. According to the 2005-2006 Annual Report of the Public Schools in Missouri, 10 school districts are provisionally accredited. Wellston is the only interim accredited school district.¹⁶ The unaccredited districts are St. Louis Public Schools, Riverview Gardens and Wyaconda.¹⁷ Over the years, many school districts have been unaccredited in Missouri. However, Wellston is the only school district to remain unaccredited long enough to be fully taken over by the state after two consecutive unaccredited terms. There are no laws or regulations mandating what should be done with a school district once it is taken over. There are no guidelines stating what must be accomplished by an unaccredited district to regain local control. There are no timetables or other mandates. However, if Wellston improves enough to gain provisional status, it is likely that the state takeover will end.

A look at what has happened in other districts around the nation who have faced the same scenario as Wellston may prove helpful in this analysis.

How Do Takeovers Occur?

Takeovers occur in a variety of ways. Some states permit an individual school to be taken over while others permit whole districts to be taken over. Some states have taken a market approach to takeovers. In 2004, South Carolina hired a for-profit company to try to help improve student achievement.¹⁸ This is also commonly known as administrative privatization.

Many of the most widely publicized school takeovers occur by mayoral control. It is hard to classify mayoral controlled cities because they are so diverse. There are no established patterns of form, function or operation in a mayoral controlled city.¹⁹ These differences largely reflect local political cultures, interest group structures, historical school governance structures, and other city-specific characteristics.²⁰

Takeovers also occur for different reasons. The most widely cited reasons are financial distress and low academic achievement. Other states cite corruption and political favors as reasons to takeover districts.

How Successful are Takeovers?

According to the National Association of the State Boards of Education (NASBE), a rising trend of school district takeovers is occurring around the nation.²¹ By 2004, twenty-nine states had enacted laws permitting state takeovers of local school districts and fifty-four districts had been taken over.²² Very few of these state takeovers have been studied in depth. The majority of studies focus on large urban takeovers. The studies focus on outcomes since takeovers occur largely because of poor academic and financial outcomes. For example, many of the studies discuss whether or not test

scores improved, not the implementation mechanisms that were used. Another limiting factor of these studies is that it is hard, if not impossible, to compare them to one another because states use different tests and measurements to determine academic performance. Comparing one state's achievement measures to another state can be like comparing apples to oranges. With that being said, general takeaways can be had from the various studies considered in this report.

The outcomes of these takeovers are rather mixed. A 2002 NASBE report stated that state takeovers result in academic improvement but they tend to remain below average.²³ This report also stated that corruption and mismanagement of districts seem to be more easily cured with a state takeover than issues of academic achievement. The duration of the takeovers is linked to its scope. The takeovers with the shortest duration occur because of financial mismanagement only. The takeovers with the longest duration are comprehensive; they involve financial, managerial, and academic reforms.²⁴

Around the Nation

In 1989, Jersey City, New Jersey became the first school district in the nation to be taken over by a state. The state removed the local school board, high level administrators and appointed members to oversee the district's activities. The takeover was initiated because the district administrators were charged with patronage in hiring, violation of state contract bidding laws, political interference in schools and general mismanagement which interfered with the students' ability to learn.²⁵ The 44,000-student school district showed academic improvement the first six years it was taken over, but these improvements were not sustained over time. After a decade they remained well below average. Jersey City is still under the state's control.

Jersey City tried numerous strategies over several years to improve students' performance. Jersey City revises and implements new curriculum at least every five years. The district provides teachers with curriculum guides to ensure that everyone knows exactly what is to be taught. The district has implemented a number of literacy initiatives. In addition, all schools are required to provide two hours of extended learning time two days a week to those students who are struggling academically. A weeklong review of struggling schools is performed. The review team meets with the principal and teachers and helps them prioritize their needs into a guided action plan.²⁶

Logan County, West Virginia is the most widely touted success. The 7,100 student district was mired by low test scores, poor attendance, and an administrative mess that left one third of Logan County's teachers uncertified.²⁷ The state board oversaw personnel, curriculum, and the budget. The local board retained control over transportation and maintenance. An outside superintendent was hired. The state board set achievement standards that had to be met before control would be relinquished. After four years of progress (1992-1996), full local control was

returned. Attendance and test scores improved, budget problems were corrected, and dropout rates were lowered.²⁸ The state's superintendent of schools attributed their success to the fact that the local school board was kept in place during the takeover.²⁹

The mayoral takeover of Chicago is seen as at least a moderate success and is looked to by other mayors who takeover large city school districts. Chicago's schools were taken over in 1995. The 435,000-student district is the third largest in the nation. Standardized test scores improved in almost all elementary grades throughout the late 1990's.³⁰ However, the upper grades did not fare nearly as well. Elementary schools in Chicago's bottom 20th percentile made bigger improvements than all the other schools, leading researchers to conclude that mayoral control was most effective in improving achievement in the lowest performing schools.³¹ By 2001, the scores had leveled off, and in some instances declined.³²

In 2002, the state of Pennsylvania took over Philadelphia's 200,000 student school district. The district was taken over because of years of low academic achievement and a decade long budget crisis.³³ A School Reform Commission (SRC) was set up and members were appointed by the Governor and Mayor. Schools in the district were divided into three groups according to their level of performance. Most controversially, the SRC appointed seven for-profit and not-for-profit organizations to run the districts' lowest performing forty-five schools (privately competitive model).³⁴ These organizations were given extra funding. Twenty-one schools that were low-achieving were "restructured". These schools were provided with intensive staff support and extra student funding. Sixteen schools which were improving were given additional funding, but no other interventions were implemented.

The 2007 study showed that Philadelphia's schools have seen substantial gains in the proportion of students achieving proficiency since the takeover. However, Philadelphia's lowest achieving schools have generally not exceeded the gains made by similar schools elsewhere in Pennsylvania. The lowest performing schools under the competitive model did not outperform the other two groups, suggesting that the competitive model is not better than other forms of state takeovers. Researchers caution that Philadelphia's model and outcomes should not be viewed as a definitive test of privately competitive models because it is not characterized by a lot of competition.³⁵ For example, the providers in Philadelphia have discretion over non-staffing related funding. The provider's contracts also do not include clear performance indicators. Providers must also abide by union contracts, limiting who they can hire.

In 1995, the 60,000-student district in Cleveland, Ohio was taken over by the state in compliance with a federal judge's ruling that the district was in violation of its previous desegregation ruling.³⁶ The district was in financial disarray. The district was in debt \$152 million.³⁷ Management problems were rampant, and some school buildings were deteriorated beyond repair. The cost of the repairs needed was

estimated to be \$600 million.³⁸ Students were also performing poorly. Only 15% of Cleveland's 4th and 9th graders passed the Ohio proficiency exam.³⁹ On any given day, 20% of students were absent.⁴⁰

In 1997, the Ohio legislature mandated that the district be taken over by the mayor. In 1998, a federal judge ruled that Cleveland had fulfilled its desegregation requirements and lifted the state takeover mandate. This cleared the way for the transfer of power from the state to the mayor. The mayor had the power to appoint the school board and its chief executive officer.

These districts illustrate the differences in intervention strategies that state and local governments take to reform districts that lag behind. They also illustrate the mixed results that researchers in this area have documented.

District	Takeover year/ Year EMOs enter in private management of schools	Reason for Takeover	Taken over How?	# of Students	Still under takeover	Publicly Funded Vouchers /Tax Credits (Y/N)	Privatization of responsibilities? (Y/N)
Jersey City, NJ	1989/ 1996	Corruption and low academic performance	State	44,000	Y	N	Y
Logan County, WV	1992/ n/a	Administrative mismanagement and low academic achievement	State & local board with partial control	7,100	N	N	N
Chicago, IL	1995 / 1999	Low academic achievement	Mayor	435,000	Y	Y	Y
Philadelphia, PA	2002/ 2001-2	Low academic achievement and financial crisis	Mayor and Governor appoint board members	200,000	Y	Y	Y
Wellston, MO	2003/ n/a	Low academic achievement	State	700	Y	N	N
St. Louis City, MO	2007/ 2007	Financial turmoil and low academic achievement	Partial/ Appt'd by: Gov., Mayor, & Bd. Of Ald. Pres.	32,000	As of June 15 th , Y	N	Y
Cleveland, OH	1995/ 1997	Financial disarray, low academic achievement	State, then Mayor	60,000	Y	Y	Y

Table 1: Comparison of Districts and Reform Strategies

(NOTE: EMO = Education Management Organizations)

State Takeovers: One Reform Strategy Among Many

During the late 1980s and early 1990s, the public became increasingly concerned about the inner city education crisis across the nation. School reform options that were considered besides state takeovers include charter schools, school voucher programs, and creative privatization models among others. These options are still being considered today by inner city school districts that are falling behind, as well as their rural counterparts.

A school voucher is a certificate given to a parent that allows the parent to pay for the child to attend a different school from which she was assigned. For two decades, proponents tried to garner widespread support for voucher programs, but were largely unsuccessful in getting them implemented. It wasn't until the late 1980s when the emerging inner city school crisis arose that vouchers began to be implemented. Proponents shifted their attention from a more national focus to a targeted inner city focus. Milwaukee started the first voucher program in 1990. Today, seven publicly funded voucher programs exist and there are numerous privately funded voucher programs.

Voucher programs have been hotly contested in Missouri and around the nation. Opponents target publicly funded voucher programs because taxpayer dollars are being used to send children to private schools. It should be noted that a few voucher programs use public funds to send children to school in other public school districts. This usually occurs in rural districts that do not have their own high school so the children are sent elsewhere to attend school. These programs are not highly contested. Those programs that publicly fund private schools are the issue of the debate. Opponents also argue that voucher programs are not concerned with bettering education for all children and will lead to even greater inequity. It is also asserted that they do little or nothing to improve student achievement and will lead to higher costs. If voucher programs are implemented, public schools will have less money to fund existing and future programs. Proponents claim that market benefits will improve school productivity and effectiveness. Proponents emphasize "freedom of choice" regarding a parents' rights to choose a school for their child. Some say this is a flawed argument, to say the least.

Charter schools became a reality in the early 1990s. More than 40 states have laws that allow charter schools. Minnesota passed the first charter school law in 1991. Charter schools are publicly funded schools permitted to operate autonomously and free from many regulations that other public schools must follow. The schools have flexibility that others do not, but the charter school is accountable for achieving its outlined charter goals within a given period of time. According to the 2007 Annual Survey of America's Charter School released by the Center for Education Reform, the number of charter schools grew by 11% nationally, with populations of minority and low-income students hovering over 50%.

A Push for Charter Schools in Missouri

Many have reason to believe the plea to retain students in the St. Louis Public School District is related to the mayor's support for Senate Bill 564 (2007) - sponsored by Senator Jeff Smith, D-St. Louis City - legislation which would have allowed the mayor to sponsor charter schools within the City of St. Louis. Though SB 564 failed to move in the Senate during the last week of legislative session this year, in a desperate final effort, its language was inserted as an amendment into SB 161, an education omnibus bill. SB 161 had to go through the Senate for final approval, and

34 senators had to decide if the bill was worth taking up for consideration. When presented with the question, a majority of senators voiced their vote not to take up SB 161 with its additional amendments which were added in the House. The bill ultimately failed due to certain disagreements about its new language.

As reported in the *St. Louis Post-Dispatch* in early May, the mayor “sees charters as an enticement to parents.”⁴¹ The argument has some validity; however, what many do not recognize is that with the increase of charter schools there also lies a need to have a significant level of administrative accountability for the day to day management and operations. By no means can this three member transitional team do the same amount of work as an entire board and support staff responsible for 32,000 students. There will be a need to have an entity (or entities) that carries at least the perception of taking responsibility for overseeing the daily and overall outcomes of student performance.

As noted in the May 17 edition of *The St. Louis American*, Mayor Slay makes several assertions that are flat out misleading to the overall charter school debate, such as charter schools being “accountable” and that charter schools are “free alternative[s].” According to current statute, Missouri does not rate the performance of charter schools but rather their administrative sponsors do. While charter schools are held to the some of the same state standards as traditional public schools they have a different time frame for which those standards have to be met. By allowing more time for these particular schools to meet Missouri standards, the state is giving specialty treatment for the same outcomes. Allowing these schools to fix issues over an extended period of time -- dealing with discipline, student achievement and curriculum, to some -- means less transparency. As the statute is written now, there is no language to provide adequate comparison measures of how charter schools are progressing in student achievement. Permitting sponsors to do reports of performance without a third party or state oversight is disingenuous to the standard process and subjective. The people of Missouri should be allowed to compare data to make a final judgment, especially because they are taxpayers underwriting education in this state. Comparative data analysis will give everyone a better tool for those who are supportive or not supportive of charter schools. In order to make these changes, current statutes must change in order to have some level of real accountability. Later in this piece there is a discussion regarding how Missouri charter schools rate and also a discussion regarding the privatization of charter schools.

According to their website, Edison Schools, Inc. operates in the District of Columbia and 19 states across America. Their “management services” vary, including but not limited to after-school programs, managing charter schools and developing partnerships with traditional public schools. For these services, Edison Schools receives public dollars particularly in the cases where school districts have been taken over by the governor and/or mayor. The offering of these “management services,” by organizations such as Edison Schools, is quite a lucrative proposition, especially in

cases where states have weak oversight measures over charter schools and where there's been some type of takeover within a broader traditional public education setting. Between 2006 and 2007, Edison Schools Inc. contributed \$6,575.00 to Missouri state legislators.⁴² Ninety-seven percent (97%) of those contributions went to Republicans and three percent (3%) went to Democrats as reported by the Missouri Ethics Commission.⁴³

In May of this year, the Missouri Board of Education approved a new charter school in the City of St. Louis. The charter school is sponsored by the Missouri Board of Education but will be operated by America CAN! Academies, an organization similar to Edison Schools yet has its roots in Texas. See www.texanscan.org.

America CAN! Charter Schools

The founder of America CAN! Academy is Grant East, a wealthy Texas businessman. East first established the service of offering students a second opportunity in education in 1976, with the name Freedom Ministries. Later, Freedom Ministries became TEXANS CAN! with five satellite campuses, otherwise called charter schools.⁴⁴ These charter schools receive public funding for their operation and management services from the state of Texas. Together, their organization's mission is to provide education to student dropouts and at-risk youth.⁴⁵ Over the years, it has grown into a major school choice operation.

The newly named America CAN! serves as an umbrella company for Houston CAN!, Fort Worth CAN!, Dallas CAN!, Austin CAN!, and San Antonio CAN! Though the company touts wide-ranging success, it is wrought with problems.

Houston CAN! – In 2006, a complaint was filed with the Better Business Bureau. The organization was requested to provide documentation regarding BBB's Standards and for Charity Accountability. Though the case was closed within 12 months of the original inquiry, "the BBB believes this lack of cooperation may demonstrate a lack of commitment to transparency and accountability."⁴⁶ Also, the Houston CAN! charter school is on a list of charter schools that may close due to under-performance.⁴⁷

In Tarrant County, four of 12 "charter schools received academically unacceptable ratings from the Texas Education Agency."⁴⁸ One of those failing charter schools was the Fort Worth CAN! Academy.⁴⁹ "In this situation, Texas charter schools must meet the academic standards of the state and if their rating is unacceptable for two years in a row, the state education commissioner must revoke the charter."⁵⁰

Dallas CAN! – There are "allegations of financial impropriety and competing lawsuits."⁵¹

Some communities have resisted the infiltration of additional privatized management companies, such as the Tulsa CAN! charter school that was planned to open in the

Tulsa Public School District. However, the Tulsa CAN! charter proposal was rejected by the school board because it “demonstrated ‘limited knowledge’ of the Tulsa School District.”⁵² The board voted unanimously to keep the proposed Tulsa CAN! charter out of their school district.⁵³ *To be fair, it should be noted here that the school district did renew a contract for an existing charter school in the same meeting.*

The average cost per pupil for CAN! Academies varies from campus to campus. In 2003, while the Fort Worth CAN! Academy costs \$8,304 dollars per pupil, the two Dallas CAN! Academies cost nearly \$15,000 per pupil annually. While the Houston CAN! Academy costs \$6,441 per pupil annually, the San Antonio CAN! Academy costs \$13,676.⁵⁴ School choice proponents usually talk about how economically efficient traditional public school alternatives are for the consumer. Where is the consistency in cost for charter schools in Texas? Where is the fiscally responsible discussion going in Texas? Is it too on a gravy train, to who knows where? The 2001-2002 dropout rates at the CAN! Academies are as follows: Dallas CAN! – 9.6%, Fort Worth CAN! – 3.9, Houston CAN! – 13% and San Antonio CAN! – 5.3%.⁵⁵ Can we really tell the difference between the educational outcomes in a privately operated charter school and a traditional school?

The state of Texas actually seems a little ahead of the curve in their accountability and capacity to analyze the usefulness of charter schools. In Texas, it is easier for lawmakers to close down charter schools that are underperforming. Also, Texas charter schools must meet those standards applied to all Texas public schools over the same time period. Most importantly, Texas actually captures data. Now that’s a novel idea!

Privatization of Public Education is a Growing Trend

The number of public schools managed by private companies tripled between 1998 and 2003.⁵⁶ These particular schools make up less than 1% of all public schools across the U.S.⁵⁷ Privatization, simply put, occurs when districts hire outside organizations to perform some or almost all of the functions that make a school district run.

There are over 47 companies that operate schools in 25 states.⁵⁸ The trend began in the early 1990’s simultaneous with the opening of more charter schools. School officials were increasingly frustrated by poor school performance. The growth of this movement was also fueled by increased flexibility in the provision of education and financial support from the business community.⁵⁹ *This is similar to the growing relationship between St. Louis’ Civic Progress and the City of St. Louis’ mayor’s office.* Private companies operate both traditional public schools and public charter schools. Privately run charter schools comprise 12% of the charter schools nationwide.⁶⁰

Privatization has its roots in support services. Support services include functions such as custodial work, transportation, food services, and maintenance. This is where

most privatization occurs. This form of privatization has occurred for decades in some districts. More recently, there has been an emergence of privatization in three main areas. The first is through voucher and state tax credit programs. The second is through corporate commercial activities within schools such as sales, advertising, and market research activities. The third is through educational management organizations (EMOs) which are comprised of private companies seeking to take over teaching and administrative functions.⁶¹ In this type of privatization, providers typically receive funds per pupil. Providers can use this money at their discretion. Providers also hire teachers and principals and negotiate pay and benefits of staff.⁶² In many of these programs, providers are autonomous and have few strings attached.

DESE's website outlines, to a limited degree, where charter schools stand in terms of achievement. Some reports state that Missouri charter schools are doing roughly the same as traditional public schools, which is also what some of the national reports have stated, including a Government Accountability Office (GAO) report released last year. Also, DESE and various other sources have found that charter schools do a better job of educating students in lower grades rather than students in the higher grades where outcomes for traditional schools and charter schools are typically the same. "Test scores have risen at the elementary level; [however,] the gains did not translate to high schools, which have generally been more resistant to improvement strategies."⁶³ My conclusion is that nothing is exceptionally different about charter schools and traditional public schools when all resources are equal.

Missouri Charter Schools: No Transparency or Accountability

At the beginning of the 2007-2008 school year, there will be 27 charter schools operating in Missouri. Missouri charter schools are considered public entities; however, in several ways charter schools are held to different (and lower) standards than those required for traditional public schools.

While charter schools are required to give their students the MAP test, they do not have to meet the Missouri Schools Improvement Program (MSIP) requirements, which is the standard criterion by which the state rates school districts and student achievement levels.

Annually, public school districts have to report their dropout rates, attendance and graduation rates, where a student goes after high school graduation, ACT test results, and an assortment of other information all Missourians have a right to know, especially when considering educational options for their children or merely when wanting to know how far their tax dollars go in "public" education. When charter schools are sponsored by school districts, they are not required to report the same information directly to DESE as traditional schools are required. The results of these specific charter school outcomes are aggregated into the school districts overall accountability report. There are two problems that arise from this occurrence. First, only those school districts are able to make assessments based on performance. The

state's authority is circumvented. Leaving this information free from public review (state oversight) only further prevents the necessary quality measurements to be made. Secondly, parents and taxpayers are not able to compare these particular charter schools' performance with the performance of traditional public schools.

There has been a big discussion about how No Child Left Behind (NCLB) has affected school districts across America. Many school districts find it hard to meet Missouri's NCLB tool called the Adequate Yearly Progress (AYP) report. In Missouri, only four of 22 charter schools meet the AYP. They are all in Kansas City. In 2006, one charter school, Alta Vista, had a dropout rate of 14% and a graduation rate of 32.4%. In the last several years, at least four charter schools closed due to "governance" issues as defined by DESE. The Kansas City Career Academy closed because of bankruptcy; the school was counting more children than it actually had. In St. Louis, the Thurgood Marshall Academy closed because of serious board behavior problems. Others simply relinquished the opportunity to continue or sponsors were unwilling to continue their support of underperforming charter schools and chose not to renew their contracts.

While proponents of charter schools argue that there is a need to have creative freedom when educating students, there are some basic quality and administrative measures that should be addressed and the public should have complete access to such information. Transparency should not be sacrificed in the name of creative freedom, especially when tax dollars are funding that "creative freedom."

Another problem Missouri faces is that charter school sponsors are allowed to hire any private company to operate and run their particular charter school. As shown earlier in the case of America CAN! Academies, not all educational management organizations have stellar performance backgrounds, but one would think the public would be apprised of this. Until Missouri statutes are strengthened, the state is essentially blocked out of the approval process for the companies that oversee our children's educational experience in charter schools. But it also means that the state has a unique opportunity to make additional requirements during the application and approval process of a sponsor wanting to open a new charter school or renew an existing contract with our state. Currently, traditional public institutions have a responsibility to account for any private or public partnerships (paid or unpaid) that are utilized to enhance learning especially when this learning meets the MSIP.

Furthermore, traditional public schools are required to hire teachers that have mastered the Missouri certification process. However, charter schools have a different standard than regular public schools. 20 percent of the teachers hired by charter schools do not have to be certified by the state. Is this an equitable practice when state dollars are used to fund both educational models? Should this leeway exist? Conversely, the rule for traditional public schools is typically zero tolerance for continuing classroom teachers. Every teacher is expected to have current certification. The only outlier is SLPS where there is a larger incidence of uncertified

teachers in the classrooms. Most taxpayers want the same standards across the board regardless of an institution's specialty - citizens demand accountability.

Current statutes covering charter schools are minimal at best. RSMo. 160.400 to 160.420 deal with the financial obligations of a charter school including but not limited to

“provid[ing] for an annual audit by a certified public accountant, publish audit reports and annual financial reports; provide liability insurance to indemnify the school, its board, staff and teachers against tort claims.”

There is also a natural inclination to lay blame explicitly on the aggressive lobbyists representing charters and other school choice interests, both nationally and locally. However, a portion of the blame as to why Missouri has such weak policy and lacks the ability to provide substantive analysis is in part due to the general assembly's negligence in funding an “ever-so simplified version” of the oversight of charter schools found under RSMo. 160.140.4.

“The department of elementary and secondary education shall commission a study of the performance of students at each charter school in comparison with a comparable group and a study of the impact of charter schools upon the districts in which they are located, to be conducted by a contractor selected through a request for proposal. The department of elementary and secondary education shall reimburse the contractor from funds appropriated by the general assembly for the purpose. The study of a charter school's student performance in relation to a comparable group shall be designed to provide information that would allow parents and educators to make valid comparisons of academic performance between the charter school's students and a group of students comparable to the students enrolled in the charter school. The impact study shall be undertaken every two years to determine the effect of charter schools on education stakeholders in the districts where charter schools are operated. The impact study may include, but is not limited to, determining if changes have been made in district policy or procedures attributable to the charter school and to perceived changes in attitudes and expectations on the part of district personnel, school board members, parents, students, the business community and other education stakeholders. The department of elementary and secondary education shall make the results of the studies public and shall deliver copies to the governing boards of the charter schools, the sponsors of the charter schools, the school board and superintendent of the districts in which the charter schools are operated.”

Nearly ten years ago when the charter school authorization language was placed into Missouri statute there was also funding in the state budget tied to accountability measures spelled out in the statute paragraph above. While only the first two years were covered for independent analysis, the following years' funding for oversight was stripped from the budget. The absence of real data being collected by an independent entity presents a significant obstacle to a healthy charter school debate. One can conclude that because of this lack of data, no one can adequately determine which educational model is the best and instead we are currently dealing with apples and oranges rather than apples and apples. Only special interests groups and political

investors will flaunt a preference, but it is done so out of ignorance and baseless assumptions.

Does Privatization Work?

Philadelphia's school district is the largest school privatization project to date. As previously noted, the RAND study indicated that the privatized schools did not outperform non-privatized schools. Philadelphia's schools were divided into three groups when the state took over. Philadelphia's lowest achieving schools were privatized and the other two groups were not. The privatized schools have not exceeded the gains made by other similar schools elsewhere in Pennsylvania. The lowest performing schools under the privatized model did not outperform the other two groups, suggesting that the privatized model is not better than other forms of state takeovers.

A 2003 GAO study revealed that there was not a consistent pattern of students in privatized schools outperforming students in non-privatized schools in reading and math.⁶⁴ The privatized schools were compared to demographically similar public schools in each city. In Denver and San Francisco, students attending privatized schools had, on average, better reading and math scores than other similarly situated students in non-privatized schools.⁶⁵ But in Cleveland and St. Paul, students in privatized schools had significantly lower scores than their counterparts in non-privatized schools.⁶⁶

Mayoral Governance Over Schools

The hesitancy in handing over educational governance to city mayors is not unfounded. Historically in America, big city mayors were criticized often due to their tendency to compensate their loyal constituencies with patron jobs in city hall. As a result, the best service providers were not put into those positions but rather dedicated associates of the mayor who often did not have the know-how skills to oversee important departmental business within city hall. "At the turn of the 20th century, school reformers argued that City Hall was too corrupt and too bloated with patronage appointments to be in charge of children's education... [and they eventually put] mayors at arm's length from schools."⁶⁷

Michael D. Usdan, nationally known and considered an expert in the conversation of school takeovers, acknowledges some mayors could be lured into "politiciz[ing] schools in self-serving ways."⁶⁸ Other colleagues, Michael Kirst and Frist Edelstein, similarly reference corrupt government at the turn of century, "mayors' corrupt use of their power over education is what led to the development of independently elected school boards in the first place."⁶⁹

Opponents of mayoral takeovers also have a concern that some mayors may not have the adequate resources needed to oversee administrative and policy issues in both city

hall and the public school system. Many wonder where the mayors' priorities will be as time goes on. Some argue that mayoral takeovers undermine the use of parental and citizen input because the appointed board is not held responsible to fulfill recommendations the community may want to see accomplished. This reality places some mayors in politically vulnerable positions, potentially weakening their standing within the community.

The *Harvard Educational Review* makes some really good points in regards to the unintended consequences of mayoral takeovers in education which many have not considered in the limited public conversation we've had to this point. The editors cite this change in governance "run[s] the risk of marginalizing communities with less political clout." The article goes on to use the example of the channel that many minorities use in order to climb the local political ladder. "When mayoral takeovers replace elected school boards with appointed boards, the net effect is to shut off a pipeline that historically has proven to be a vital means for minority citizens to enter public office."⁷⁰ Today, twenty percent of the minorities serving in the Missouri General Assembly also served on local school boards.

The mayors of Boston and Chicago have profited politically from intervening in their respective city school districts. However, early successes are now overshadowed by the same, old problems. In Boston, for example, negative test score percentages actually doubled the statewide percentages for all K-12 students in 2005. In Chicago, Mayor Daley, after six years, saw test scores begin to decline. While in need of a political facelift, Chicago's old education program transformed into the Renaissance 2010 initiative.⁷¹ How convenient!

In its current context, Missourians need to ensure there is not a re-creation of Tammany Hall politics in the City of St. Louis or elsewhere.

Who Wins/Loses Under the Privatized School Model?

In places like Philadelphia, where more taxpayer funds were expended for students in privately managed schools, the taxpayers are definitely losing because they are getting less for their money. Examples of organizations running the schools are Edison (as mentioned earlier), Imagine, Mosaica and Victory schools, where each organization is profiting handsomely from taxpayer dollars. In places like Denver and San Francisco, students are doing better and the organizations are also profiting. The pattern, here, is that the companies will almost always profit whether the students perform well or not. This is a sweet business deal for these management companies, as they will make a profit whether the outcome is positive or negative.

The bottom line is that the vast majority of companies and organizations that attempt to run schools are using a business model. They want to make a profit. Proponents suggest that privatized models will lead to greater efficiency, increased competition, greater innovation, and increased responsiveness to clients - in this case, students.

These outcomes are based on the underlying economic concept of perfect competition. Education is not like other markets. It is not perfectly competitive. Thus, the underlying economic principles that proponents hype will not work like textbook economics.

The win-lose reality of the competitive model in education can more fittingly be described by the laissez-faire approach to economics – “an economic model that assumes the existence of self-interested consumers” (in this case, politicians and education management firms), who wish to maximize their profits and political control, while maintaining the least amount of state government interference and accountability.

There have been numerous reports of districts having problems with privatized contracts.⁷² In the end, who is left holding the bag when these companies do not fully perform on their contracts or when they go out of business? They may be liable, but what about our children? If these students do not get an adequate education, there is no remedy (or alternative) waiting ready to cure the harm already done.

Conclusion and Recommendations

While this report gives no definitive answers as to the final outcome in the Wellston School District or discuss specific quality problems in SLPS, it is intended to provide a framework for discussion and insight into what other states and districts have done in takeover situations. The results from takeovers are mixed. Most districts remain in state or mayoral control for lengthy periods of time, especially if they are taken over to improve academic achievement.

It is recommended that states that want to understand why some takeovers work better than others invest in researching these complex issues. Many of the problems that urban school districts face are related to urban economic and social problems. The factors affecting financial and academic performance are vast and different from place to place. Stakeholders and politics are also legitimate factors that vary and can potentially play a part in distorting the real agenda behind proposed education reform strategies. It is imperative to understand the context of the problems that a particular school district faces before the problem can adequately be addressed.

No one disagrees that some districts are poorly performing in terms of academics. The disagreement is over what strategies should be implemented.

These school reform strategies are part of a larger debate. Proponents of vouchers, charter schools, and privatization have one common denominator: they promote what they call “school choice.” The state of Missouri has a constitutional duty to all children as stated in the Missouri Constitution. If providing “choice” to one student inherently leaves another in the shadows, Missouri should find another way.

No matter what course decision makers believe is the best, the future of our children should be of paramount concern. Privatization and vouchers are a rising trend, but we need to analyze the long-lasting impact of these programs. Advocates tout efficiency and cost-savings potential as benefits of privatizing. Proponents of vouchers also think that market competition will improve education productivity. Claims of cost-savings under privatization are not thoroughly supported with evidence. In fact, the RAND study focusing on Pennsylvania's privatization program showed the opposite.

Companies designed to care about their "bottom line" have the potential to make our children extremely exam-focused. If we have our children's best interests in mind, we should want them to learn more than just how to take an exam. Of course exams are important, but children of all ages learn much more at school than how to take an exam.

The implications of all types of reform, good and bad, should be weighed before decisions with long-lasting impacts are implemented.

Notes

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