



Doing School Choice Right

Preliminary Findings

April 2006

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“Choice programs will not be implemented easily or even cheaply. The surest way to help guarantee their success will be conscious, well-thought-out strategies drawing on the best thinking of the worlds of government and philanthropy. And perhaps the surest way to encourage their failure is to implement choice programs quickly, carelessly and cheaply, optimistic that at some point things will all work out for the best.”

—THE NATIONAL WORKING COMMISSION ON CHOICE IN K-12 EDUCATION

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This document distills presentations from a project management meeting held at CRPE early in January 2006 to review research progress. In a very real sense it represents the thinking of research staff who made presentations at that meeting, including Paul Teske (parent information); Christine Campbell, Michael DeArmond, and Kacey Guin (helping schools compete); Stephen Page, Kate Destler, and Paul Hill (oversight); and Marguerite Roza and Jennifer Harris (per-pupil funding).

This paper was drafted by Paul T. Hill and James Harvey. The findings and conclusions are those of the authors alone.

Introduction

Will school choice be the end of public education? Or will it be the salvation of thousands of students who would otherwise fail in district-run schools? There is only one honest answer to these questions: it all depends.

Any form of school choice, whether new options offered by school districts, charters, or new independent schools funded by vouchers, can either support or harm public education. Everything depends on factors under human control, such as how choice is funded and organized, who can choose, what information parents can get, and who takes public funds to run schools. That was the message of the National Working Commission on Choice in K-12 Education, which issued its final report in late 2003.

The Commission looked closely at how choice could work—how it could lead to good outcomes (improved learning for children of parents who choose), or to bad ones (greater segregation or harm to children who remain in traditional public schools). The Commission learned some important lessons:

ON FUNDING: Choice can help children only if they can transfer to good schools, and good schools require reasonable amounts of money to operate. If little public funding is allowed to follow children to schools of choice, few schools will offer to accept students—and even fewer good new schools will start up. Under those circumstances, schools of choice would also have a strong incentive to avoid children who might be difficult to educate.

ON PARENT INFORMATION: Choice can benefit poor children only if their parents have good information about schools, so they can choose the one that best matches their child's needs and interests. Unfortunately, low-income parents have little experience choosing schools, and in most communities the information available to them is thin.

ON POSSIBLE HARM TO CHILDREN who remain in traditional public schools after others have departed: Choice does not directly cause a decline in public

school quality, but district policies virtually guarantee that a school that loses many students will also lose its best teachers and end up with a much lower per-pupil expenditure than other schools in the district. Avoiding harm to children left behind requires changes in district policies that now permit the ablest teachers to avoid the most challenging schools, leaving such schools with the least qualified and least experienced teachers.

ON PERFORMANCE ACCOUNTABILITY: Family choice is one mechanism for holding schools accountable, but in some cases parents will choose schools that do not teach children effectively. Even with choice there is still a need for public oversight to protect children from schools that do not adequately prepare them for higher education, good jobs, and engaged citizenship.

Although the Commission report left a lot of questions unanswered, it is clear that school choice is neither a certain disaster nor a sure thing. Choice, like bureaucracy, is a human creation that can be regulated, tinkered with, and made to work.

Reactions to the Choice Commission's 2003 report were positive. Community leaders across the country agreed that it had focused attention on the practical issues associated with choice and away from ideological posturing. However, they insisted that the practical issues identified by the report—how to properly fund schools of choice, fully inform poor parents, and protect children remaining in traditional public schools—were too hard to solve. Local leaders said, for example:

- “Parents don’t know enough about schools, and they will just choose the school with the most whites or the highest test scores.”
- “Our public schools will be left with too little funding, only the neediest students and the worst teachers.”
- “I really can’t send money to schools on a per-pupil basis. The state requires me to keep money in separate pots, and I have to keep funding activities funded by state and federal programs.”
- “School boards can’t do anything about charter and voucher schools unless someone abuses kids or steals money.”

These were not the only concerns raised by local educators, but they are the most prominent. And they raise legitimate questions, which deserve careful attention.

In response, the Center on Reinventing Public Education (CRPE) launched a new initiative entitled “Doing School Choice Right.” Funded by the Bill and Melinda Gates, Annie E. Casey, and Lynde and Harry Bradley Foundations, the initiative’s goal is to help state and local leaders handle practical issues whose resolution can determine whether school choice helps or harms children, especially low-income children in big cities. The first activity was in August 2004, when CRPE and the Brown Center on Education Policy at Brookings co-sponsored a two-day seminar on communities and choice held in Washington, D.C. The meeting drew together parents, researchers, and community leaders to explore the practical challenges of implementing school choice programs.¹ As a result of this discussion, the Doing School Choice Right initiative mounted four major lines of inquiry:

- Explore what it takes to inform parents (especially low-income parents who normally get very little information about schools) about the choices they have so they can match their child’s needs with a school’s offerings. Paul Teske, a political scientist at the University of Colorado, Denver, and a recognized national expert on parent information use, leads this study.
- Initiate case studies on how school districts can try to help traditional public schools cope with the challenges of choice and competition. Christine Campbell, Michael DeArmond, and Kacey Guin, all with CRPE, jointly lead this study.
- Examine issues involved in moving toward pupil-based funding, particularly technical, legal, and regulatory barriers. Marguerite Roza of CRPE, and the recognized national leader on studies of school district budgeting and spending, leads this study.
- Create models for how school districts can oversee public schools in multiple ways—including direct operation, chartering, contracting, and licensing private schools to admit voucher students. Work to date on this study has been led by Kate Destler of CRPE, and Stephen Page of the University of Washington’s Daniel J. Evans School of Public Affairs. Bryan Hassel of Public Impact, one of the few scholars ever to study public oversight of schools of choice, will lead a major fieldwork effort starting in spring 2006.

1. See James Harvey and Lydia Rainey, *Doing School Choice Right: Proceedings of a Meeting on Communities and Choice* (Seattle, WA: Center on Reinventing Public Education, 2004).

These projects are still underway. This paper gives an advance report on the results of these studies, each of which will produce extensive reports in the coming year.

INFORMING LOW-INCOME PARENTS

A choice environment cannot benefit disadvantaged children if their parents are not reasonably well informed about their range of options. Effective markets, after all, depend on all participants' having access to relevant information and being willing to act on it as it becomes available. As the Choice Commission report revealed, opinions vary on the ability (or willingness) of low-income parents to make good choices or find the information required to choose well.

HIGH-SES PARENTS AND CHOICE

Higher-income parents, of course, have enjoyed choice for decades. Their choices come in the form of the means to make choices through mobility, either by purchasing a private education for their children or by moving into areas (and school districts) with schools they find more attractive. A review of the literature indicates that parents from backgrounds with high socio-economic status (SES) are generally quite effective in obtaining information, are more likely to seek out information than comparable parents who lack choice, use multiple sources of information (school visits, the Internet, and written materials) and rely on large, high-quality networks of friends and peers for advice. They also seem to be able to find their way to “market mavens”—a small group of extremely well-informed parents who are willing (often eager) to share information.

Do high-SES parents choose “ideal” schools for their children? The choices they make may be “ideal” from their point of view, but the literature indicates that high-SES parents make choices that they find satisfactory, not choices that are maximal in terms of the perceived academic quality of the options available to them. It seems that, despite access to high-quality networks and much information, high-SES parents rarely have accurate information about a lot of schools and they wind up basing their choice on school proximity and the particular needs of their children, and choosing among the relatively limited subset of schools on which they have information. A “bounded rationality” is at

work. Like parents trying to help their child choose a college, K-12 parents can easily be overwhelmed with too much choice and information, and they work to limit the options they consider and favor options that meet personal goals.

LOW-INCOME PARENTS AND CHOICE

CRPE researchers conducted telephone interviews with 800 parents across three cities—Washington, D.C.; Milwaukee, Wisconsin; and Denver, Colorado.² Each of the parents had recently chosen a school for their child; all reported incomes of \$50,000 annually or below, with about as many reporting \$0-\$10,000 as reporting \$40-\$50,000; and 90 percent were women (mostly single mothers). These were parents who were asked about their “most recent choice”; so, although the respondents were spread among grades, most were found at kindergarten, Grade 1, or Grade 9—grade spans at which, with or without choice, children are often expected to enroll in new schools.

The findings are encouraging, but must be interpreted cautiously. First, parents were interviewed in only three communities. Second, these study participants had had an opportunity (choosing a school for their child) that is rare among low-income parents. Third, in any study of choices made recently, there may be a “halo” effect at work. Parents were asked about their “most recent choice,” which frequently turned out to be a choice made in the last year. Having committed to a school, low-income parents, like high-SES parents, are likely to want to believe they have made the best possible decision for their child.

Despite these limitations, the results of the interviews are illuminating:

- Overall, parents are very satisfied with their choices. In each of the three cities, 84 percent or more of the responding parents reported that they were either “very” or “somewhat” satisfied with the school they chose for their child.
- They report being surprisingly well informed. Although 18 percent of respondents in Washington and 19 percent in Denver reported that they lacked information on important questions, the fact is that 80 percent or more of respondents in all three cities reported they had the information they required.

2. Respondents were distributed as follows: 300 parents in both Washington and Milwaukee and 200 parents in Denver. Identifying participants was time-consuming. It was difficult to reach target parents in each city, but particularly Denver, where 100 calls were required to find one eligible participant willing to talk.

- Parents restricted their choice consideration to a handful of schools. About half of all participants in each city considered only two schools and applied to one. The other half considered three or more schools (most considered three) and applied to two.
- They talked to a lot of people about their choices. Parents report relying on people (in schools and in the community) for information. Two-thirds or more of respondents in each community reported talking to three or more people (excluding spouses and children). Significant proportions of respondents (nearly a quarter of Denver respondents) reported talking with ten or more people.
- They gathered a lot of different kinds of information. Two-thirds or more of all respondents reported they visited schools; their children visited schools; they talked with teachers, administrators, other parents, and family and friends; and they reviewed printed literature. Websites, parent information centers, and parent fairs were used much less frequently.
- They preferred information from people, rather than written material, and when information was in conflict, they relied on other parents rather than teachers. About two-thirds of all respondents in each city reported that information from talking was more useful than information from printed materials, and parents were the preferred choice of information over teachers by a 2:1 ratio.
- The lowest-income parents, those with reported family incomes under \$10,000, appear less well informed and have more difficulty gathering information than do parents with higher (though still poverty-level) incomes. The lowest-income parents are particularly interested in working with counselors who can identify alternatives and suggest issues that should be considered.
- Children play a bigger role in choice discussions than most policy discussion acknowledges. In each of the cities, more than half the respondents reported that their children were involved in making the school choice and about two-thirds in each city reported that the child's personal characteristics influenced the choice.

Additional analyses of the survey (and two focus groups held in Denver in 2005) will be necessary, but several tentative findings already seem to be emerging from this work. Parents report that some version of academic quality, in the form of good teaching and good outcomes, is important to them. But safety, matching the child's needs, and transportation seem to trump the notion of academic quality. (The survey revealed that parents are clearly willing to have their children travel. Although proximity is important to between one-third and one-half of parents in all three cities, a majority of these choice students are not attending the public school closest to them.³) The comfort level of the school seems to be very important to parents. Is it inclusive? Will my child be treated well here?

This study suggests that low-income parents choose schools very much the way their higher-SES counterparts do. They find people they trust and they talk to them. They rely on personal information and the needs of their child, as opposed to detailed outcome information, to choose a school. They constrain the number of choices they will face in order to avoid being overloaded by information. Educators opposed to choice on the grounds that low-income parents will make poor decisions need to explain why the processes acceptable when higher-SES parents use them are suddenly not good enough in low-income communities.

An important policy implication also flows from the finding that school test scores rank below other factors on the scales measuring what is important to parents. Obviously low-income parents care about whether their children learn. They are concerned about academic quality. Still, the survey does not reveal that they pay a lot of attention to test scores or details about schools' instructional methods. This means that states and localities that want to ensure that all children meet particular academic performance standards will need to supplement choice with testing and objective performance-based accountability.

3. On reflection this is not as surprising as it seems. In most urban areas, students are assigned to the school closest to their home. Since the parents interviewed in this study had chosen their children's schools, most probably chose a school that was not closest to their home, the school to which the child would normally have been assigned.

HELPING SCHOOLS COMPETE IN A CHOICE ENVIRONMENT

T*his study takes the charge to get specific about school choice by looking at an important and often ignored piece of the puzzle: how can districts help traditional public schools compete in a choice environment? To examine how districts and traditional public schools cope with the challenge of choice, CRPE researchers took a close look at two districts that are, in many ways, on the frontiers of choice and competition in public education: Milwaukee Public Schools (MPS) and Dayton Public Schools (DPS).*

Over a quarter of the school age population in both MPS and DPS use public dollars to attend schools outside of the traditional school district system (e.g., charter schools and, in the case of Milwaukee’s voucher program, private schools). Even students who remain in the “system” have a fair amount of choice, thanks to district open enrollment policies. As a result, there is arguably more freedom of choice and a larger array of options to choose from in MPS and DPS than anywhere else in the country. At the same time, the overall school-age population in both cities is shrinking. These two districts are on the front line when it comes to understanding what districts do when, in the words of one MPS administrator, they are “no longer the only game in town.”

In order to find out more about living on this school choice frontier, researchers conducted 33 semi-structured interviews with district and school personnel—for example, the superintendent, chief academic officer, chief financial officer, principals, and teachers—as well as reviewed district and school budgets and other documents.

The study points to three key findings about how these districts are trying to help their public schools compete: 1) district leaders set the tone by being matter-of-fact about the market; 2) they use specific strategies to help schools compete, including public relations and information campaigns, offering parents choices within the district, and

closing failing schools so others can have a better chance to survive; and 3) districts must struggle to overcome traditional ways of managing finance, transportation, information, and facilities.

DISTRICT LEADERS SET THE TONE BY ACCEPTING THE REALITY OF THE MARKET

When researchers asked staff in MPS and DPS what advice they would give other districts that face (or will face) competition from choice schools, their answer was simple: Wake up. As one MPS official said, “The district as a whole needs to be more conscious that you’re operating in a market economy.” In districts already dealing with choice, the stakes involved in this so-called “market economy” are high. In the words of the DPS superintendent (told to district employees at their opening convocation): “If students continue to disappear, people in this room will disappear.” While the researchers go into more detail about the importance of being aware of the market, in some ways this finding simply boils down to the old self-help adage that the first step in recovery (in this case, responding) is recognizing that you have a problem. Like the frog gradually boiled as the heat under the pot of cold water increased, schools (and districts) need to understand that the temperature is rising.

STRATEGIES TO HELP SCHOOLS COMPETE

CRPE researchers found the districts to be using many of the strategies identified in prior research on public school responses to competition. For example, the Milwaukee and Dayton districts both used public relations campaigns that include formal marketing as well as retail politics at the school level. Both districts also offered parents an array of programs within the district public schools (e.g., Montessori schools, special “themed” schools, K-8s, etc.) that responded in some way to parent demands. But the researchers also found something else: in both districts leaders were making hard choices about schools that had, for a variety of reasons, passed a threshold of viability. One superintendent said that, given the pressures on the district, when schools can’t maintain their enrollment, “You just have to close them down.”

Doing school choice right, in other words, can involve hard decisions, such as closing chronically under-enrolled schools and redirecting those funds to more viable schools elsewhere in the district.

INHERITED CONCEPTS OF SCHOOL FINANCE, TRANSPORTATION, AND FACILITIES INTERFERE WITH CHOICE

Even when district leaders try to help schools compete by setting the tone or making hard choices, this study suggests that districts' traditional approaches to administration and asset management often get in the way.

In particular, finance, transportation, and facilities systems are poorly equipped to deal with new stresses introduced by choice. When the allocation of dollars lags behind students as they move from school to school, for example, schools may find their budgets do not reflect actual enrollments. When districts have to move students throughout a city, district transportation costs of necessity increase if districts continue to rely on current bussing systems. When districts continue to own and manage all of their school buildings, they have difficulty dealing with the fixed costs associated with schools losing enrollment. One CFO called fixed costs his district's "biggest burden."

Aligning these systems—for example, by allowing dollars to follow students, rethinking how students get to and from school, and exploring more flexible facilities arrangements—is another way to help schools compete.

HELPING SCHOOLS COMPETE

Practical conversations about choice are needed, but they are messy: a host of issues are involved and nobody can be sure at the outset how they will play out. In addition to describing what these two districts are doing and what can prevent effective responses to choice, this study's final report will look at ideas for removing some of the barriers described in the previous section. How might a district or state allocate money differently, provide information more consistently, and approach transportation and facilities management more efficiently so that money can be spent on improving instruction?

While there are no easy answers about how to help public schools compete, one thing is clear about life in a new world of choice: choice creates more uncertainty and vulnerability for public schools than they are accustomed to facing. But so do standards and accountability reforms, and so do fiscal crises in the states and federal government. In a way, choice intensifies existing risks, but does not necessarily create wholly new ones.

MOVING TOWARD PUPIL-BASED FUNDING

***H**ow funds are allocated within school districts can make or break a school choice initiative. The financing challenge posed by choice is how to create fair and realistic funding mechanisms that permit funds to follow students to individual schools. Without such mechanisms, no viable means of financing choice exists—and groups that might want to offer schooling options have no reason to expect they will be funded even if they can attract students.*

CRPE research has already shown that traditional funding mechanisms create major impediments to school autonomy, fiscal stability during enrollment changes, and spending transparency. This is so in part because a great deal of money is tied up in district central offices and therefore cannot flow to schools based on student enrollment, and in part because enrollment is only one factor (along with program structure and teacher salaries) that determines school funding.

This study will provide practical guidance to districts that want to allocate funds to schools based on pupil enrollments to support: increased equity and transparency among schools, decentralized control over resources, fiscal systems that support choice, and fiscal stability for districts experiencing fluctuations in enrollment. The project pulls together the results of three ongoing CRPE studies: (1) How far current district uses of funds diverge from per-pupil equality; (2) How districts can remedy funding distortions caused by teacher salary averaging and opaque accounting for funds controlled by the central office; and (3) Legal and regulatory constraints that impede districts' accounting for funds on a per-pupil basis. The work will continue throughout 2006, but there are some findings now on how districts might approach the technical and legal challenges to pupil-based funding.

TECHNICAL

For all public funds to follow students wherever they enroll, some federal and state funding streams would need to be modified. (In fact, some federal and state categorical programs funds could be merged into basic school district accounting formulas, as weights to increase the funds available for specific groups of students.) Until such modifications are made, districts that want to use pupil-based funding would need to:

- Adopt accounting systems that track funds on a per-pupil basis all the way down to the school level and code all expenditures by student type.
- Account for school expenditures for everything, including salaries and benefits, and provide school balance sheets that show real dollar income and expenditures.
- Allocate the funds for purchase of central office services to schools, with transparent charges only for services actually received.

Once student-based allocation systems are in place, allowing for decentralization requires going a step further. Schools must be able to convert dollars into different kinds of purchased resources (e.g., convert funding for a librarian into support for three tutors, or opt out of the district's centralized services and make alternative uses of the money saved). Choice requires going further once again. It requires not only giving schools control over how they use funds, but also means schools are not guaranteed a fixed level of resources, as student choices will dictate enrollment and thus the real dollars delivered to schools. Once districts have made this transition, they will have relatively few fixed expenses and thus be much better able to handle fluctuations in student enrollment.

LEGAL

Most state funding mechanisms assign at least a portion of their resources to programs, not students. Students may be counted for the purpose of determining how much money is distributed to a district (e.g., the number of low-income or second-language learners determines how much money is allocated to a district for Title I of the federal Elementary and Secondary Education Act or bilingual education). But funds are then attached to district administrative units, not to students.

State reporting requirements often have a more restrictive effect on districts' use of funds than statutes or regulations warrant. It seems clear that under most state laws

and regulations districts could, if they wished, re-program state funds toward per-pupil allocations. But since state reporting requirements often dictate expenditure reporting in prescribed program categories (for ease of tracking expenditures, not improving services), districts follow suit, spending money in ways that easily fit into the reporting categories.

One form of district policy, the collective bargaining agreements made between the school board and employee unions, can create significant barriers to pupil-based funding. Teacher job rights, and in particular the right of senior teachers to select the schools in which they will teach, can impede the flow of funds when students change schools, since funds must be available to pay teachers wherever they are, regardless of student movement. Commitments to tenured teachers assigned to the central office also limit how much money can follow students when they change schools.

The net effect of all this is that districts that want to use pupil-based funding need to make significant changes in their funds distributions and accounting practices. They also need to arrange ways they can either waive or continue to meet state reporting requirements. This study's final report will suggest how this might be accomplished.

Pupil-based allocation ultimately involves changes in how funds are spent and who controls them, issues at the core of local politics. Districts might not be able to make such changes without a great deal of external pressure—for example, from the courts, state takeover, or federal enforcement of civil rights guarantees or No Child Left Behind requirements. But, as suggested in the previous summary, states and districts may need to rethink how their dollars follow students in order for their schools to remain competitive in a choice environment.

PERFORMANCE-BASED OVERSIGHT

***H**istorically, schools districts have operated schools considered “ours” and treated all other schools as “theirs,” to be competed with or ignored. Although districts and other public agencies have become authorizers for charter schools and licensers for schools that will accept voucher students, old habits die hard. Most school districts let local politics and turf issues drive oversight decisions for schools of choice. The bottom line is that, at present, school districts allocate funds and run schools by following the requirements of programs and contracts. They are not organized to oversee schools on the basis of performance.*

Charter schools and other publicly funded schools of choice need just the right kind of public oversight: enough to ensure that they provide good instruction, but not so much as to quash innovation or discourage competent groups from offering to run schools. How to accomplish that?

This project will identify practices that school districts can use if they decide both to run some schools directly and to sponsor some schools of choice under charter school laws or performance contracts. The study starts with the assumption that school districts will remain responsible for whether children achieve up to state standards, no matter what publicly funded school they attend. Thus, researchers will try to show districts how they can oversee schools in different ways—by running them directly, by chartering, by contracting or licensing—while insisting on the same performance standards for all.

Because public oversight of schools managed, operated, and run in several different ways is new to American school districts, the project will look for ideas from the charter school world and from other countries and sectors. To date, CRPE has initiated small studies of the following: school oversight in other countries, capacity-building for performance oversight in government agencies, and contracting practices in private companies that

produce some vital services themselves but also obtain some via partnerships with independent providers. Starting in spring 2006, researchers will mount surveys and case studies of school districts and charter authorizers.

These studies will produce ideas that can then be tested out for adoption by school districts. Project researchers are under no illusion that practices from other countries, other public services, or private sector enterprises can apply automatically to public education, but some lessons can be learned from the experiences of others that may have bearing on choice efforts in the United States.

Though the project will continue for some time, the preliminary results suggest that:

- Obtaining vital services via inter-organizational partnerships requires much more than simply the ability to establish contracts. The sponsor (e.g., a school district) needs the capacity to judge proposals, monitor leading indicators of success and failure, and work with providers to maintain quality. Organizations that do this well spend the money required to create specialized oversight groups that combine substantive and contracting expertise.
- Contracting out for core services requires more than simply choosing among existing providers who offer their services. School districts, like other government agencies, must sometimes enter “thin” markets where there are few or no adequate providers. This is the case for school districts where existing schools are low performing and few alternatives exist, just as it is for the Defense Advanced Research Projects Agency (DARPA) when it identifies the need for a technical capacity that does not yet exist. In such situations, government must provide a supportive environment and sometimes nurture promising but not yet fully capable providers.
- Once providers are identified, performance oversight requires substantial investments in data systems, the development of sound contracts that make explicit how government and independent providers will share risks, and training and career development for people who can oversee performance. (In other sectors, key staff must be able to judge a provider’s performance without imposing their individual tastes, and to identify areas in need of improvement without wresting control away from the people responsible for providing results.)

- An organization committed to getting the most out of its external partnerships does not tacitly prefer internal over external providers. It cares much more about long-term capacity to deliver quality services than about the particular provider, and it avoids imposing rules and burdens that impede a provider's ability (and responsibility) to produce quality results. To maintain this balanced perspective, oversight groups are kept separate from the parts of their own organizations that deliver services directly, though the two may work closely together on specific issues.
- Partnership is taken seriously. Though formal contracts underlie the sponsor-provider relationship, they represent long-term, mutual commitments to performance rather than short-term, arms-length liaisons of convenience. The sponsor retains the right to terminate its relationship with a provider, but even private industries have learned that there is more to performance oversight than terminating and re-bidding contracts. Successful performance requires investment in providers and a willingness to work together over time, because the costs of switching suppliers is high and the results are uncertain. Thus, a sophisticated sponsor tries to help providers learn from one another and solve difficult problems when necessary. Given that it must stick with a troubled provider until it has a clearly better option, a sponsor constantly searches for better alternatives and encourages promising new providers.

Based on CRPE's previous studies of charter school accountability, few school districts have made the investments and organizational commitments that other public and private organizations have found necessary for performance-based oversight.⁴ Chicago has created a strong charter school office, but most districts assign charter oversight to administrative units that have many competing responsibilities. Few districts understand that the *No Child Left Behind* school options provisions will force them to oversee the performance of many schools, both those they now operate and alternatives created via methods like chartering.

Some specialized charter school authorizers (e.g., universities in Michigan and New York) are building capacity for performance-based oversight. Unfortunately, they are incomplete models for performance-based school districts. The job of specialized charter school authorizers is to maintain the best portfolio of charter schools they can. Districts

4. Paul T. Hill and Robin J. Lake, *Charter Schools and Accountability in Public Education* (Washington, DC: Brookings Press, 2002).

have the problem of providing schooling for all children, so they need to consider not only whether a given school falls short of expectations, but also whether there is any better option for the children now attending it. This illustrates how vital the capacity to establish and manage partnerships is for school districts, and how important it is for districts to constantly generate alternatives to their lowest-performing schools.

IMPLICATIONS

The Doing School Choice Right initiative took on the four issues explored above—parental information, helping districts cope with choice, moving toward student-based funding, and oversight and accountability—because district and state leaders considered these to be gatekeeper issues in the choice debate. The initiative will take up additional issues in the years ahead.

The issues studied to date are key to doing choice right. Without funding, options will not arise; without information, parents cannot make choices that improve their children’s schooling. Even with information, schools cannot effectively offer choice unless funding follows students, building staff enjoy the discretion to develop their own budgets, and districts oversee the performance of all schools capably and equitably.

Thus the answer to how districts can maintain quality (for children remaining behind in traditional schools) depends in part on answers about how districts can allocate funds transparently on a follow-the-child basis. Performance accountability also depends in part on financing: schools need to have enough control of their funds and spending to be truly responsible for the results they get. Districts may need to tax schools less (for services the schools do not use) and spend less on services that some schools do not require. Some funds must be freed up and spent on building district capacity for performance-based oversight.

Similarly, the answers to questions about performance accountability and parent information are linked by the need to have rich data about many dimensions of school performance widely available.

There are other linked questions, which the Doing School Choice Right initiative will take up in the future. Some are about student transportation and the availability of educators able to lead quality schools in a competitive environment. Others are about school facilities and the challenge of ensuring that new schools of choice, without their own facilities, have an equal opportunity with other district schools to serve their students as well as they can.

What seems to be true is that choice creates neither the impossible burden district leaders fear nor the perfect solution choice advocates describe. Choice can be implemented well or poorly. Properly implemented, choice can probably improve district operations and student outcomes. Badly done, it can do great damage to both. Additional research can provide policy guidance as well as practical hands-on advice about how to proceed.

APPENDIX

MAJOR STUDIES

WHAT INFORMATION DO POOR PARENTS USE AND NEED IN CHOOSING SCHOOLS, AND WHAT SOURCES DO THEY TRUST? Surveys and focus groups in three cities where large numbers of low-income families have exercised school choice. Principal Investigator Prof. Paul Teske, University of Colorado, Denver. Report expected summer 2006.

HOW CAN DISTRICTS HELP TRADITIONAL PUBLIC SCHOOLS COMPETE? A qualitative study of how two districts are helping schools compete with charter and private schools. Principal Investigators Christine Campbell, Michael DeArmond, and Kacey Guin of the Center on Reinventing Public Education. Report expected summer 2006.

HOW CAN SCHOOL DISTRICTS ALLOCATE PUBLIC FUNDS ON A FOLLOW-THE-CHILD BASIS? Studies of legal barriers and accounting practices that interfere with pupil-based spending, and ways they can be overcome. Principal Investigator Prof. Marguerite Roza, Center on Reinventing Public Education and University of Washington's Daniel J. Evans School of Public Affairs, with assistance from attorney Jennifer Harris. Report expected winter 2006-2007.

WHAT IS REQUIRED FOR PERFORMANCE-BASED OVERSIGHT OF PUBLICLY FUNDED SCHOOLS RUN UNDER DIFFERENT AUSPICES? Studies of government and private organizations that contract for essential services; case studies of charter authorizers and school districts; surveys of school authorizers. Principal Investigators Prof. Stephen Page of the University of Washington's Daniel J. Evans School of Public Affairs, Kate Destler and Paul Hill of the Center on Reinventing Public Education, and Dr. Bryan Hassel of Public Impact. A series of preliminary reports starting autumn 2006 and a final report in autumn 2007.



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The Center on Reinventing Public Education at the Daniel J. Evans School of Public Affairs at the University of Washington engages in research and analysis aimed at developing focused, effective, and accountable schools and the systems that support them. The Center, established in 1993, seeks to inform community leaders, policymakers, school and school system leaders, and the research community.