



## Agency Capacity and Infrastructure

### School Districts Choosing to Charter

*Robin Lake*

School district associations across the country have often opposed charter school legislation as strongly, or more strongly, than have teachers unions. They typically argue charter schools will threaten the tradition of local control of schools by elected officials, drain their financial resources, and distract them from pursuing “system-wide” reforms.

Yet many school districts across the country have embraced charter schools as an integral part of their overall strategy for school improvement. This Brief explores the reasons urban, suburban, and rural districts alike have taken an approach so different from their associations’ typical political position by pursuing chartering as a school improvement strategy, and it offers suggestions for districts interested in pursuing the charter option.

#### Why Districts Choose to Charter

Every school district has unique needs and constraints, be they political, educational, or financial, but the common reasons districts pursue chartering include the desire to:

- **Tap new sources of leadership.**

Many districts see chartering as an opportunity to hire school administrators and staff from non-traditional backgrounds in order to infuse the district with new sources of expertise and an entrepreneurial culture. Less restrictive certification and hiring regulations common to many charter school laws make it possible to tap

leaders and staff who would not otherwise qualify for district personnel roles.

- **Create schools that have greater flexibility to meet high standards.**

Under pressure to find new solutions for closing achievement gaps and meeting state and federal accountability requirements, some districts feel hamstrung by union contracts and state laws and believe their schools need greater flexibility to make dramatic achievement gains.

Districts often see chartering as a way to remove regulatory constraints so existing schools can do better, or as a way to start semi-autonomous new schools “from scratch” rather than try to overcome ingrained habits and cultures in chronically low-performing schools.<sup>1</sup>

- **Hold schools accountable for what matters.**

Though lack of “local control” is often cited as a reason districts oppose charter schools, many district officials have come to see chartering as a tool for gaining real performance leverage over their schools. These superintendents and board members believe the charter school application and renewal process itself provides a way to: force school developers to be clear about their intended focus and purpose, specify and commit to performance goals in a written agreement, and take away excuses for poor performance because, as a charter school, the school is in control of its own destiny.

- **Import or create new models for better educating underserved populations.** For many district leaders, the goal of significantly narrowing the racial achievement gap, lowering dropout rates, and meeting other special needs among students is frustratingly elusive. Recognizing the urgent need to find dramatically different solutions, many superintendents and board members are looking to successful, replicable school designs, such as the smaller, more personalized high school models promoted by the Bill and Melinda Gates Foundation. At the same time, many districts are interested in locally-grown innovations, and charters represent a “blank slate” on which local teachers, principals, and community members can be encouraged to create their ideal schools.
- **Meet parent demand for options.** When districts choose to charter, it is often in response to demands from parents and community leaders for a more diverse set of public school options. Recognizing that charter schools tend to offer theme-based educational programs, such as environmental schools or schools with highly personalized instruction, district leaders have responded positively to such applications and even solicited proposals for charter schools that will expand and diversify the district’s portfolio of offerings.
- **Bring new resources to the district.** Also appealing is the notion that charter schools often attract new sources of revenue to districts, including federal start-up funds and new sources of private grant and investment funds.<sup>2</sup> In addition,

districts can frequently charge charter schools for administrative and other services, creating new streams of revenue that may offset some of the cost of chartering and provide support for central office functions.

- **Create internal pressures for improved efficiency and effectiveness** Large, bureaucratic central office structures and staff are notoriously immune to reform,<sup>3</sup> often frustrating innovative superintendents and board members. Because charter schools receive funds on a per-pupil basis when students and families choose to attend and often have the option of buying back services from the school district or buying those services elsewhere, some district leaders believe charters help motivate the central office to develop a more customer-oriented and efficient operation to meet market competition.

The next section profiles three districts across the country that have pursued aggressively the charter school option. These profiles are intended to illustrate some of the diverse reasons districts opt to charter and to provide examples of the results from these district-chartering initiatives.

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## Appleton, Wisconsin: Pursuing a New Solution to a Persistent Dropout Rate

### Why Charter?

*“I’ve been committed to alternative education for 30 years because I saw that the right educational programs can help troubled youth get back on track. Charter schools were just a natural fit.”*

—Dr. Tom Scullen, Superintendent of  
Appleton School District

Dr. Tom Scullen has served as Superintendent of Schools in Appleton, Wisconsin for ten years. In his first year, he was interested in opening an alternative school as a way to shrink the dropout rate in

his district. He decided to open the school as a charter school (a legal arm of the district but with an advisory board and performance agreement) because he believed state laws and regulations governing traditional public schools were not designed to serve at-risk students. Specifically, Wisconsin’s charter school law allowed

charter schools to: offer credit for performance (as opposed to “seat time”), take advantage of increased flexibility in staffing and scheduling, use electronic instructional delivery to reach students who couldn’t physically attend classes, and set their own financial and programmatic priorities that were more in line with the needs of the students they wanted to help. Scullen believed these freedoms were critical to making schools work well for at-risk students.

“The students we wanted to reach don’t care about extra-curricular activities and all the other typical high school extras. They need personalized attention,” said Scullen. The superintendent saw the charter model as financially beneficial as well because it brought federal planning and implementation

grants and attracted students to Appleton from neighboring districts.

For at least two reasons there was no opposition to opening charter schools in Appleton. First, the district has a history of “progressive,” “outside-the-box” public-private partnerships and charter schools fit well into this model. Second, and perhaps most important, the Appleton charter schools all use union teachers and operate under the district’s union contract. The charter schools, however, do receive contract waivers for greater curriculum and scheduling flexibility and have more authority over hiring.

A total of nine charter schools now serve Appleton students. The schools range in focus from arts to engineering. They employ a variety of instructional approaches, including distance and project-based learning. The district has tried to take advantage of potential complementarities between charters and traditional schools within the district by creating “hybrid” schools where students spend part of their day at a charter school and part of the day in a traditional program. The hybrid model allows students to participate in music classes, sports, and other programs that the charter schools do not offer.

The Superintendent initiated the first charter schools in Appleton in partnership with community groups. Appleton teachers initiated most of the district’s later charter school proposals. According to the superintendent, teachers in the district “started to see that there were other ways to provide education and they felt empowered.”

Appleton charter schools include:

- Two alternative schools (one serving middle grades and one high school) designed to meet the needs of at-risk youth;
- A school (K-8) based on the Core Knowledge Curriculum;
- An arts-themed school that students attend in the afternoon in tandem with a “home” district school;

### Appleton Charter Schools at a Glance

- Appleton School District opened its first charter school in the Fall of 1997.
- Nine charter schools presently, with five more in planning stages.
- Appleton charter schools serve 1,000 of 15,000 students (approximately 7% of the total student population in the district).

- A middle school (5-8) for gifted learners,
- A virtual K-8 school and Internet-based high school,
- An engineering high school with a focus on problem-solving and design skills, and
- Two schools (a middle school and a high school) based on project-based, individualized learning.

Schools in the pipeline include a school to serve expelled or withdrawn students; a Montessori-based elementary school; an intensive intervention school jointly run with a neighboring school district; a bilingual American Sign Language School serving grades K-6, and an environmental, hands-on learning school serving grades 3-8.

### **Perceived Benefits**

Dr. Scullen believes charter schools in Appleton have also helped the more traditional public schools improve what they do: “I think our charter schools have made a real impact throughout our whole district. It changes the mindset of how to educate people.” He explains, for example, how a large, traditional high school dealt with a student suicide: “Because we’re so into charters, the counselors did a ‘connect the dot’ exercise to see how many staff members knew the student well. When it turned out that nobody did, the staff collaborated with the charter schools to find ways to make sure that wouldn’t happen again.” The district promotes this kind of interaction and learning between its charter schools and non-charter schools through teacher exchanges and combined staff development programs.

According to Scullen, the benefits of in-district chartering have run both ways. Charter schools, the superintendent reports, have benefited, for example, by being part of the district infrastructure. The district makes available to charter schools, free of charge, unused or underused buildings. “We deal with the bureaucracy that most people running a school don’t want to deal with,” said Scullen, referring to services such as payroll, bookkeeping, administering state

testing, and so on. Some of this district involvement means that the schools have less autonomy than they might through a non-district authorizer. For instance, the district participates in the hiring process by running reference checks and approving all school hires. Appleton charter schools also do not have full control of their funds. The district allocates general classifications and numbers of personnel positions to the school, though the charter schools can choose to do without certain positions or trade a position for a more needed one.

Most important to Scullen, Appleton’s dropout rate has diminished from three percent to one-third of one percent, with only 16 dropouts total in the 2003-04 school year. Scullen believes that this improvement is in large part due to the effectiveness of Appleton’s charter schools.

Besides apparent success in lowering the dropout rate, Scullen says charter schools have also brought unexpected benefits. Scullen spends less time dealing with “disgruntled parents” because he can just tell them that they chose the school and they always have the option of leaving. Parents can’t reflexively call the superintendent for every complaint, because they opted to empower the teachers and principals at the school with decisions about operating the school. Scullen also sees fewer discipline problems, which he thinks may be due to smaller school size, but may also be because teachers are given more authority to solve problems rather than having to send students automatically to the principal.

### **What Has Been the Financial Impact?**

According to Dr. Scullen, charter schools are a financial boon to the district. Charter school students bring Appleton two million dollars a year that the district would not otherwise have, partly from sources such as grants, business partnership funds, and scholarships. The charter schools also attract students from neighboring districts, bringing new revenues to the district.

## San Diego, California: Cultivating Healthy Competition

Alan Bersin, a former U.S. Attorney, became Superintendent of San Diego Unified School District in the 1996-97 school year. Prior to his arrival, charters were tolerated by the district but were not a high priority. With his experience as an attorney, Bersin's initial

attitude was simple: charter schools are authorized by law; therefore, parents and students have the right to choices available through chartering.

Two years after Bersin's arrival, lawmakers expanded the charter school law, making it easier to start new charter schools and convert existing schools to charter status. As a result, between 2000 and 2003, San Diego had an influx of charter proposals and more than doubled the number of charter schools. The market demand came primarily from under-

served communities—African-American, Latino, and low-income populations.

### Why Charter?

*"The goal has evolved over time. It started as a 'we have to' attitude. Then it was, 'we have a responsibility to follow the law.' Then we recognized that we had an obligation to provide families with additional choices. Now, we really see the value in bringing competition, in the best sense of the word, into the public school system."*

—Brian Bennett, Director of the Office of School Choice, San Diego Unified School District

San Diego has a history of being aggressive about providing choices as a response to desegregation efforts, and Bersin sought to continue that tradition through an expansive

array of options. According to Brian Bennett, "We have lots of magnet schools and flexible transportation options. One-third of our students attend non-neighborhood schools. Charter schools are the most recent addition to a series of choices."

### Perceived Benefits

Bennett believes the goal of promoting "healthy competition" is paying off for the district and causing system-wide change. In San Diego, Bennett says, charter schools are modeling many characteristics the district hopes all San Diego public schools will have. As the district attempts to move all its schools to site-based budgeting, for instance, charter schools provide models for how schools can create their own budgets and manage income flows.

Another central feature of the San Diego reform effort is a move to smaller, more personalized high schools. Three of the district's large, low-performing high schools closed in June 2004 and were re-opened as fourteen smaller schools (400-500 students each) in September 2004. According to Bennett, much of the impetus for this redesign came from two San Diego charter schools: High Tech High and Preuss (operated by the University of California at San Diego). San Diego school board members frequently cited the success of these schools in debates about high school reform proposals. "These schools offer laboratory proof that smaller is better," says Bennett.

San Diego charter schools provide the district a useful tool in dealing with chronically low-performing schools. Nine San Diego schools are entering the fourth year of program improvement under the federal No Child Left Behind Act. The district has issued a Request for Proposals (RFP) to outside organizations to manage the schools under charters or charter-like arrangements. "The truth is, some schools have to get free of the union in order to improve," Bennett says. "Chartering makes that possible."

### San Diego Charter Schools, at a Glance

- San Diego Unified School District authorized its first charter school in 1994.
- There are currently 24 charter schools in operation and an additional eleven applications are under district review.
- San Diego charter schools currently serve approximately 10,400 students of the district's 137,400 students (roughly 7.5% of the total district student population).
- Eighty percent of San Diego charter schools are targeted to low-achieving student populations.

Bennett also believes that charter schools in San Diego are helping to make the central office more “item-conscious.” Because charter schools choose district services from a menu of offerings—from information technology to professional development—they are more likely to challenge district staff on pricing and quality issues, forcing the central office to prove its worth and become more oriented to serving school-based needs.

The presence of charter schools may also have created a mechanism for responding to parent demand that the district was not even aware existed. “We have one charter school that is a German-English dual-language program that serves 200 kids,” explains Bennett. “There is no way the district ever would have thought to offer such a school, but clearly, the demand was there.”

### **What Has Been the Financial Impact?**

In California, charter schools receive differentiated funds according to grade level. According to Bennett, for K-8 schools, charter schools are “not a real hit on the district.”

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Bennett is less certain about the financial impact of high schools. The vast majority of charter schools in San Diego purchase services (such as payroll, bookkeeping, etc.) from the district, which is a revenue source for the district. Districts in California are also allowed to retain a portion of charter school funding for oversight and are also eligible for state “mandate aid” for additional oversight costs they might incur.

### **Chartering Policies That Work for the District and the Charter Schools**

At the same time the district became more aggressive in authorizing qualified charter applications, Bersin led an effort to develop comprehensive district charter school policies that would serve both charter schools and the district well by creating transparency in the charter school application and renewal process, accountability requirements, and funding agreements. San Diego previously had very few written policies concerning charter schools, leaving these schools to negotiate individually with the district on a variety of issues. District personnel, charter school representatives, and outside experts worked together to draft the new policies.

Brian Bennett describes the main philosophy behind the new charter school policies in San Diego as requiring schools to prove their worth rather than creating barriers to opening. He explains, “AYP [under No Child Left Behind] and district performance standards should force schools to justify their existence. The goal is to create options and then hold schools accountable for high levels of performance. We give schools permission to be successful, but also permission to fail. We provide support from the district in the hope that most will be successful.”

The new policies have also had district-wide impact. Discussions about charter school accountability requirements have forced the district to consider whether all district schools could meet similar accountability requirements.

## Miami-Dade County, Florida: Opting for More Options, and Smaller Classes Sizes Too

### Why Charter?

*“In Miami-Dade we’re proud to be ahead of the national trend in offering extraordinary choice options, from magnet schools to career academies to vouchers. Charter schools are just one of the options families can choose.”*

—Dr. Carlo Rodriguez,  
Director of Charter  
School Operations  
for Miami-Dade  
County Schools

According to Dr. Carlo Rodriguez, charter schools in the Miami-Dade County school district have been viewed as a “win-win” situation since the time the state law passed in 1996. The “win” from the perspective of

the district was twofold. Chartering was both an opportunity to provide more educational

options to parents and students in the district and a practical way to deal with the extreme overcrowding in Miami-Dade schools. By granting charters, the district hoped to, in effect, satisfy families who wanted new options as well as reduce class size in current classrooms, all without paying for new buildings.

There was also a political element in play. Governor Jeb Bush was an ardent charter school supporter and was involved in starting the first charter school in Florida, Liberty City Charter School. It didn’t hurt for Miami-Dade to demonstrate its willingness to respond positively to the new state law.

### Perceived Benefits

Rodriguez believes Miami-Dade has realized specific practical benefits by partnering with charter schools, as well as broader benefits to the community.

The district has realized its goal of using charter schools to relieve overcrowding. Now that overcrowding is becoming less of a district-wide problem, the district is negotiating with charter applicants to have them

### Miami-Dade Charter Schools, at a Glance

- Miami-Dade County Public Schools sponsored the first charter school in Florida in 1996, the same year the charter school law was passed by the legislature.
- 40 charters currently operating, 27 additional schools have received approval to open, and 28 applications are pending.
- Charter schools serve approximately 14,000 of 360,000 Miami-Dade students (approximately 4% of the total district student population).

### I Choose

Miami-Dade’s new “I Choose” program is designed to respond to the popularity of charter schools and other choice options, and to integrate the county’s choice programs with Florida’s A+ accountability system and the requirements of No Child Left Behind. The goal of the program is to create choice zones in the district, each with numerous high-quality choice options, by:

- Replicating high-demand, successful, themed programs such as charter and magnet schools in order to reduce declining enrollment in designated areas;
- Increasing the capacity of existing successful programs;
- Redesigning the transportation system to create an efficient way to increase significantly the number of students who have access to transportation services;
- Providing academic support teams to new choice programs and in low-performing schools; and
- Creating new avenues for teachers from charter schools and other choice schools to share teaching and achievement strategies.

locate in particular neighborhoods where overcrowding remains a problem. Rodriguez notes that chartering is simply a more efficient way to build schools. The average school in Florida costs \$14,000 per pupil to build. Charter schools cost about \$5,000 per pupil because they are free from many state public school building requirements. These facilities are often built by private organizations, which often bring substantial additional financing to the table.

More broadly, the district is seeing some evidence that minority students are doing better academically in charter schools than in other public schools,<sup>4</sup> and district officials say the success and popularity of charter schools serve to catalyze system-wide improvement because traditional public schools realize they must improve.

Finally, Rodriguez sees increased parent engagement as an important outcome of the district's charter initiative: "There's something about choosing a school as opposed to being assigned that makes parents and students

say, 'I want to do this and I want to be involved.' In many cases, the curriculum mirrors other public schools, but the very act of choosing empowers the entire school community."

The demand for charter schools in Miami-Dade County is very strong, and the district has made an effort to learn why and respond. A survey of parents choosing charter schools in Miami-Dade showed that parents valued the smaller schools and class sizes, and perceived the schools to be safer and more convenient. The district has responded by expanding choice programs and by creating the district's "I-Choose" program, creating neighborhood choice zones with integrated support systems.

### **What Has Been the Financial Impact?**

According to Carlo Rodriguez, Miami-Dade charter schools are not having a significant fiscal impact on the district: "It's pretty much a wash, financially, because the money simply follows the student."

## **Keys to Successful District-Charter School Partnerships**

When asked to offer advice to other school districts considering charter schools as part of a larger district improvement strategy, officials in the three districts profiled here offered the following:

### **1. A top-down, regulatory approach will not work. Effectively chartering public schools means creating a partnership built on effective communication and trust.**

Carlo Rodriguez (Miami-Dade): "It's all about getting the relationship right between the sponsor [authorizer] and the operators. This means putting a premium on cooperation and respect, and finding the right balance between support and accountability."

Brian Bennett (San Diego): "You have to constantly create opportunities for dialogue by including [charter school leaders] in meetings and providing other opportunities for interaction."

### **2. Attitudes at the top matter. District leadership sets the tone for how central office staff and other district schools view charter schools.**

Brian Bennett (San Diego): "It helps that the Superintendent has a clear understanding that charter schools have the right to exist independently. It all starts with your mindset. In California and San Diego, charter schools are no longer in the experimental stage. They are part of the public school reality."

Tom Scullen (Appleton): "Historically, there have been lots of innovations that have been disastrous and many see this as another risky reform. Unfortunately,

*"It's all about getting the relationship right between the sponsor [authorizer] and the operators. This means putting a premium on cooperation and respect, and finding the right balance between support and accountability."*

there are a lot of superintendents who are fearful and risk-averse. The system just doesn't reward risk-takers."

### 3. Be clear what you hope to get out of the partnership.

Tom Scullen (Appleton): "Charter schools have to meet a need not currently met. Starting charter schools just for the sake of starting them is a bad idea. If your main goal is to serve at-risk students better, visit Appleton and feel free to copy what we're doing. Bring board members and teachers who are opposed."

Brian Bennett (San Diego): "If you start with an 'us vs. them' attitude, the district

will always lose because dissatisfied parents will always go somewhere else if they can. It's better to plan and see what charter schools can offer, whether it's thematic schools, schools that serve special populations, middle and high schools, etc. . . . Our district, like most districts in the country, is struggling to improve middle and high school education. If charter schools can help, they should be considered a plus. As district officials or staff, ask yourself, where do we need shoring up? And see if charter schools can help."

## Endnotes

- 1 For a paper detailing the potential advantages of starting schools that can build their cultures, routines, systems, and staff from the ground up, see Bryan Hassel and Lucy Steiner, *Starting Fresh: A New Strategy for Responding to Chronically Low Performing Schools*, Public Impact, December 2003, <http://blueweb.qblue.com/publicimpact/high-stakes/startingfresh.pdf>.
- 2 As Jay Greene of the Manhattan Institute recently argued may be the case in Florida, new sources of revenue for capital construction from the federal government, foundations, and corporations may benefit all public schools by relieving overcrowding. See Greene, J., & Winters, M. (2004, August 6). *Charters Ease Florida Public-School Crowding*. Available online: [www.manhattan-institute.org](http://www.manhattan-institute.org).
- 3 See, for example, Patrick J. Murphy and Michael M. DeArmond, *From the Headlines to the Frontlines: The Teacher Shortage and its Implications for Recruitment Policy*, (July 2003), and Howard Fuller with Christine Campbell, Mary Beth Celio, James Harvey, John Immerwahr, and Abigail Winger, *An Impossible Job? The View From the Urban Superintendent's Chair* (July 2003).
- 4 The School Board of Miami-Dade County, *Monitoring the Miami-Dade County Public Schools Post-Unitary Commitments to Equity and Diversity: Baseline Diversity Factors 2002-2003 Public School Choice Programs Student Achievement Report*. Miami, Florida.

## About the Author

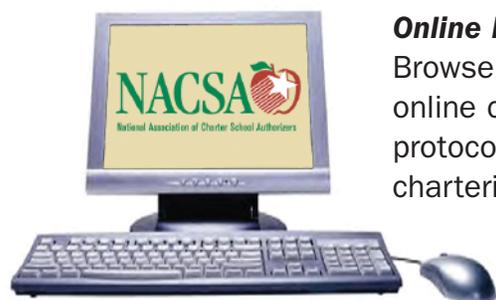
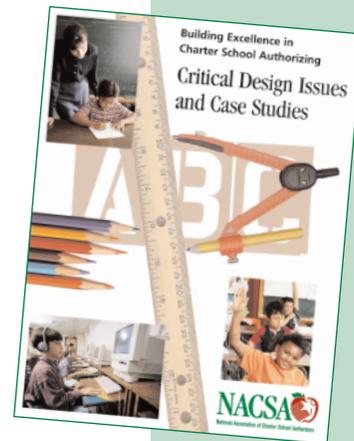
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[www.charterauthorizers.org](http://www.charterauthorizers.org)

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