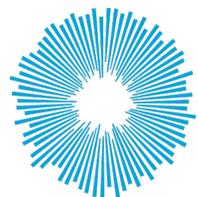


TRANSFORMING URBAN PUBLIC EDUCATION THROUGH EDUCATION ENTREPRENEURSHIP

BY BART PETERSON



LIVING CITIES

INNOVATE ▶ INVEST ▶ LEAD

LETTER FROM THE CEO

LIVING CITIES, A LONGSTANDING collaboration of 21 of the world's leading foundations and financial institutions, works to bring opportunities and the power of mainstream markets to transform the lives of low-income, urban residents and their communities.

In 2008, we began a Distinguished Urban Fellows program as a critical part of Living Cities' approach. The idea was that these fellows would bring their real-world governing experience to help shape Living Cities' agenda as well as provide overall guidance to our work in cities. Our staff and members have experience as private and philanthropic leaders, but we wanted to hear directly from successful practitioners and policymakers about the pressing issues they faced and the innovative practices they employed.

In addition to asking our fellows to attend our board and committee meetings, critique our programs and evaluate our proposals, we asked them to produce one significant written product that furthers the work of Living Cities. The idea was that in these papers, our fellows would describe their successes in urban policy, while also analyzing why their approach worked — and what the field could learn from it.

The inaugural class of fellows was a clear success — we benefited from their grounded, municipal level insights throughout the year and we hope that you will, in turn, benefit from similar insights captured in this paper. Our fellows program has worked precisely because of the individuals we picked, each of whom came to Living Cities with a distinguished record as a reformer, leader and thinker. Bart Peterson, the author of this paper, served two terms as the mayor of Indianapolis (from 2000 to 2007).

In this report, Bart argues that the energy and innovation needed to transform America's public schools must come from the outside — from talented and dedicated entrepreneurs with ideas that produce results. As mayor of Indianapolis, Bart approved 16 charter schools that now serve nearly 5,000 students and witnessed first-hand how students' test scores improved as a result of using new ideas for educating students.

While this report does not necessarily reflect the perspective of Living Cities or our members on the critical issue of education reform, I am confident you will find this report to be provocative, eye-opening and challenging.

We look forward to soon welcoming a new class of Urban Fellows, and hope they will do as much as Bart has done to challenge and sharpen our thinking on critical issues facing cities today.

Sincerely,



Ben Hecht
President & CEO
Living Cities

This paper was written by Bart Peterson, and edited by Matt Pacenza. Research support was provided by Agus Galmarini and Titilayo Tinubu. Bureau Blank designed the layout for this paper.

EXECUTIVE SUMMARY

DESPITE DECADES OF CALLS for reform, America's public education system remains the target of sharp criticism for failing to adequately prepare young people for higher education and the jobs of the new economy.

But hope is coming. Education entrepreneurs in recent years have been energizing certain corners of America's moribund public education system with innovation.

Bart Petersen served two terms as mayor of Indianapolis (from 2000 through 2007). Early in his tenure, he became the first mayor in the United States with the authority to grant charters to new schools. He ultimately approved 16 charter schools (after one closing and one merger among the original 18 charters that he granted). These charter schools now serve nearly 5,000 students in Indianapolis. These new Indianapolis public schools have achieved remarkable success, dominating the state's list of schools with the greatest improvement in test scores.

In this paper, Petersen makes a strong case that the source of change in U.S. public education must be America's mayors in partnership with philanthropists and education entrepreneurs. He lauds the record of charter schools, plus the achievements of organizations such as Teach For America, which has brought well-educated younger people eager to teach into classrooms, especially in underachieving urban schools. The ultimate goal of entrepreneurs like Peterson is to bring the innovation, urgency, flexibility and focus on educational outcomes that characterize charter schools and their allies to traditional public schools.

Petersen recognizes that this will not be easy. The educational establishment — teachers' unions and associations of superintendents, principals and school boards — have much to lose if the system of monopolistic public school districts is dismantled. But the facts are on the side of the reformers. The main reform that the establishment has championed — reducing class sizes — is costly but, according to Petersen, has little impact on educational outcomes.

For years, mayors avoided getting involved in their cities' schools systems. Doing so was seen as political suicide. But in recent years, with many state legislatures handing control of urban school districts to mayors, they're jumping into the fray. If these mayors want to succeed, says Peterson, they must engage education entrepreneurs: the only force operating in the public education system today delivering transformational change.

Peterson illustrates how an entrepreneurial spirit was critical his success in Indianapolis, offering compelling anecdotes to support his arguments. He concludes with specific recommendations as to how mayors, philanthropists and education entrepreneurs can work together to reform public education.



CHAPTER 1: THE INNOVATION IMPERATIVE

INNOVATION HAS LONG BEEN a hallmark of American life, especially in the private sector, where fields such as Information Technology are virtually transformed every couple of years by the spirit of talented entrepreneurs. But that same energy and creativity has been rarely brought to government services.

Interestingly, however, such transformational change is beginning to happen within public education. But it is on a comparatively small scale, its funding is precarious, and it is being fiercely resisted by some mighty powerful forces. Education entrepreneurs, acting like their counterparts in private business, are infusing certain corners of America's moribund public education system with innovation and modernization. They can help produce better educational outcomes, especially in poorly served urban areas. But, because education funding is controlled by the government, they cannot do it alone. They need allies, and their most natural allies are the mayors of America's cities.

I served two terms as mayor of Indianapolis from 2000 through 2007.

In early 2001, the Indiana state legislature passed its first charter school law, which included the office of the mayor of Indianapolis among three categories of charter school authorizers. This made me the only mayor in the United States with the authority to grant licenses (or "charters") to new schools. Over the remainder of my time in office, I granted 18 charters. This ultimately resulted, after one closing and one merger, in 16 charter schools serving nearly 5,000 students in Indianapolis.

These new public schools in Indianapolis have achieved remarkable success. Charter schools have outperformed traditional public schools on the essential measure of improving student achievement. That track record, plus the innovative teaching methods they brought to public education in Indianapolis, convinced me that entrepreneurship is the principal hope for the resurrection of public education in America. This paper makes a case that America's mayors, in partnership with philanthropists and education entrepreneurs, can be catalysts for transforming education, even in

the districts where the forces that oppose change are the strongest.

Charter schools are public schools, supported by the same tax dollars as traditional district public schools, but freed from the bureaucracy of school districts, and from most of the state regulations that govern public schools. In return for this freedom, they commit in a contract to deliver their educational program in a very specific way — and with the highest of quality. It is up to the authorizer, which may be a state board of education, a university, a mayor, or even a traditional public school district, to enforce this contract and hold the school accountable. There are now more than 4,500 charter schools serving more than 1.3 million children across our country, according to the Center for Education Reform. Each school is governed by a separate state charter law and by a unique contract negotiated with the school's authorizer. It is no exaggeration to say that the charter school movement, when taken as a whole, represents the most dramatic and widespread departure from the traditional structure of the American system of public education since that system's founding.

WE MUST INFUSE TRADITIONAL SCHOOLS WITH THE INNOVATION, URGENCY AND FLEXIBILITY THAT CHARACTERIZE THE BEST CHARTER SCHOOLS.

Indianapolis' charter schools have demonstrated the power of this entrepreneurial approach to public education. In a 2009 report, the Indiana Department of Education ranked the more than 200 public schools in Indianapolis by improvement in pass rates on the state's standardized test, ISTEP+. Six of the top 10 spots in the rankings were held by mayor-sponsored charter schools. The charter schools took the children who were struggling the most in school at all grade levels, and helped them improve at a much faster rate than their traditional school peers.

But the success of charter schools in Indianapolis and elsewhere cannot be proclaimed without one big caveat: These schools have not done enough so far to transform public education in America. First, not all charter schools have performed well. Research suggests that while charter schools in some localities have performed brilliantly, in other cities and states, they have not fared as well. For charter schools to broadly succeed, therefore, it will be essential to extend the success of their strongest to others that have lagged. Educational choice is worse than meaningless if the alternative to a bad district school is a bad charter school.

Second, 18 years after their invention, charter schools still educate a very small fraction of all public school students across the country. With the notable exception of post-Katrina New Orleans, no U.S. city has even half of its students attending charter schools. Charter schools simply are not growing fast enough to meet our country's needs.

Third, the creativity and innovation that are the hallmarks of high-quality charter schools are not transferring over to the traditional public schools that compete with charters. This had been the great hope of the charter school movement, and it has been largely unrealized. We cannot expand high-quality charter schools fast enough to serve those most in need, so we must infuse traditional district schools with the same spirit of innovation, urgency, flexibility, and focus on educational outcomes that characterizes charter schools.

Given that our initiatives in Indianapolis began in 2001, 16 mayor-sponsored charter schools serving 5,000 students in Indianapolis may sound like promising results, but there should have been more. Our approval process granted charters only to those schools we believed could meet the highest standard of performance.

We rejected most applicants. After a couple of years of experience, my charter school team and I began to realize our greatest challenge was not an often balky state legislature that was deeply divided over charter schools. Nor was there a lack of demand from families for alternatives to traditional district schools. The problem was a lack of talent to lead new schools. There were not enough people with the combination of business savvy, educational experience and vision to start new schools. It was a problem also faced by the district schools: The Indianapolis Public Schools faced a shortage of talent to lead their new magnet schools and Gates-funded small high schools.

To attack this problem, I started The Mind Trust with David Harris, the architect and driving force of our charter schools initiative. The Mind Trust's mission was to bring established entrepreneurial organizations to Indianapolis to serve students in traditional district schools as well as charter schools. We also sought to create an incubator for future education entrepreneurs who aimed to transform public education in our city and across the nation. We expected to nurture not only aspiring school leaders, but those with realistic ideas about how to overcome the anti-reform pressures



EARL MARTIN PHALEN
THE MIND TRUST FELLOW



DR. MICHAEL BITZ
THE MIND TRUST FELLOW



ABIGAIL FALIK
THE MIND TRUST FELLOW

common in the traditional school district model.

Three years later, The Mind Trust has made its mark. Having raised more than \$8 million in philanthropic support, along with some government support, The Mind Trust is now running two programs. First, we have spent more than \$3 million to bring three nonprofits to Indianapolis. Teach For America and The New Teacher Project both focus on attracting talented newcomers to the teaching profession, while College Summit seeks to boost college-going rates among low-income students. The school districts in the region could not have afforded to launch these partnerships in a bad (and worsening) budget environment.

The second Mind Trust program is called the Education Entrepreneur Fellowship Program, and it serves as an incubator for the next generation of entrepreneurial leaders in education reform. Four fellows were selected to develop and launch transformative education programs. One is focused on the retention of early career teachers in challenged urban areas by organizing them to influence reforms in the districts in which they work. Another is creating a scalable, advanced summer school program that will allow districts to outsource summer school

to achieve improved educational outcomes for urban children. A third fellow is developing an internship program for American students to spend a "gap" year abroad between high school and college, with the intent of assisting more low-income students to attend college and bringing greater international awareness to inner-city schools. And the fourth fellow has created The Youth Music Exchange, a student engagement program for middle and high school students that creates learning opportunities through composing, organizing, marketing and selling new music.

The huge volume of applicants for the fellowship, and the overall quality of those applicants, has convinced us that the public education reform movement will not fail for a lack of willing reformers. The unanswered question is whether there will be sufficient demand for their work — demand from traditional school districts that have been historically hostile to reform, and demand from cities and their leaders who are in the best position to represent the strong hunger for change that their constituents consistently express.

This paper will examine both the record — and the potential — of educational entrepreneurship. I use

the term "education entrepreneurs" to refer to two somewhat distinct groups. The first group is people who start and run charter schools. Depending on the charter school authorizer, members of this group may work entirely outside of traditional school districts. The second group is those who start and run nonprofit education reform organizations, such as those discussed in chapter 3. Members of this group often work with both traditional and charter schools. These nonprofit reformers will be the subject of my recommendations in the concluding chapter.

In the next chapter, I look at traditional school districts and the forces that push their leaders to seek to preserve the status quo. In chapter 3, I examine what entrepreneurs have done, and can do, to battle those forces and improve the quality of education for low-income and minority kids. With their success in mind, I will make the case that mayors can be the leaders to use these entrepreneurs as the vanguard of an urban education revolution. Lastly, in chapter 4, I draw conclusions from this paper and offer recommendations for broadly extending these successful reform efforts.

¹ New York City Independent Budget Office Background Paper: "Contributing Factors: Disparities In 2005 Classroom Spending." <http://www.ibo.nyc.ny.us/iboreports/FairStudentFunding1.pdf>

CHAPTER 2: WHY CHANGE IS SO DIFFICULT

MORE THAN 25 YEARS after the symbolic birth date of the education reform movement — the 1983 issuance of A Nation at Risk: the Imperative for Educational Reform — there is plenty of debate over how to improve public education in America. What is not debated is the need for such improvement. How is it that, after a quarter of a century of working on the problem, we have made so little progress? Many point a finger at the “education establishment,” those whose pay and power are threatened by fundamental reform. It is undeniable that teachers unions and associations of superintendents, principals and school boards have something to lose if the system of monopolistic public school districts were dismantled. It would, however, be unfair and inaccurate to

suggest that education professionals broadly do not care what happens to kids as long as their livelihoods are protected. Nonetheless, the education establishment has put enormous resources into preventing reform from happening. Usually, inefficient monopolies are brought down by the sheer weight of their non-competitiveness. Even if they are protected by law, demand from consumers for better quality or service eventually forces reform or the introduction of competitors. Traditional school districts have been remarkably successful at fending off these pressures. One way they have done so is simply by being more sympathetic and less threatening than other monopolies. A bad electric utility service provider is not in the





WHY DO WE AS A COUNTRY NOT RISE UP IN INDIGNATION AT REGULATIONS THAT TIE SCHOOLS IN KNOTS?

same league as your child's teacher. A city government that cannot manage to pick up your trash will not elicit the same warm feelings as the school where you, as a parent, volunteer twice a week. Let's face it, most teachers are nice people and they are not overpaid.

Teachers unions, while only one part of the education establishment, are the most visible defenders of the status quo. It is sometimes hard for reformers (many of whom are current or former teachers themselves) to remember that teachers unions are not school quality unions. They exist to seek higher pay and better working conditions for the people they represent, just like every other union. The United Auto Workers union may care deeply about the quality of Detroit's cars, but that's not why they exist. So, when they are at the bargaining table or supporting political candidates, the union focuses on pay, benefits, working conditions and jobs. The fact that teachers unions so often couch their fight for better pay, benefits and working conditions in selfless pro-student-achievement language may make

even liberal Democratic reformers angry. Whatever the reason, reformers must bear in mind that the prize they seek is not diminished power for teachers unions, but improved student achievement. That goal means, however, either breaking the monopoly of traditional school districts on public education or engendering far-reaching reforms within the districts — or, most likely, both.

When the first charter schools I authorized in Indianapolis were about to open, I read this quote from an Indianapolis Public Schools teacher: "I guess we are going to have to do a better job in order to make sure we don't lose our kids to these new charter schools." When Eugene White, the reform-minded superintendent of Indianapolis Public Schools, came on board, he gave a speech to a couple of hundred people, including me, in which he said he was going to make IPS so good he would "put the mayor's charter schools out of business." I told him that was music to my ears. The theme here is "competition." It is a word so foreign to monopolistic school districts that they can scarcely utter it. When they do, it is invari-

ably accompanied by the explanation that you cannot have true competition without a level playing field. They have a point.

The defining characteristic of a charter school is freedom from most state school regulations. Charters must give state-mandated standardized exams, they must not discriminate in enrollment on the basis of academic or athletic ability, and they may not serve a particular religion. Beyond that, they have enormous freedom. Their school day can be as long as they wish. In fact, elementary and middle school charters have slightly longer school days on average than their district school counterparts, according to the National Charter School Research Project. Charter schools can have a longer school year than the state prescribes for school districts, and they often do: a higher percentage of charter schools have more than the mandatory minimum school days. There is no rule on how they purchase paper towels and chalk. They are not required to pay the prevailing wage (typically the union-standard wage) on their construction projects. And, lastly, the vast majority of charter school

teachers are not represented by teachers unions and thus do not have any kind of bargained-for work rules.

Charter schools are also more nimble because they are not burdened by a school district bureaucracy. It is difficult to isolate the exact percentage of any traditional school district's budget that does not "go into the classroom." Transportation, facility maintenance, supervision of teachers and staff, compliance with state data reporting requirements — these are all legitimate costs of running any school. But studies suggest that in some cases, less than half the budget of a traditional urban school district ends up being spent directly in the classroom.¹ Charter schools and private schools are able to invest much more of their budgets directly into teaching. Apart from higher costs, common sense dictates that there is a strong tendency toward homogenization in large school districts. Bulk purchasing, one-size-fits-all curricula, cookie-cutter design of school buildings, and more students under one roof are just some examples of how large school districts inevitably stifle creativity and innovation (charter schools' calling cards) in the name of efficiency.

So why do we as a country not rise up in indignation at state regulations that tie schools in knots, at district bureaucracies that suck up revenues yet do not directly impact the quality of education in the classroom, at homogenized schools that allow so many children to fall through the cracks? Because most of us are complicit in the conspiracy to preserve the status quo. The travel and summer camp industries need our kids to have the summer off. Some of the few good jobs that remain in the inner city are in the urban school district bureaucracy. We serve on local school boards and a few of us on state boards of education. How would we justify our service if we did not micro-manage toilet paper procurement or add a few new state rules every year? One-size fits all education means lower school-level costs, which means lower taxes, and we are all for that!

In short, the model of the traditional school district monopoly may not work for millions of kids, but it sure works well for a lot of adults. Reformers from within — like Michelle Rhee in Washington, D.C., and Arne Duncan in Chicago (now

the U.S. Secretary of Education) — are most often seen battling with the education establishment, but they must overcome so much more to be successful. The system has survived in its present form for so long not because it is ideal (almost all would agree it is not), or because teachers unions are so effective in the political arena (although they are), but because a huge percentage of the American population, subconsciously or otherwise, wants to see it do a better job but does not want to see its basic structure change. We will be waiting a long time if we think attitudes will evolve in the right direction — the child-focused direction — without the application of powerful new pressures from outside the system. Do we really believe IBM would have changed its formula of creating mainframe computers the size of buildings if a couple of guys working out of a garage had not come up with the crazy idea of a "personal" computer? Or, perhaps more to the point, if businesses, schools and families had not started to buy Apple computers?

CHAPTER 3: EDUCATION ENTREPRENEURS AND MAYORS: HOW THE INNOVATORS ARE GETTING IT DONE

THE NATURAL HUMAN TENDENCY to just wait for someone else to make things better is the sine qua non for entrepreneurship. In casual conversation, we often find ourselves saying, “Wouldn’t it be great if someone invented a thing that would . . .” Entrepreneurs invent those things — or at least figure out how to make them widely available. They also invent the things we never stopped to think we needed, but once we have them we cannot imagine what life was like before them. Most of us are not entrepreneurs. We do not envision change from the status quo, or at least we do not believe we will play a part in that change. We learn to be comfortable with the way things are, simply because that is how you get through life.

Education entrepreneurs are people who see the profound weaknesses of the American system of public education and resolve to improve it — or overturn it.

When I first met Dr. Celine Coggins I was struck by her consuming passion. Her parents were educators and Celine herself is a former teacher. She knew firsthand the frustrations that a new, ambitious teacher felt within the antiquated structure of a major urban school district. She could not say she was surprised: Her parents, knowing well the stifling power of bureaucracy, had earlier advised her against becoming a teacher. After leaving teaching, Celine took a job in education policy, where she thrived. But she could never shake the feeling that producing studies and papers on teacher quality and standardized testing was not doing much to solve education’s central problem: retaining the best young teachers in the profession and, especially, keeping them in schools serving the most challenged neighborhoods of America’s cities.

Organizations such as Teach For America were bringing thousands of

idealistic and talented young people to the teaching profession each year. They, along with the best graduates of traditional education programs, were having a positive impact on student performance in underserved communities. But as they began to reach their prime as young educators in their fourth, fifth, sixth year, Celine knew that a substantial number of them would leave teaching. One in six teachers leaves their job each year, a number that rises to one in five or even higher in urban districts.² A high percentage of those leave out of frustration, because there is no support for innovative or creative teaching methods, or they feel limited in an environment that does not expect much of students from disadvantaged backgrounds. Teachers who leave also say they did not feel appreciated for superior teaching performance, especially given a lock-step pay system that granted raises solely based on seniority. But, more than anything



DR. CELINE COGGINS, THE MIND TRUST FELLOW

else, Celine found that most teachers who became disenchanted had one thing in common: They consistently felt powerless to influence their schools and their school districts. She decided to do something about that.

Celine piloted a project she called Teach Plus in her hometown of Boston. She recruited a cohort of 16 early career Boston public school teachers who had demonstrated excellence in the classroom and also believed that urban public education could be done better. She trained them to become policy advocates and worked with them to develop and implement their ideas about school district and teacher contract reform. In 2008, The Mind Trust chose Celine as an Education Entrepreneur Fellow. As a Fellow, Celine will spend two years further developing Teach Plus, seeking to prove that it can make a positive difference

in retaining high-performing early career teachers. She will also try to show that it can operate successfully in cities across the country, in hopes of launching it as a national nonprofit at the end of her Fellowship. As Paul Reville, secretary of education for Massachusetts, said, “Teach Plus speaks to the most significant educational challenge of our time, improving the quality of teaching by building the quality and capacity of our teaching force.”

Teach Plus is a start-up. No matter how convinced Celine Coggins and I may be that she will succeed and have a major impact on public education, the reality is that we will not know for a while. But the verdict is already in on several entrepreneurial ventures in the education reform world. And there is none better known and, perhaps by any definition, more successful than Teach For America.

Teach For America (TFA) was founded by Wendy Kopp in 1990. It is a national corps of mostly recent college graduates who commit to a two-year teaching stint in urban and rural public schools. Its stated mission is “to build the movement to eliminate educational inequity by enlisting our nation’s most promising future leaders in this effort.” Since its inception, TFA has placed roughly 24,000 teachers in 29 distinct rural and urban regions, from Los Angeles to South Dakota to Washington, D.C., impacting the lives of some 3 million students.

One of the accomplishments you rarely hear about TFA, but which is among its most remarkable achievements, is that it has elevated the esteem in which the teaching profession is held — at least at the entry level. Last year, roughly 35,000 applicants applied for 3,700 TFA positions across the country. Nine percent of Harvard’s 2008 graduating class applied for Teach For America, as did 11 percent of Yale’s and 10 percent of Georgetown’s. Stories circulate about seniors who receive employment offers from McKenzie & Company and Goldman Sachs, but are devastated to be turned down by Teach For America. TFA places America’s best and brightest graduates from hundreds of colleges and universities across the country into schools in the most underserved neighborhoods. In addition, Teach For America teachers want to be in the most challenging school districts. That is part of the bargain. Other new teachers often take such jobs because they are the only ones available for them.

Do they do any good when they get there? The preponderance of the research says yes. A recent study from the Urban Institute looked at high

³ <http://www.urban.org/publications/411642.html>

Other studies of note: A 2004 study from Mathematica Policy Research, Inc. examined test results in elementary schools in five areas and found that students taught by TFA teachers increased their math scores from the 14th to the 17th percentile. <http://www.mathematica-mpr.com/publications/pdfs/teach.pdf>. On the flip side, a 2005 Stanford study of Houston schools found that elementary students taught by traditional teachers performed better on math and reading tests than TFA students.

² Policy Brief: The High Cost of Teacher Turnover. Prepared for the National Commission on Teaching and America’s Future.



CUTTING CLASS SIZE IS VERY EXPENSIVE AND ONLY LEADS TO MODEST IMPROVEMENTS IN STUDENT PERFORMANCE.

school students in North Carolina and found that TFA teachers were more effective than traditional teachers, with the strongest influence on students in math and science.³ Cities certainly see the advantages of Teach For America. When we worked through The Mind Trust to bring TFA to Indianapolis in 2007, we found ourselves in an unexpectedly intense competition with a couple of other cities for one expansion site.

Teach For America is sometimes criticized because its teachers only commit to two years. But, the data show that most of its alumni do continue in education — many in the classroom. After their two-year commitment as a TFA teacher is completed, 34 percent of teachers remain at the same school as a teacher for at least one more year. TFA says that of all its alumni, roughly one-third are still teaching K-12. And, even if they leave the classroom, TFA graduates tend to stay in education: 63 percent of the roughly 20,000 TFA teachers who have gone through the program remain in the education arena, according to the organization.

This is a big collection of talent in cities where TFA chooses to work. These alumni form a natural pool of potential education entrepreneurs, charter school leaders or just motivated and educated parents and taxpayers. The great challenge for Teach For America, as for other national entrepreneurial education reform

organizations, is to expand into new cities. Without local financial support, a commitment by the school districts to hire TFA teachers and facilitation by the mayor and other community leaders, a nonprofit organization like Teach For America cannot succeed.

Teach For America may be the most prominent example of an entrepreneurial education reform organization, but it is by no means the only success story.

- The New Teacher Project helps urban school districts find teachers for hard-to-fill subjects such as math, science, special education and Spanish. Most of the new teachers they recruit have years of experience in other careers.
- New Leaders for New Schools recruits and trains principals and school leaders for traditional district schools and charter schools. Recognizing that school-level leadership is a weakness for many urban districts, New Leaders is attacking the talent gap and the failure of the traditional district career path to consistently produce good leaders.
- College Summit helps children from high-poverty high schools navigate the college application process — applications, recommendation letters and financial aid. College Summit works to change the culture within such schools from disinterest in college

to an expectation of attending and graduating from college.

- Jumpstart provides enriched pre-school opportunities in communities where too many children enter kindergarten or first grade unprepared to begin learning.

These successful reform organizations are improving educational outcomes for disadvantaged children. High-quality charter schools are doing the same. They share in common a spirit of entrepreneurship. But entrepreneurial education reform is not the only movement claiming the education reform mantle. The education establishment has pursued its own version for decades, calling for more state and federal money for public education in order to reduce class sizes. Of all the energy and money put into “education reform” in the last 25 years, by far the biggest chunk has gone to reduce class sizes. What does the research show about the effectiveness of these investments?

The general consensus is that cutting class size is very expensive and only leads to modest improvements in student performance. The Center for Public Education looked at 19 high-quality studies on class size and found that smaller classes in the early grades (K-3) can boost student academic achievement, but it took a class size of no more than 18 students per teacher to produce significant benefits.

Most states can only afford such drastic cuts in small pilot programs, or not at all. Several states, including California, have sought to reduce overall ratios to around 20 students per teacher, but the research suggests that such reductions have little or no impact. Yet the drive to spend more money, hire more teachers and reduce class sizes remains.

Dan Goldhaber, an education professor at the University of Washington, recently speculated as to why class size is a focus of education reform, despite the lack of results. “The obsession with class size stemmed from a desire for something that people can grasp easily — you walk into a class and you see exactly how many kids are there... Whether or not it translates into an additional advantage doesn’t necessarily matter.”⁴

New York City Mayor Michael Bloomberg also believes that class size reduction is a poor investment. “If you’re going to spend an extra dollar, personally, I would always rather spend it on the people that deliver the service,” he said. “If you have to have smaller class size or better teachers, go with the better teachers every time.”⁵

The evidence is quite clear that the entrepreneurial movement in public education reform is producing stronger results than the education establishment’s reforms. However, we must acknowledge a basic truth: the Achilles heel of the movement is its lack of market-based incentives. Entrepreneurs looking to grow a business can dangle the prospect of great profits before angel investors, venture capitalists and stockholders. Who do education entrepreneurs turn to for capital? Traditional philanthropy? Certainly. And the movement has been aided immeasurably by venture philanthropists who apply business investment principles to their philanthropic grants and low-interest loans. But at the end of the day, none of that money is coming back to the “investor”

because these organizations are, and must be, nonprofit.

Philanthropy must continue to be the foundation of education entrepreneurship. However, in order to go beyond the movement’s promising beginning, more is needed. Given that the Wall Street model won’t work, education entrepreneurs must have a clear understanding of the role of the other great aggregator and allocator of capital: government. Government funds the vast majority of K through 12 education in the United States: nearly 90 percent of all students nationwide attend public schools. Education entrepreneurs need government as their ally in the battle to transform public education. And mayors are the governmental officials with the highest stake in a better system of urban public education.

HOW MUCH CAN A MAYOR DO?

It is impossible to make broad generalizations about the role mayors play in public education today. This was not true 20 years ago when their role could be summed up in one word: none. With virtually every urban school district in America run by an independently elected school board, mayors had no direct involvement in public education. Most, frankly, were more than happy to leave it to someone else. Those few who ventured into the morass seeking to improve schools usually retreated after accomplishing little or nothing, but having taken a political hit. These pioneers learned that the education establishment dislikes “meddling politicians” more than just about anything else and, 20 years ago, the education establishment could defeat what it did not like.

The picture started to change as state legislatures, fed up with failing urban school districts, began to intervene. Typically using financial

mismanagement as a pretext for intercession instead of educational failure, they acted to grant control over city schools to mayors in Chicago, Boston, New York, Cleveland and a few other, mostly large, cities. These mayors saw that many of their challenges — crime, relocation of businesses and loss of jobs, neighborhood deterioration — were intertwined with the inability of their urban school districts to effectively teach so many low-income and minority children. High dropout rates, the achievement gap, unsafe school environments and other measurable shortcomings in the city schools could no longer be placed in the category of “someone else’s problem,” even when the mayor had no formal authority over the schools. So began a new era of mayoral immersion in public education. It has taken so many different forms that it is fair to say that each city, and each mayor, is in a class by themselves.

I made education reform one of my top issues when I ran for mayor in 1999. At the time, the mayor of Indianapolis had no direct role in public education, although my predecessor, Steve Goldsmith, had been one of those mayoral pioneers who tried to bring pressure for reform from the outside. In my first year, the year before the legislature passed the charter school law giving me the authority to license new schools, I worked to build a cooperative relationship with our school district superintendents (a merger of the county and city in 1970 had created a city with 11 separate public school districts). I lobbied the legislature for more school funding, even as I sought a charter school law the districts were less than enthusiastic about. Despite our differences, we worked together to pair more businesses with schools, to grow mentorship programs and to find grants for district-generated reform ideas.

Everything changed in May 2001 when the governor signed the new

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charter school law. Along with David Harris, my education advisor and new charter schools director, I immediately announced a process for applicants to create and run the new independent public schools we were ready to authorize. Suddenly, the superintendents saw me in a different light — as a potential rival. Fortunately, our collaborative relationship forged in my first year in office served us well. They might have wished I did not have the power to create schools that could draw away their students, but they did believe I sincerely wished for their success. For my part, I had come to appreciate that the shortcomings of the public school system were not as simple as so many business leaders and politicians imagined them to be. Providing high-quality education in communities troubled by extreme poverty, myriad social challenges, and a funding system tilted in favor of wealthy areas (at least with respect to facilities) cannot be turned

around just by “running the thing like a business.”

So we embarked on the creation of a new sector of schools in Indianapolis. For most families, this was the first time they had a choice of where to send their kids. This challenged our traditional public schools. We recognized that challenge, and sought to help them meet it. We partnered with Indianapolis Public Schools and won a Gates Foundation grant for small high schools that was, at our joint request, split about evenly between IPS and charter high schools. We supported a partnership between an IPS middle school and the Indianapolis KIPP (Knowledge Is Power Program) charter school that allowed KIPP to move into part of the middle school building, while remaining fully independent. It also enabled the principals and teachers of the newly created IPS boys academy and girls academy in the same building to be trained in the KIPP

methodology. In a surprising move that was unprecedented nationally, two of the 11 public school districts in Indianapolis, which had their own power to charter new schools, applied instead to the mayor’s office for charters. In doing so, the districts chose to have a third party authorizer judge the quality of their charter schools when they could have just chosen to be their own judge.

For those mayors who still want to remain outside the education reform battle, who see gaping political crevasses and limited political glory, I understand. It is always easier to avoid upsetting apple carts as you stroll through your city. But most mayors are not built that way. They love the job because there is no level of government where it is possible to get more significant things done than the local level. And there is no place with more power at the local level than the office of the mayor.

⁴ <http://www.nytimes.com/2009/02/22/education/22class.html>

⁵ Ibid

I have discovered that an unusual coalition of people and organizations support transformational change in public education. At the state and federal level, education reform is seen as pitting Democratic supporters of the education establishment against Republican opponents of teachers unions. That is changing. But at the local level, it has always been more nuanced. I am a Democrat who acted on a traditionally Republican view of education reform. I do not think it hurt me with Democrats, and I am sure it helped me with Republicans.

For those mayors who want a leadership role in one of the most important public policy issues of our time, it is essential to engage education entrepreneurs. As this paper has demonstrated, they are the only force operating in the public education system today that is delivering transformational change.

As I pointed out earlier, every city is different when it comes to the mayor's role in education. Some control the public school district because they appoint its school board. Some have no legal authority whatsoever. Some, like the mayor of Indianapolis, have some power, but not complete power. Regardless where any given city sits on this spectrum, its mayor can engage the power of entrepreneurship. Entrepreneurs thrive in an environment that has become stagnant. Entrepreneurs find ways around roadblocks.

But these forces of change will only bring their innovative energy to a city if they are welcomed and supported. Cities that understand and respond to this reality will be the leaders

in delivering higher quality education for their most underserved students.

In speaking with leaders of education reform organizations, a concern I hear frequently is that mayors want to put their own stamp on education reform. They are not terribly interested in engaging national organizations headquartered in other cities, the reformers say. This may be hard for many in the education reform field to understand, but it makes sense when you look at the type of person the job of big-city mayor attracts — people who are obsessive problem solvers and who have to tell the voters every four years what they accomplished. But, more mayors are coming to understand that they cannot do it alone, especially those who have the battle scars to show for their efforts to fight for change in education. These mayors know they need allies every bit as much as the education entrepreneurs need allies.

So how do you do it? In Indianapolis we recognized that the entire city needed to be mobilized if we were to effectively engage education entrepreneurs. Other than those starting charter schools, most of the reformers' work would be done in the 11 public school districts (starting with Indianapolis Public Schools) so, the districts had to be supportive. The entrepreneurs are funded predominantly by philanthropy, so expanding their work into a new city meant more fundraising. We knew we had to help lead that fundraising effort locally. And the broader community needed to understand that there was something positive going on. They wanted improvements in the pitiful dropout rates, the poor

test scores and the social problems those failures led to. Leadership means not only doing something, but doing it visibly. So the work of education entrepreneurs had to be explained to the people of our city.

There were a number of disadvantages in trying to do this solely in my capacity as mayor. It might have been different if I had controlled the public school districts, but I only had legal authority over the mayor-sponsored charter schools. I also wanted to take this out of the political arena, where it would have inevitably been labeled as a "mayor's initiative," and be at risk of being tossed aside by the next generation of elected officials. So, we created a new nonprofit organization called The Mind Trust. I have already described The Mind Trust's incubator program for new education entrepreneurs. The other half of its work is to bring established organizations to Indianapolis. This is the piece that can be replicated in every city, regardless of who controls the schools.

The superintendent of Indianapolis Public Schools, Eugene White, is a reformer and a leader with a track record of results. He enjoys enormous support in the city from a broad spectrum of interests. That has certainly helped. But, even a mediocre superintendent can see the benefits that an organization like Teach For America can bring to an urban district. The teachers recruited by TFA know what they are getting into. They understand they are going into the most difficult environments. They want to do it, to borrow from President Kennedy's speech about landing a man on the moon, because it is hard. So often

new graduates of traditional schools of education, in contrast, either underestimate the challenges of teaching in an urban school district or simply see it as a way station on their path to a more comfortable (and often higher paying) job in the suburbs. Either way, they are out of there as quickly as they can get out. Retention of young, high-quality teachers is just one of the many barriers to success for an urban school superintendent.

So, Eugene White embraced the idea of bringing Teach For America to Indianapolis. In fact, as a member of The Mind Trust's board of directors, he was part of the decision. That was the easy part. Next, however, we had to raise \$2.5 million to cover TFA's costs of launching in Indianapolis. Although TFA's teachers are paid by the school district (or charter school) exactly the same as any other newly hired teachers, it is not cheap to run an organization that recruits on hundreds of college campuses, trains its new hires in an intensive summer academy, and oversees their performance once they are hired into a school. IPS could not foot this bill. Without a local organizer of philanthropic support like The Mind Trust, many cities will never gain the benefit of Teach For America.

In our case, we raised \$2 million from the Lilly Endowment, and two individuals with a passion for education reform in our city contributed the rest. Finally, we had to tell the Teach For America story to the city. The Mind Trust organized a luncheon for 300 community leaders, including members of the news media, to introduce TFA. The keynote speaker was TFA founder and CEO Wendy Kopp.

That event sparked what became sustained interest from our local media in both TFA and the work of The Mind Trust. We needed the press to help us tell this story. Without it, few people in Indianapolis would have been aware of their city's leading role in promoting education entrepreneurship locally and nationally.

As of this writing, 45 TFA teachers have finished their first year working in IPS schools. The Mind Trust also brought in The New Teacher Project, which recruits mid-career professionals from other jobs to teach in the hardest to fill subject areas: science, math, special education, and Spanish. They brought 56 teachers to IPS this year. Eugene White says that without The New Teacher Project, a substantial number of these critical teaching positions would have remained vacant this school year. College Summit, the third national education reform organization brought to Indianapolis by The Mind Trust, is in its second year and working in three lower-income Indianapolis high schools.

The first year of The New Teacher Project's work in Indianapolis was a pilot program at Manual High School, the school with the lowest average family income in the city. Engaging existing entrepreneurial education reform organizations means not having to reinvent the wheel. Cities do not, on their own, have to figure out how to recruit dynamic new teachers, for example. Bringing in new partners is hard work, but not nearly as hard as building an organization from scratch. And these organizations have withstood the scrutiny of sophisticated philanthropists and academic analysts,

not to mention the competition in the education reform marketplace. It is a small sacrifice for mayors to give up the sole credit for an education reform idea in return for real results for the children most in need of a better education.

GOVERNMENT FUNDING FOR ENTREPRENEURIAL REFORM

THE FINAL PIECE OF THE puzzle is government funding. The \$526 billion⁶ spent on the current system of public education in this country dwarfs the funds private philanthropy puts into education reform each year. (Precise numbers aren't available; one estimate is that in 2006, philanthropy awarded \$1.36 billion.⁷) To fundamentally transform public education in the United States, government funds must support the reform work of entrepreneurial organizations, charter schools and even mayors. And this must go well beyond additional support from the federal government, as important as that is. A detailed discussion of education funding in the United States is beyond the scope of this paper. However, it is critical that mayors, education entrepreneurs, philanthropists and others leading this new era of school reform recognize that the reform work must become part of the mainstream as quickly as possible in order to gain the level of funding necessary to make it truly transformational.

⁶ <http://ftp2.census.gov/govs/school/06f33pub.pdf>

⁷ "Education Philanthropy Catching a Chill As Economy Cools Charitable Giving." Education Week. http://www.edweek.org/ew/articles/2009/03/18/25philan_ep.h28.html?tkn=ZPSFOpHUJAmCCHu4LvQR0NoQP5B31%2Fp%2FexW

CHAPTER 4: THE NEW INNOVATION PARTNERSHIP

OF ALL THE CHALLENGES mayors face, improving the quality of public education in their cities may be the most complicated. Their authority to act is usually in question. The politics are dangerous. The forces of the status quo are lying in wait, ready to pounce on them. Even if they do everything right, their ability to show progress in the short term is limited. Everyone has a different idea of what needs to be done. The history of successful reform is pretty bleak. When mayors ask themselves, as they do about every issue, “Is this a battle worth fighting?” there are endless reasons to say, “No!” I would counter that the answer has to be “Yes!” Not because there is

political gain, although I believe there can be, and not just because cities will not improve as long as half of our kids do not graduate from high school, but because mayors are the only ones who can bring about real reform.

The system will not reform itself. We know that. And for the reasons we discussed earlier, we can never expect it to. Alternatives, such as charter schools, are critical, but we need more high-quality charter schools and we need them to transfer their reforms to traditional districts more effectively. Education entrepreneurs are making a big difference today in traditional district schools and in charter schools. Surely there is more to come from the

next generation of Wendy Kopps. We cannot even envision the new ideas they will develop in the future. However, these visionaries cannot do their work without massive support at the local level. Only mayors are in a position to mobilize all the forces necessary to garner this support.

What we need is a new partnership. Mayors, philanthropists and education entrepreneurs can work together to overcome the forces that thwart reform. In those places where the partnership has already been working, the results are real. Those results are the beacon of hope we have been looking for.

Here are examples of what each of these players can do to bring about meaningful reform.

MAYORS

1. Meet individually with the CEOs of the major education reform nonprofits to discuss what they could bring to your city, and what assistance they would need to begin their work.
2. Discuss the options for using the services of outside nonprofit organizations to help lead change with the superintendent of the public school district and with charter school operators in the community.
3. Bring together locally based foundations and other key philanthropists to discuss a coordinated effort to bring in successful education reform nonprofits.
4. Engage community leaders, particularly those in the business community, and talk about this new approach to making transformative change in the public schools.
5. Lead the effort! Too often everyone involved wants to make it happen, but nothing moves unless the leader of the city makes it a priority.

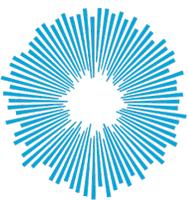
OF ALL THE CHALLENGES
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MOST COMPLICATED.

EDUCATION REFORM ORGANIZATIONS

1. Do not ignore the political leadership of the city. Too often education nonprofits focus solely on establishing relationships with the school districts or charter school operators and do not seek help from mayors.
2. Persevere. Attempting to connect with mayors can be frustrating — they can be hard to reach, they have priorities that your work may not seem to fit with, and they have their own ideas about how to do things. However, mayors are increasingly realizing that they need your help.
3. Find someone to help you navigate the political, philanthropic and educational environments as every city is different.

PHILANTHROPISTS

1. Recognize that local government is changing and is likely to be easier to work with than in the past. As tax bases shrink and financial crises are the norm in most cities, however, mayors are becoming more dependent on, and more respectful of, philanthropy.
2. Look for ways to magnify your impact. Unlike many other areas of philanthropy, education is supported by enormous governmental spending. Philanthropic support of education reform entrepreneurs can help them to tap into mainstream education funding sources through school districts and charter schools.
3. Use the greatest assets that philanthropists bring to the table — money, skill and experience in creating and managing partnerships — to help establish a collaborative effort among mayors, education reformers and funders.
4. Anyone who considers the sacrifices and incredible energy required to attain and hold elective office always wonders, “Can I make a difference?” For mayors, the education arena now presents opportunities to make a difference that did not exist even a few years ago. Most mayors are adept at saying that education matters more than almost anything else. Today, if mayors are willing to put in the work to lead collaborative efforts among city government, school districts, charter schools, education entrepreneurs and philanthropists, they can prove those are not just empty words.



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