



Seeds of Change in the Big Apple

Chartering Schools in New York City

by Robin J. Lake

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Preface

If you can make it there, you can make it anywhere...that is what they say about New York City. When it comes to education this means that, because of the size, scale, and challenges of public education in New York, any reform that succeeds there will certainly have at least some application elsewhere.

That is why New York City's experience with public charter schools is so important and worthwhile to examine. The nation's largest school system is in the midst of an initiative to welcome and host dozens of autonomous public charter schools. This initiative has enormous ramifications. There is general agreement that too few high-quality public education options exist for New York's children. Although chartering will not likely solve this problem entirely, it can help address it by creating new schools. Moreover, because of this lack of high-quality options, many New York City parents have been unable to exercise their right to choose new public schools under the No Child Left Behind Act.

In this new report for the Progressive Policy Institute's 21st Century Schools Project, Robin J. Lake of the University of Washington's Center for Reinventing Public Education examines charter schooling in New York City. Lake looks at the history, status quo, challenges, and future of charter initiatives there as well as for the rest of the state. She finds good reason for optimism, but some real challenges, too.

Lake's paper is an important resource for educators, policymakers, journalists, and others with interest in charter schooling in New York City and throughout the nation. This report is the fourth in a series that analyzes state and urban experiences with charter schooling. Previous reports looked at California, Minnesota, and Arizona. The 21st Century Schools Project will produce similar analyses this year about charter schooling in Indianapolis, Ohio, and Texas.

A generous grant from the Bill and Melinda Gates Foundation made it possible for the 21st Century Schools Project to produce this report. We are grateful to the Gates Foundation for their support of this project and their overall commitment to educational improvement.

The 21st Century Schools Project at the Progressive Policy Institute works to develop education policy and foster innovation to ensure that America's public schools are an engine of equal opportunity in the knowledge economy. The Project supports initiatives to strengthen accountability, increase equity, improve teacher quality, and expand choice and innovation within public education through research, publications, and articles, an electronic newsletter and daily weblog, and work with policymakers and practitioners.

The goals of the 21st Century Schools Project are a natural extension of the mission of the Progressive Policy Institute, which is to define and promote a new progressive politics for the 21st century. The Institute's core philosophy stems from the belief that America is ill served by an obsolete left-right debate that is out of step with the powerful forces reshaping our society and economy. The Institute believes in adapting the progressive tradition in American politics to the realities of the Information Age by moving beyond the liberal impulse to defend the bureaucratic status quo and the conservative bid to dismantle government. More information on the project and PPI is available at www.ppionline.org.

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Executive Summary

New York state was late to the charter school scene. The state law authorizing charter schools— independent public schools that are publicly financed and accountable yet free of bureaucratic constraints— passed in December 1998, making New York the 36th state with a charter school law.

Since that time, 50 public charter schools have opened statewide, including more than two-dozen in New York City. That is only a small fraction of the total number of schools in the city, but the school system has plans to open 50 more charter schools during the next five years.

Charter schools in the Big Apple deserve a close look not only because New York has more public schools than any city in the country, but also so that we can learn whether and how such a groundbreaking reform idea can have an impact in the largest school system in the country. This study reveals impressive early achievement results in charter schools across New York City and New York state. Moreover, charter schooling has led to the creation of schools that are able to capitalize on the rich community resources of New York City—even while being held to higher accountability standards under the New York charter school law than other public schools.

Beyond improving student learning in individual schools, New York City charter schools act as “seeds of change” for the entire school system in a variety of ways, some planned by school system officials and some unexpected. Examples include an innovative new charter school labor agreement, and charter school accountability requirements that push schools to analyze student achievement data to expose weaknesses in instruction and governance. Both of these models are beginning to influence districtwide labor negotiations and accountability requirements for all schools.

The New York City charter school story also reveals a necessary ingredient for driving system-wide change: strong district and union leaders who recognize that charter schools are what they make of them. New York City Mayor Michael Bloomberg

and Schools Chancellor Joel Klein recognize the potential for charter schools to infuse the school system with entrepreneurial energy and ideas and bring a unique combination of flexibility and accountability to a highly bureaucratic system. Klein and Bloomberg have begun to tackle the funding inequities, facilities shortages, and other challenges that are barriers to successfully starting charter schools within the city and statewide. Equally important, and unusual, is the fact that New York City’s teachers union did not oppose Klein’s charter school initiative—and the head of the United Federation of Teachers (UFT), Randi Weingarten, has expressed interest in starting a union charter school.

New York City’s record shows how urban school district leaders can take a sophisticated and thoughtful approach to a reform tool instead of responding defensively or antagonistically, as some have in other cities. For urban school district leaders interested in using charter public schools as a strategy for improving student achievement, New York City’s experience with charter schools makes it clear that it is not enough to simply solicit applications for new charter schools and then let them prove themselves. School districts and other charter school authorizing agencies must also:

- ❑ Reorient their central offices to fairly fund and effectively oversee independent public schools;
- ❑ Find ways to help create independent organizations to provide specialized facilities and technical assistance that school district central offices cannot or should not provide;
- ❑ Integrate charter schools into the overall school improvement strategy for the district by planning for how charter schools can replace or provide alternatives to failing schools;
- ❑ Be willing to close charter schools that do not meet the goals of their charters; and

- ❑ Make sure there are good alternative opportunities in other public schools for students displaced when a charter school closes.

The charter school movement in New York City also makes clear that urban districts cannot effectively use charter schools as a reform strategy without changes to state charter laws. Most state charter laws, including New York's, were not designed to support or promote systemwide chartering; they were crafted as compromises among interest groups primarily to get a number of charter schools up and running to demonstrate their potential. Now that the potential is clear, the next wave of state charter laws should:

- ❑ Ensure that state policies encourage the creation of new charter schools by allowing authorized

agencies to charter enough schools to reach all students in need of alternatives to traditional district schools; and

- ❑ Increase the capacity for charter schools to be successful for the most challenging student populations by providing equitable funding for charter schools and expanding access and funding for facilities.

In the vast system of the more than 1,300 New York City public schools, charter schools are still just isolated examples of innovation and success. Successful integration and impact there and in urban districts around the country will depend on savvy, strategic district and state charter school policies that recognize that seeds of change cannot flourish without nourishment and cultivation.

Introduction

They say that if you can make it in New York City, you will make it anywhere. If that is true for aspiring entertainers and businesspeople, it must also be true for schools. Because of its sheer enormity, diversity, and political intensity, New York City's educational battles cast many essential issues in American school reform in sharp relief. New York City schools exemplify the challenges urban districts face in financing, overseeing and staffing schools that work for children growing up in intense poverty. The number of students served by the city's school system is, in itself, reason to pay attention to New York City public schools.

A few facts help demonstrate the depth of the challenge for New York City school reformers:

- ❑ There are 1,302 New York City public schools serving 1.1 million students.

- ❑ Of those schools, 331 are identified as needing substantial improvement under the federal No Child Left Behind (NCLB) Act, and many more are considered to be struggling.

- ❑ Eighty-two percent of those students qualify for free and reduced-price lunch.

Despite the New York City school system's size and complexity, its administrative decisions do not take place in a vacuum; they happen in the broader context of state policy. This paper will examine charter schools in New York City to make recommendations for how New York City practitioners and policymakers—as well as New York state legislators—can improve charter policies to better serve children in the city, especially, but also throughout the rest of the state.

Charter Schools in the Empire State

Legislative History of the New York State Law

As with many states' charter school laws, the original 1998 New York legislation authorizing charter schools was the result of political horse-trading, fragile alliances, and arm-twisting. Republican Gov. George Pataki pushed for charter legislation for three years with little success due to opposition from Democratic lawmakers allied with the very powerful New York State United Teachers (NYSUT) and local school boards, who argued that charter schools would divert attention and resources from other public schools.

But in early 1998, black and Hispanic lawmakers received pressure from inner-city constituents to support charter schools, and the Legislature's Black and Hispanic caucus in turn urged the Democratic leadership to support a charter bill. This pressure (as well as the governor's threat to veto pay raises for lawmakers) was enough to bring Democratic leaders to the bargaining table to negotiate acceptable terms of a charter bill in the final days of the 1998 session.

The New York Times criticized the governor for a "slapdash" deal,¹ since there were no public hearings or debates. Pataki's strong-arm tactics led many observers to view the legislation as a largely conservative measure, even though the final vote was bipartisan. Since its original passage, the Legislature has amended the law slightly to create a charter school stimulus fund and to make minor changes to reflect changes in laws governing all public schools in New York state, for example, special education policies.

Some important features of the New York state charter law today include:

- ❑ The law encourages charter schools to serve students at risk of academic failure. This is clear in the law's

statement of intent and in many of its provisions.

- ❑ Local school boards can sponsor charter schools within district boundaries.
- ❑ To give charter schools an option for approval if the local board is not willing, two public agencies, the State University of New York and the New York State Board of Regents, are authorized to sponsor charter schools statewide.
- ❑ If the State University of New York (SUNY) or a local school board wishes to approve a charter application, the Board of Regents must also approve that application. If the Regents do not approve a charter application to a local school board, it may be revised and resubmitted to the Regents. However, if the Regents do not approve a SUNY application, SUNY can resubmit the application and, by law, approve the charter after a designated period of time.
- ❑ The law explicitly allows single-sex schools.

The New York law sets no limit on the number of charter conversion schools, so it is possible for districts to consider chartering many or all existing schools through conversions. So far, Buffalo is the only school board to officially consider converting a majority of its schools to charter status. In 1999, then-Chancellor Rudy Crew converted two traditional public schools in New York City to charter status. Currently there are four conversion charter schools in New York City: KIPP Academy, the Beginning with Children Charter School, Renaissance Charter School, and Wildcat Academy Charter School.



The Buffalo School District's "Renaissance Project"

In December 2003, the Buffalo School Board voted to "aggressively implement a portfolio of public charter school offerings," with the possibility of becoming an all-charter district.² The board's resolution describes the intent to create public charter school offerings that would be integrated with the district's core support services, promote student achievement, enhance parental choices of schools and neighborhood school opportunities, and nurture financial stability in the district. The resolution followed a feasibility study conducted by Buffalo's Education Innovation Consortium.³ Since passing it, the board has received 24 responses to an initial Request for Concept Proposals.



Key Provisions of New York State's Charter School Law

Table 1: Charter School Approval Process

APPROVAL PROCESS	
Eligible Chartering Authorities	The State University of New York (SUNY) Board of Trustees, the New York Board of Regents, and local school boards.
Types of Charter Schools	<ul style="list-style-type: none"> - Local school boards can authorize existing public school conversions and start-ups within district boundaries. - SUNY and Regents can charter start-ups only.
Limits on the Number of Schools	<ul style="list-style-type: none"> - Up to 100 new schools. All other chartering entities (SUNY and Regents can authorize up to 50 charters each statewide). - No limit on the number of conversion schools.
At-Risk Children Provisions	Preference goes to charter applications that demonstrate the capability to provide comprehensive learning experience to students identified by the applicants as at risk of academic failure.
Formal Evidence of Local Support Required	Majority of parents in support of conversions; for new starts, support sufficient to meet projected enrollment.
Term of Initial Charter	Up to 5 years.
OPERATIONS AND MONITORING	
Waiver from Most State and District Education Laws, Regulations, & Policies	Automatic.
Legal Status	Schools are legally independent of the school district, organized as educational corporations with tax-exempt status.
Opportunities for Charters to be Run by For-Profit Organizations	Charters may not be granted directly to for-profit organizations, but the schools may be managed by them.
Reporting Requirements	Schools must file an annual report that includes progress on educational objectives, a financial statement, and indications of parental and student satisfaction. Renewal is dependent upon reporting.
Accountability Standards	State performance standards and Regents requirements apply as they do for other public schools. Charters must administer all state assessments required for other public schools.
FUNDING	
Amount	Formula results in about two-thirds to four-fifths of traditional schools' per-pupil allotment, approximately \$6,800 - \$10,000 depending on the district. In New York City, the average charter school receives \$8,452 per pupil annually.
Path	Funds pass through district to charter schools.
TEACHERS	
Collective Bargaining/District Work Rules	<ul style="list-style-type: none"> - Schools enrolling up to 250 students in the first year are exempt. - Schools with enrollment larger than 250 must negotiate with teachers as a separate bargaining unit of the local union. - Ten SUNY-authorized schools are fully exempt. - Teachers in conversion schools remain covered by district collective bargaining agreement, but may by mutual agreement negotiate waivers from contract provisions.
Certification	Up to 30 percent—but no more than five teachers per school—are permitted to have alternative certification; uncertified teachers must meet specified criteria.
Retirement Benefits	Employees of charter schools may be deemed employees of the local school district for the purpose of providing retirement benefits, including membership in the teachers' retirement system and other retirement systems open to employees of public schools.
STUDENTS	
Eligible Students	<ul style="list-style-type: none"> - Schools must have open enrollment (with a lottery if overenrolled). - Schools are encouraged to serve at-risk students.
Preference for Enrollment	Students enrolled prior to conversion (for conversion schools), district residents, and siblings. In addition, a school may create a preference for at-risk students. Single-sex schools are also allowed.
Enrollment Requirements	At least 50 children and three teachers are required unless compelling justification is presented.

SOURCE: Adapted from the Center for Education Reform's Summary of New York State Law, <http://www.edreform.com>, and information provided by the Education Commission of the States, <http://www.es.org> Updates provided by PPI researchers, May 2004.

How Are Charter Schools Doing in New York State?

Demographics: New York State Charter Schools Are Serving the Intended Populations.⁴

New York state charter schools are—on average—small (the average New York charter school serves 212 students) and urban, with 42 of 50 charter schools located in either New York City, Rochester, or Buffalo. True to legislative intent, the majority of New York charter school students are eligible for free and reduced lunch (74 percent, compared to 51 percent statewide), and the schools attract a predominantly minority population (85 percent students of color, compared to 45.5 percent statewide).

In New York City, charter schools serve an even higher concentration of poor and minority students: Ninety-six percent of charter school students are minority, and 82 percent are eligible for free and reduced lunch (compared to 87.1 percent minority and

82 percent eligible for free and reduced lunch in all New York City public schools). New York City and state charter schools do, however, have lower proportions of students with disabilities than all public schools in the state.

Academic Achievement

Compared to “veteran” charter states like Minnesota and California, New York is a relative newcomer. No charter school in New York has been in operation for more than five years and most are in their third year of operation or less. In that short history, however, New York charter schools have already shown impressive results in their students’ test scores, and four of New York’s highest-performing charter schools are located in New York City.

In December 2003, the State Board of Regents released a legislatively mandated report on the



Table 2: Facts About New York’s Charter School Student Population

	New York State Charter Schools	All New York State Public Schools	New York City Charter Schools	All New York City Public Schools
How many schools in operation (2003-2004)?	50	4,315	24	1,302
How many students served (2002-2003)?	10,577	2,822,904	4,442	1,049,831
What percentage of students are minorities (2002-2003)?	85%	45.5%	96%	87.1%
What percent of students qualify for free and reduced lunch (2002-2003)?	74%	50.6%	82%	82%
What percentage of students are enrolled in special education programs?	11.8%	15%	7%	14%

SOURCE: The University of the State of New York, “Board of Regents Report to the Governor and the Legislature on the Educational Effectiveness of the Charter School Approach,” *The State Education Department*, December 2003, <http://www.emsc.nysed.gov/psc/5yearreport/fiveyearreport.htm>.

educational effectiveness of charter schools in New York state.⁵ The Regents' analysis found that, although charter school students started with low baseline test scores, most showed significant improvement rates by the 2002-2003 school year, and their rates of improvement are increasing over time.

The Regents' report also shows that the rate of improvement for charter schools exceeded that of their home districts on most state-mandated math and language arts test scores. Starting far behind and catching up quickly is a common achievement pattern for charter schools in other states and may be a result of low-achieving students choosing charter schools. Charter schools' rates of improvement may also be increasing over time because it often takes charter schools two to three years to resolve early start-up challenges and fine-tune instruction sufficiently to demonstrate strong academic progress.

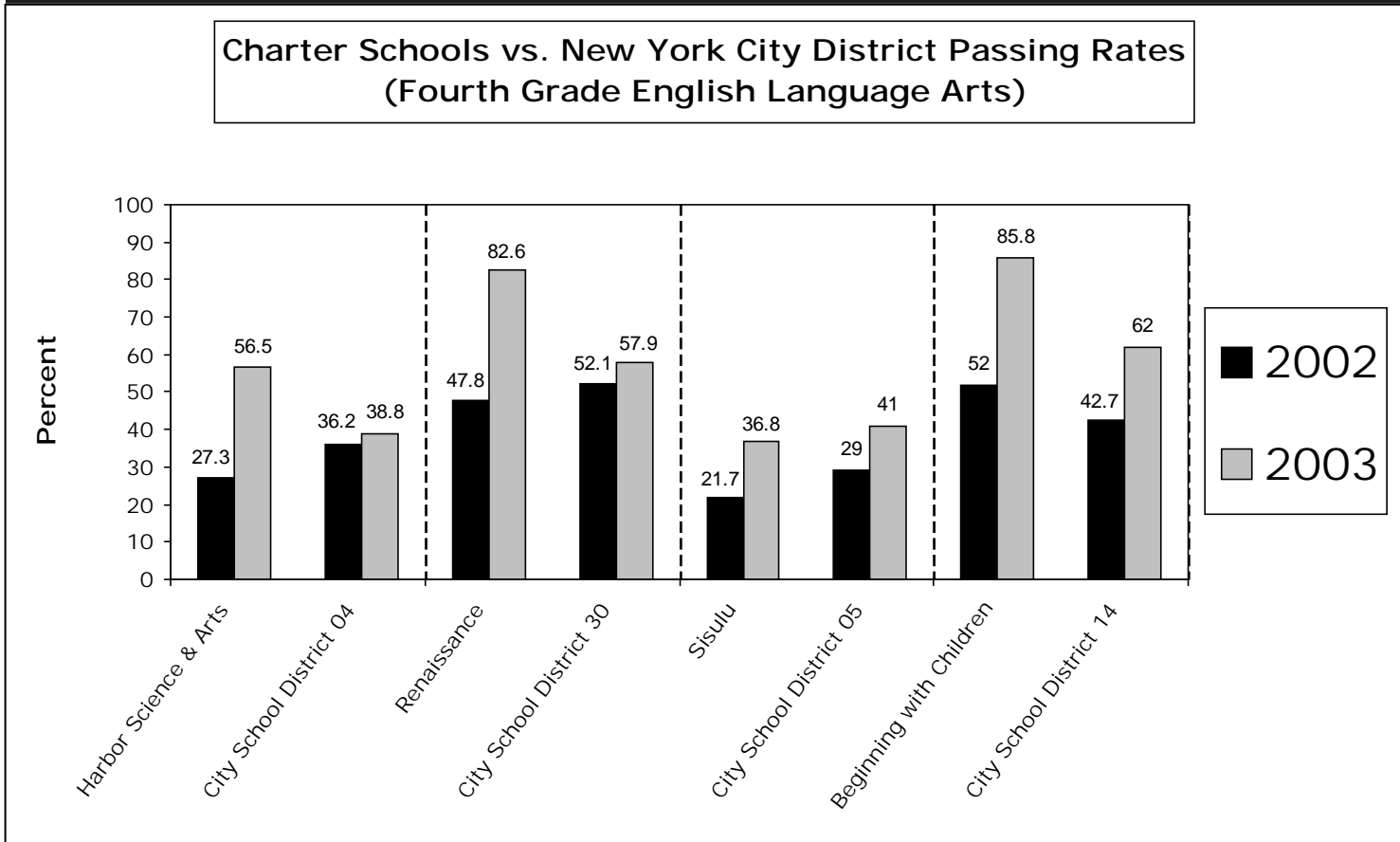
Chart 1 shows the absolute scores for New York City charter schools that administered the state-mandated fourth-grade reading exam for 2002 and

2003. For every charter school, the rate of improvement exceeds that of schools in the district or subdistrict of comparison.⁶

These early results from New York City's charter schools are especially notable given that charter funding is only about two-thirds to four-fifths that of other public schools across the state.⁷ As RAND's recent report on California's charter schools suggested, the success of charter schools in the face of such funding disparities may suggest a greater level of productivity.

Though these are certainly encouraging results, appropriate caution is in order. The Regents' report only had a few years of data to analyze, and comparing charter school test score improvement to the rate of improvement in the districts of location provides only a rough approximation of the more sophisticated methods needed to truly measure the value added by charter schools. Recommendations for deeper analysis of student achievement in New York charter schools come later in this report.

 **Chart 1: New York City Charter Schools are Improving Faster Than Their Neighboring Schools**



SOURCE: The University of the State of New York, "Board of Regents Report to the Governor and the Legislature on the Educational Effectiveness of the Charter School Approach," *The State Education Department*, December 2003, <http://www.emsc.nysed.gov/psc/5yearreport/fiveyearreport.htm>.



Pick of the Crop

The four highest-performing charter schools in the state are located in New York City. The descriptions below provide a taste of the schools' missions and latest performance results.⁸

Bronx Preparatory Charter School, Bronx

"We will repudiate the notion that low academic achievement & behavior problems are to be expected of kids from low-income families. Instead we will deliberately establish a school culture where learning, civility, caring & academic success are not just considered good things, but are the expectation—all the time."

—Excerpt from the original Bronx Prep charter application

The primary mission of Bronx Prep is to prepare all of its students for college by focusing on academics and high expectations. Every student wears a shirt that says: "Bronx Preparatory School. Preparation. Focus. Success." There are 200 days in the school year, with each one lasting from 7:55 a.m. until 5:15 p.m. The school uses a Core Knowledge curriculum and teachers revise the scope and sequence of skills each year based on the New York State Learning Standards. Every teacher uses the same "lesson plan" format in his or her classroom. The school partners with the Bronx Museum.

Bronx Prep opened for the 2000-2001 school year and served 100 fifth and sixth graders. Because a grade has been added each year, the school

currently serves grades five through 10 and will ultimately serve students from grades five through 12, providing eight years of consistent learning. The student body is made up entirely of minorities, split between black and Hispanic students, and almost 100 percent of the students qualify for federal lunch programs. In just its third year of operation, Bronx Prep has test scores that are far ahead of neighboring schools.

The Renaissance Charter School, Manhattan

The Renaissance Charter School is a small K-12 program (490 students) that has defined its role as "Developing Leaders for the Renaissance of New York." Its mission as a K-12 school is to foster educated, responsible, humanistic young leaders with a thorough understanding of New York's heritage who will, through their own personal growth, spark a rebirth or "renaissance" in New York.

The school aims to provide a supportive, stimulating environment where young people can flourish in a small, village-like atmosphere. At the same time, the environment is carefully structured to reflect the spectrum of the different ethnic backgrounds, talents, and abilities that exists in New York City.

The study of New York is the central curricular theme of the Renaissance Charter School. Traditional

Chart 2: Bronx Preparatory Charter School Test Scores

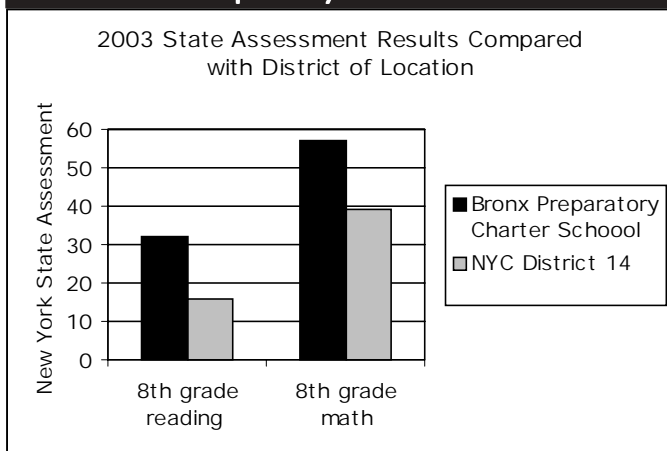
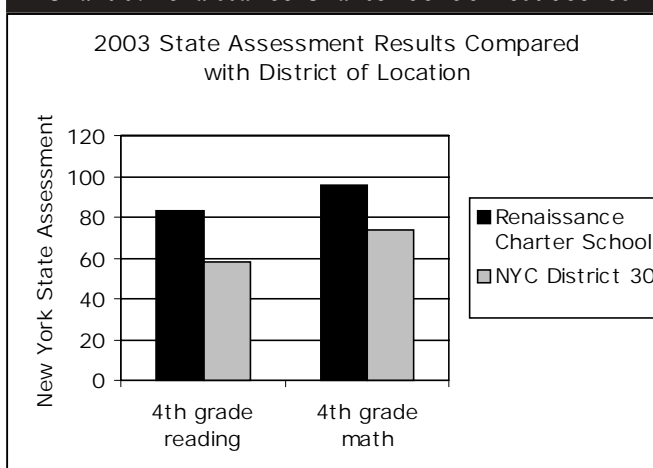


Chart 3: Renaissance Charter School Test Scores



subjects such as math, science, language arts, and social studies are related to the study of the geography, history, economics, culture, and people of New York.

Forty-five percent of students are eligible for free and reduced lunch. Eighty-one percent of the students attending the school are minority and 17 percent are white.

KIPP Academy Charter School, Bronx

Also located in the Bronx, the KIPP Academy is a college preparatory middle school committed to the “Knowledge is Power Program.” This philosophy states that there are no shortcuts to success and happiness in life. Teachers, students, and parents are all expected to adhere to the “KIPP Commitment to Excellence Form” that outlines the behaviors vital to individual student success and overall school success.

The school serves 251 students in grades five through eight and has expanded to include “KIPP to College,” an in-house program dedicated to helping KIPP alumni through high school and college. All students are minorities, and all qualify for federal lunch programs. Days last from 7:25 a.m. to 5:00 p.m., and include four hours on Saturdays. There are 213 days in the school year. Classes focus on developing students’ basic skills, literacy, and critical thinking. All KIPP students learn how to read music and play an instrument.

The KIPP staff has helped place the academy’s 243 graduates at top-quality private and parochial high schools in New York City and around the country.

Beginning with Children Charter School, Brooklyn

The Beginning with Children Charter School is a conversion school located in the Williamsburg section of Brooklyn. The high school dropout rate in this neighborhood has been as high as 80 percent, and basic skills such as reading and math have been consistently behind grade-level for a majority of students.

Chart 4: KIPP Academy Charter School Test Scores

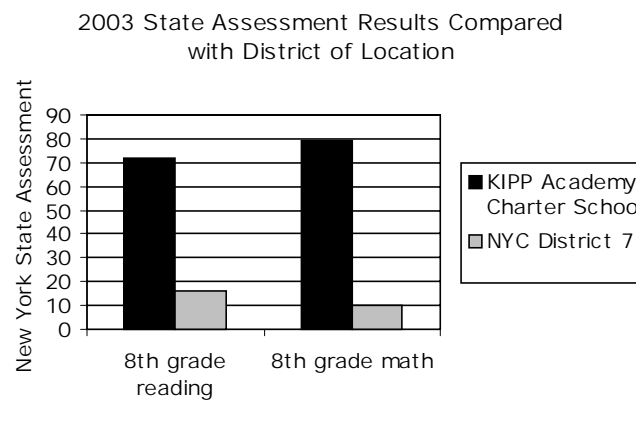
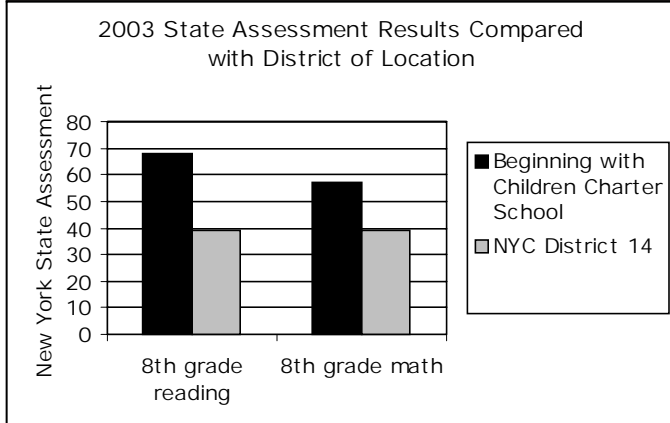


Chart 5: Beginning with Children Charter School Test Scores



The school’s mission is to provide its students with an education based on high academic standards and strong school, family, and community partnerships. The school seeks to provide the opportunity for children—including at-risk students—to succeed academically, socially, and intellectually.

The Beginning with Children model, first used in 1992, focuses on using continuous student assessment to improve curriculum and staff development. Students are tested upon entry, and this information is used to help teachers guide instruction for individual students and the class as a whole.

SOURCE: The University of the State of New York, “Board of Regents Report to the Governor and the Legislature on the Educational Effectiveness of the Charter School Approach,” *The State Education Department*, December 2003, <http://www.ensc.nysed.gov/psc/5yearreport/fiveyearreport.htm>. School descriptions adapted from SUNY school profiles and inspection reports.

Impacts Beyond Achievement

While the report card on charter school student achievement is necessarily tentative, charter school students and parents in New York state also give the schools high marks on other indicators, as well. A poll of 300 parents of New York charter school students by the Manhattan Institute found that parents were twice as likely to give charter schools an “A” grade than they were to the previous school their child attended.¹⁰ In the same study, nine out of 10 charter school parents surveyed say there are *no* problems of guns on school property, gang activity, drug use, or property destruction.¹¹ Another indication of charter schools’ attractiveness to parents is that, in 2002, every charter school sponsored by SUNY had a waiting list.

Charter schools have not “drained” school district budgets the way that the school board association originally argued they would. The most severe financial impact on any New York school district in 2000-2001 was a 5.3 percent financial transfer to charter schools in the Lackawanna City School District. Compared to the normal ebbs and flows of district enrollment, this is a real but

manageable challenge. According to the 2003 Regents report, “most districts report little financial or programmatic impact from having students attend charter schools.”¹² New York City, which has the highest concentration of charter schools, experienced a “negligible” budget impact according to the report. In considering these impacts, it is essential to note that while charter schools may transfer resources away from some existing public schools to new ones, students and funds transferred to charter schools remain in the public sector.

Far from draining resources, charter schools in New York are arguably attracting new resources, ideas, and assets into the public school system. Charter school leaders are often veteran managers from the nonprofit or private sector with entrepreneurial drive and diverse experiences who can stimulate change and renewal, as well as initiate new public-private partnerships within public school systems.

System Effects of New York State Charters

Even though New York charter schools serve less than 1 percent of all students in the state, the impact on district practice is already evident



Seeds of Change: Partnerships That Bridge Community Resources and Schools

King Center Charter School, Buffalo

The King Center Charter School serves an at-risk population in East Buffalo. It uses a holistic model for early childhood development based on the multiple intelligences identified by Howard Gardner. The school is located in a renovated church building housing the King Urban Life Center, a nonprofit community-based organization.

The school has unique partnerships with the State Universities at Buffalo and Fredonia, and Houghton College, whereby early childhood educators and students participate in distance learning via the King Center’s state-of-the-art multimedia center located in what was once the sanctuary of the church. The organization also runs after-school, weekend, and summer programs for children in East Buffalo.

Harlem Day School, Manhattan

Harlem Day Charter School was established by Sheltering Arms Children’s Service—an agency with more than 30 years experience operating early childhood education, daycare, and after-school programs in Central and East Harlem—and Benjamin V. Lambert—a successful real estate entrepreneur with a history of working closely with educational organizations.

Located in a high-need community, Harlem Day School offers a back-to-basics academic program utilizing a Core Knowledge curriculum. The school’s instructional program also weaves in state learning standards and emphasizes reading, writing skills, and character development.



Seeds of Change: Promising Practices of New York Authorizers

Authorizing entities use a number of techniques to ensure that New York charter schools fulfill their missions. Examples include:

- ❑ The SUNY system requires all of its schools to undergo a site visit in their third year of operation. The site visit is based on a model that originated in the British school system and has served as the guiding framework for Massachusetts charter school site visits. SUNY staff, and sometimes outside experts, meet with the school director or principal, observe classrooms, review student work, and engage in informal discussions with students and staff. The site visits enable them to evaluate the schools' effectiveness in teaching and learning, social environment, facility, and fidelity to the school's charter and mission and are intended to both inform SUNY's renewal decision and help the schools improve practice.
- ❑ The New York City Department of Education oversight model focuses on building school-level capacity for continuous improvement. The department requires its charter schools to complete annual reports that address six areas: students; teaching and learning; families and community; staff; operations and facility; finance; and governance. The department also asks schools to reflect on their performance data and propose strategies for improving performance.

statewide. Just two years after the charter school bill's passage, the New York State School Boards Association urged its members to view themselves as competing for students even if no charter schools are on the horizon, and to treat students, parents, taxpayers, and other stakeholders as customers who expect good value.¹³ As the following sections describe in greater detail, leaders in New York City (as well as Buffalo and Rochester) now speak of charters as an integral element of their overall reform strategy. Charter school accountability policies and labor agreements are serving as models for other New York City public schools.

Authorizing

Nationwide, there is growing recognition that the process of authorizing charter schools is one of the key influences on the quality of charter schools.¹⁴ Authorizers are responsible for judging whether an applicant is qualified, overseeing schools in the spirit of performance-based accountability that avoids burdensome reporting and respects

school-level autonomy, and judging whether charters have fulfilled their contractual promises and should be granted renewal.

Despite a complex and possibly overly burdensome regulatory environment (discussed in more detail below), New York state authorizers uniformly receive high marks from researchers who say the agencies are thorough, have high standards, and work hard to revise oversight in response to school needs.¹⁵ According to a report from New York University's Institute for Education and Social Policy, "All three authorizers (SUNY, Regents, and the New York City Department of Education) have developed oversight systems that are both more comprehensive and more frequently applied than those used for traditional public schools."¹⁶

As will be discussed below, SUNY's Charter School Institute recently made politically unpopular decisions to close a charter school and put another on academic probation at the end of the schools' first five-year contracts. By sticking to its academic performance standards, SUNY demonstrated its commitment to upholding the responsibilities entrusted by the state.



Seeds of Change: Creating Models for New Labor-Management Agreements

Amber Charter School is the only newly formed New York charter school that operates on contract with the United Federation of Teachers (UFT), and the unique contract has been touted by union leaders and district officials as a model for the labor contract covering all New York City public schools.

Amber was founded in September 2000 as a “partial-immersion” model of language instruction in which all children are immersed 50 percent of the time in English-language classes and 50 percent of the time in Spanish-language classes, beginning in kindergarten. Sponsored by the Community Association of Progressive Dominicans, the school’s original mission was to prepare all students to meet New York State Learning Standards at high levels of achievement while becoming fluent in both English and Spanish. After struggling to find facilities in its early years, Amber initially located in Central Harlem and, as a result, attracted an 84 percent African-American population. Because it attracted fewer Spanish-speaking students than anticipated, Amber has shifted to emphasize English instruction, but still sees Spanish language and culture as important parts of the curriculum. As a result of the school’s mission, the teachers at Amber come from diverse backgrounds and bilingualism is a prized skill.

The UFT contacted the charter school at the end of its first year and proposed to work with it to build a model relationship. The school’s leadership and teaching staff were excited by the idea of contributing to a national model and saw great potential in having the UFT as a political ally.

The contract itself is only six pages long (compared to the 200-page contract that governs other New York public schools). Its main provisions include:

- A salary schedule that is a modified step system based in part on seniority and in part on improvement in practice;
- A requirement that, in order to move up in the salary schedule beyond seniority increases, teachers must complete professional growth projects directly associated with student learning at the school. Projects must be approved by a joint union-management committee;
- An agreement that salary increases for educational degrees and college credits will only be awarded if the degrees or credits are in a field where the school needs to develop expertise; and
- A grievance procedure (outlined in the school’s personnel manual) that requires an employee to first address a co-director and then if the problem is not resolved, appeal to the school’s governing board, which includes a teacher representative.

Union membership does not provide any additional retirement or health care benefits for teachers, but Amber managers benefit from union membership by attracting those teachers who value the added stability and security of union membership and UFT staff resources. The contract and the implied alliance with the UFT also bring political advantages. According to school leaders, this alliance has helped the school in negotiations with the city regarding facilities, and the union affiliation has opened doors to civic groups and state legislators. The UFT even changed its position to side with charter schools against proposed state cuts to charter school funding. Amber’s co-director, Jon Moscow, explained why the union came to the defense of charter schools in this case: “They saw that what we get affects our ability to compensate teachers.”¹⁷

The slimmed-down, customized contract is working well for Amber charter school, and district officials hope it will serve as a model for the next citywide contract.

Political History of Charter Schools in New York City

Charter “Starters” Go From Being Self-Seeding to Intensely Cultivated

In the months before and after passage of the New York state charter law in December 1998, charter schools were often used as a pawn in sometimes absurd political battles between New York City’s most powerful leaders. At one time, then-Chancellor Rudy Crew told reporters that charter schools would undermine his ability to hold all schools to high standards. Then, a few months later, when Crew about-faced and attempted to convert 11 New York City schools to charter status, then-Mayor Rudy Giuliani interfered, arguing that those schools might increase teacher salaries, setting a precedent that would interfere with broader teachers union negotiations. Some interpreted the mayor’s opposition as payback for the chancellor’s vocal opposition to school vouchers.

At that time, the mayor had a strong but indirect influence over New York City schools, the mayor appointing two of the seven board of education members, who in turn appointed the chancellor. These political spats over charter schools seemed to be less a partisan issue than a turf issue. The New York City teachers union voiced similar concerns to Crew but was reassured that individual charter schools would not be able to hire more than five uncertified teachers. Union President Randi Weingarten went on record saying, “No one ever gets everything they want, but I don’t feel the union was hurt by this at all.”¹⁸ When the battle between the “Rudys” ended with the resignation of Crew, charter schools gained a foothold in New York City, but only because SUNY and the New York Board of Regents approved some charter schools in the city.

The short tenure of Chancellor Harold Levy brought new attention to charters but, again, little action. Levy and Giuliani hoped to convert five failing schools to charters and turn their management over to for-profit companies. Portrayed by opponents as a privatization effort with charter status as the legal vehicle, the plan was fiercely opposed by the teachers union and ultimately failed to convince the required 50 percent of parents at the schools in question that their children would be better off. At the time of

Chancellor Levy’s departure, six chancellor-authorized charter schools were operating in New York City: four conversions and two new schools. While the two statewide agencies empowered to charter schools continued to approve several new charters a year in New York City, applicants struggled to put together needed start-up funds and find adequate and affordable facilities in the dense metropolis. As a result, by the end of 2001, only 18 charter schools were available to serve New York City’s needy and expansive student population.

The City, Schools, and Civic Community Join Forces to Create New Schools

Michael Bloomberg became New York City’s mayor in January 2002 after the term-limited Giuliani left office. Bloomberg immediately sought and won direct control of the city’s school system. The New York State Legislature gave him complete control over an expanded Panel of Education Policy, abolished the city’s 32 local boards of education, and allowed the mayor to appoint the chancellor directly. In July 2002, Bloomberg appointed Joel Klein as chancellor. Before becoming chancellor, Klein was a corporate CEO, worked as an anti-trust assistant attorney general for the U.S. Department of Justice, and served as deputy counsel to President Clinton. Klein was brand new to the world of public education and for months nobody knew how he would try to make his mark in New York City.

The wait finally ended for charter school supporters in October of 2002 when Klein announced his intent to create a more welcoming environment for charter schools, in which they “can feel supported and can thrive.” Recognizing the disproportionately low number of charter schools in New York City compared to other urban districts, Klein began to speak of creating a “more congenial environment” for charters and an “array of options” for students in New York City schools, though he was short on specifics.

One year later, Klein announced a path-breaking initiative to open 50 new charter schools in five years. Klein enacted several significant policies to support this initiative, most notably, the provision of public space for charter schools. The 50 schools are also to be supported by a new nonprofit corporation that will be funded by private foundations and jointly governed by the philanthropic supporters, community representatives, and the New York City Department of Education. A “critical element” of Mayor Bloomberg and Chancellor Klein’s broader reform agenda, the charter school initiative is part of a larger “new schools” strategy to create 200 new small schools designed on proven characteristics of highly effective schools. Said Klein:

“So why is it, that I—the public schools Chancellor—am an unalloyed supporter of charter schools? Frankly it’s simple: educators, families, and children want good schools. Charters are one way to create them. Charters bring in new blood. These are leaders and entrepreneurs who are not otherwise part of the system. They are people with ideas, with creativity, and who are willing to give their all for their students. On that central basis, when we have a city where there are

thousands of kids not getting the education that they need and deserve, I don’t see why we would in any way shut down more options and new opportunities.

I think we should support charters for another reason. Public education in large urban areas in the United States has failed. This is a somewhat heretical thing for a schools chancellor to say. But if we are not going to be candid, I don’t think we can take the kind of steps we need to make the necessary changes. New York City is actually one of the best urban school systems in the United States, but by any measure, I guarantee you that at least half, probably more than half, of our students are not remotely getting the education they deserve ...

... So why have we had so many decades of reform and so little change? I think it is because people continue to focus on program-based reform. They are unwilling to get their heads around the fact that in large urban areas the culture of public education is broken. If you don’t fix this culture, then you are not going to be able to make the kind of changes that are needed. Programmatic reform is important: curricula, class size, after-school programs, summer school—those things are very important. But unless we are prepared to deal with the culture in public education, I don’t think we can get the kinds of results that we need for our kids.”¹⁹

Challenges Ahead for Charter Schools in New York City and State

Uneven Quality

Overall, New York charter schools are showing promising, if not unequivocally stellar, achievement, and there are clearly numerous examples of high-performing, successful charter schools. But some charter schools are better than others and, as in every state with a charter school law, not every New York charter school is thriving. Five of the first 60 schools approved closed during the past five years (three voluntarily). This year, the first three charters in the state reached the end of their initial five-year contractual terms, and came up for renewal. Of those three, the sponsor, SUNY, decided to close the John A. Reisenbach Charter School (in New York City), renewed the charter of the New Covenant Charter School (in Albany) with conditions, and gave the Sisulu Children's Charter School (in New York City) probationary renewal.²⁰

This is hardly a glowing record for the state's first three charters, but some struggling schools are part of the package for any new reform effort, and other charters are turning in much more promising results. Especially in the first few years of a charter law, it is common for new charter schools to encounter struggles that other charters later learn to avoid, and for authorizers to allow schools to open that they later learn were not ready. What will make or break the long-term success of charter schools in New York is what happens to schools that are not making the grade. By making a politically difficult decision to close a school popular with parents and to put others on notice, SUNY and the other organizations that supported its decision (including the New York Charter School Association and Resource Center) sent a strong message to other New York charter schools that these organizations stand behind the primary purpose of charter schooling: improving student achievement.

The planned closure of the Reisenbach Charter School illustrates the challenges that charter authorizers often face. Although the school failed to meet the standards of its charter, it was considered by many to

be better than most of the other public school options. The New York City Department of Education has been finding alternative placements for those students, but was recently criticized by City Councilwoman Eva Moskowitz (a charter school proponent) and by former Reisenbach parents for failing to make adequate placements for displaced students.²¹ In effect, the school's authorizer, SUNY, is facing the reality that closure of weak charter schools can force students to attend even worse district schools.

Caps Stifle School Districts' Ability to Use Chartering as an Improvement Strategy

The approval process outlined in the law means that groups wanting to start new charter schools in New York City can apply to either the Board of Regents, SUNY, or the chancellor. But the law allows only 100 new charter schools. Because 63 new schools were already approved at the end of 2003, New York City cannot, under current law, achieve its goal of 50 additional charter schools in five years.

In the 2002-2003 school year, New York City public school officials identified at least 300,000 students in 315 schools who were eligible for transfers under the federal NCLB Act. Despite the fact that only 8,000 of those students chose to transfer, the influx of students into high-performing schools caused class sizes in receiving schools to balloon. This problem will worsen in coming years. Charter schools offer an obvious opportunity to create new options for students in failing schools. Yet, New York City, like most other urban districts, has not yet aggressively used chartering to expand the supply of public schools. As long as there are statewide caps for creating new school options within urban districts, district leaders will have their hands tied.

Too Accountable?

The 24 charter schools that are currently operating in New York City are sponsored by SUNY (15), the


Table 3: Reporting Requirements for SUNY/CSI Charter Schools in 2001-2002

Date Due	Submit To	Name
June 1 (2001)	District(s) of residence State Education Department (SED) Charter School Institute (CSI) (SUNY)	1st bimonthly attendance & enrollment billing report
August 1	District(s) of residence SED CSI	2nd bimonthly attendance and billing report
August 1	SED CSI	Annual Report -School report card -Copy of most recent independent financial audit -Copy of certified financial statement for past fiscal year -Discussion of progress made towards achievement goals set forth in charter
August 1	CSI	Accountability Plan Progress Report
August 15	CSI	Quarterly statement of income and expenses (for quarter ending June 30)
August 30	CSI	Roster of teachers (indicating certification status)
October 1	District(s) of residence SED CSI	3rd bimonthly attendance & enrollment billing report
October 30	SED CSI	Annual Financial Audit Report (due 120 days after close of school)
November 15	CSI	Quarterly statement of income and expenses (for quarter ending September 30)
December 1	District(s) of residence SED CSI	4th bimonthly attendance & enrollment billing report
December 1	CSI	Student admission and recruiting information
January 28	District(s) of residence SED CSI	5th bimonthly attendance & enrollment billing report
February 15	CSI	Quarterly statement of income and expenses (for quarter ending December 31)
April 1	District(s) of residence SED CSI	6th bimonthly attendance & enrollment billing report
April 1	District(s) of residence	Parental requests for transportation
May 15	CSI	Annual Budget & Cash Flow Report (for next fiscal year)
May 15	CSI	Quarterly statement of income and expenses (for quarter ending March 31)
June 1 (2002)	District(s) of residence SED CSI	1st bimonthly attendance & enrollment billing report

SOURCE: Adapted from Chart II in "Charter School Accountability in New York," *Institute for Education and Social Policy*, March 2003.


New York City Chancellor (six), and the Board of Regents (three). This means that a charter school located in New York City but sponsored by SUNY might be asked to report to SUNY (as authorizer), the New York State Department of Education (for state compliance assurances), and the New York City Department of Education (for fiduciary compliance).

Despite efforts to clarify the division of labor, overlapping responsibilities remain a challenge for the agencies and the schools alike. Tables 3 and 4 list the required reports and oversight visits for New York City charter schools sponsored by all New York state authorizers.

Whether this is too much oversight for charter schools in New York City and state is a matter of balanced judgment. But as charter school leaders are keenly aware, every hour a charter school staff member spends filling out reports or preparing for and hosting monitoring visits is an hour that could have been spent in the classroom or on internal school needs. A streamlined oversight process should be the goal, and charter school leaders should be involved in continual assessments of how to achieve that goal.

Inequitable Funding

In New York, as in many other states, charter schools receive less public funding than other public schools. An analysis just released by New York University's Institute for Education and Social Policy shows New York City charter schools receive, on average, \$8,452 per student to pay for annual operations costs and *no* funding to pay for facilities. Other New York City (non-charter) public schools receive an average of \$9,057 per student for operations, and facilities are provided.²² Because the average charter school spends approximately \$1,600 per student on facilities, New York City charter schools receive, in effect, approximately \$2,200 per year less for every student than other New York City public schools—yet they serve many of the students most at-risk of academic failure. The NYU study also showed that the funding discrepancy varies for individual schools—anywhere from \$500 to \$8,000 (excluding facilities funds)—depending on grade level and number of students with disabilities served. This is a significant amount of money

 Table 4: Oversight Visits to New York City Charter Schools by Authorizer in 2001-2002			
	Regents/SED Upstate Charter Office	SUNY/CSI Charter Schools	Chancellor/DOE Charter Schools
Pre-Opening	—	Prior action checklist visit	Pre-opening visit
Year 1	Initial visit and checklist of all New York Seed schools	Two informal visits One formal visit	Two formal visits, jointly with SED
Year 2	Beginning of year visit and checklist of all New York Seed schools	Two informal visits One formal visit	Two formal visits, jointly with SED
Year 3	Comprehensive monitoring of all New York state or Seed schools	Formal review by an outside agency	Two formal visits, jointly with SED
Year 4	Beginning of year visit and checklist of all New York Seed schools	To be determined	Two formal visits, jointly with SED
Year 5	To be determined	To be determined	Renewal visit

SOURCE: Adapted from Chart III in "Charter School Accountability in New York," *Institute for Education and Social Policy*, March 2003.

charter schools could use to serve students with high-level needs.

The source of this disparity is complex, but according to the authors of the NYU study, it is mainly attributable to charter schools' ineligibility for state categorical funds and local tax levy funds for special education, both of which could be remedied by changes to law and regulations.²³ In New York City, special education funding for charter schools was doubled under the Klein administration in the spring of 2003 to address a large component of this disparity, charter schools in other New York school districts, however, continue to lose out on local funds that their students would otherwise be eligible to receive.

A level financial playing field is important for at least three reasons. The first is equity: students in charter schools are losing out on public funds intended to serve their needs. Second, in order to create a new supply of schools, potential charter providers have to believe they have a reasonable chance of meeting children's needs and achieving high academic standards. Finally, as a recent report of a national commission on school choice says well: "Perhaps the surest way to ensure their failure, is to implement choice programs quickly, carelessly, and cheaply, optimistic that at some point things will work out for the best."²⁴

Political Opposition

In New York City, charter schools seem to be, for now, accepted by most powerful interest groups as here to stay. There is no apparent opposition to the chancellor's charter school expansion plans. If charter school growth continues to the point where charter

schools serve a significant percent of the student population and begin to have real budget implications, this may change.

Elsewhere in New York state, however, political opposition is alive and well. The Buffalo School District's Renaissance charter initiative (see box on page 8) may be threatened by the recent election of four anti-charter board members. All four charter school opponents were endorsed by the Buffalo Teachers Federation and several other school district unions, which strongly oppose the charter school plan. State lawmakers are also coming under pressure to place a moratorium on new charter schools to protect school districts from financial impact.²⁵ State policy is in need of revamping to encourage the growth of charter school capacity and expand its potential.

Facilities

The most severe start-up barrier for any charter school, especially those wanting to locate in big cities, is finding appropriate and affordable building space. In New York City, sky-high rents and shortages of vacant buildings is a show-stopper for too many school developers. Potential charter-starters have had to rely on strong political connections or philanthropic friends to find appropriate, handicap-accessible buildings. This has undoubtedly discouraged or prevented many potential school developers from creating charter schools, especially those without ties to the city's elites. While the facilities problem is acute in New York City, the issue is also a major concern for any potential charter school developer in any of New York's other major cities.²⁶

New York City Is Poised to Use Charter Schools to Drive Reform

“Bureaucratic school districts are outmoded and dysfunctional. The needs of students have been subordinated to a set of rules and rationales designed for bureaucratic ends or interest group satisfaction. This monopoly has stifled innovation, creativity, and entrepreneurialism, leaving a school system that is unable to generate the capacity for teaching and learning at the individual school level for the majority of our students . . . ”

—*Charter School Initiative Concept Paper New York City Department of Education, December 15, 2003*

The New York City charter school initiative is founded on the idea that “fundamental redesign” is needed to attract new leaders, ideas, and resources to the city’s public schools. This is a startling admission from public school district leaders in one of the largest urban school districts in the country. They are, in effect, calling in the reserves. In this case, the reserves are a group considered by many school districts to be the enemy: A cadre of people, organizations, and resources that are only attracted to—or able to operate within—the more flexible charter framework.

Rather than seeing chartering as an “oppositional” reform that seeks to improve education outside of and in opposition to existing public schools, New York City leaders have themselves adopted the array of tools available through chartering to create better schools. District officials say they are trying to create a “spectrum of autonomy” in the system. The district has a long history of creating small schools that operate with higher levels of autonomy than traditional district schools but less autonomy than charter schools. New York City’s small schools are generally teacher-initiated small high schools that may co-exist with other small high schools in the same building. In fact, some of the stars of the small schools movement have their origins in New York City. Central Park East, started by Deborah Meier, gave rise to 35 schools that comprise the New Visions network, a New York City association of small schools.

While small schools in New York City have been popular with parents and teachers—and, by many accounts, successful in providing a more personalized education for high school students—many small school leaders have wanted more control in their hiring, budgets, and educational programs. Charter schools in New York automatically have that control and extend the opportunity to initiate school proposals to community leaders, nonprofit school management organizations, and others. The vision expressed by officials is that there will eventually be a range of options inside the system to allow educators to suit all students’ needs and to energize the entire school system with entrepreneurialism and new ideas. This unique history with semi-autonomous public schools offers real potential for chartering to become a natural outgrowth of New York City’s reform efforts.

The New York City charter initiative is also founded on the idea that charter schools will not flourish without help from the school district and city. Throughout the ambivalent era of Chancellors Crew and Levy, charter schools in New York City were self-seeding at best, emerging only when all the right circumstances aligned. Applicants who received charters through the chancellor or one of the statewide sponsors were those with strong political connections who could also find an appropriate commercial building in the city. Once up and running, they struggled to navigate a bureaucratic central school district office and faced internal start-up challenges common to many charter schools across the country.

The New York City charter school initiative aims to remove these barriers by making New York City a charter-friendly environment. As a first step, Chancellor Klein included charter schools in the department’s five-year capital plan and departmental facilities supports so that every chancellor-authorized charter school will have help finding and financing a facility. As a result of these efforts, 13 of the 32 charter schools in operation September 2004 will be housed in unused or shared public school buildings. Augmenting these “public” supports is a nonprofit real estate development initiative called Civic Builders, which is

funded in part by California's New Schools Venture Fund.

Jonathan Gyurko, former director of charter schools for the New York City Department of Education's Office

of New Schools, describes an important purpose of the chancellor's charter school initiative:

*"One objective is to attract new charter school leaders and entrepreneurs to New York City. We are implementing policies and supports that will make New York City the most charter-friendly city in the nation. Access to facilities is an important component of our efforts. As we take many of the facilities challenges off the table, we'll create a strong incentive for charter entrepreneurs to start schools here."*²⁷

The department will also provide start-up funds and access to student information technology systems, and has increased charter schools' special education funding to achieve parity with other public schools. The chancellor also promises to lobby to support charter-friendly state policies.

A central feature of the chancellor's charter school initiative is the nascent New York City Center for Charter School Excellence. The center will operate entirely on private funds and will be an independent nonprofit organization, not an arm of the school district. The idea is to create a non-bureaucratic entity with the sole mission of stimulating the supply of high-quality charter schools in the city. Key functions will include recruiting strong leaders, helping school developers find facilities, providing targeted technical assistance, and working closely with the Department of Education to integrate charter schools with the district's broader "new schools" efforts. The founding board is now in place, composed of representatives from the Department of Education and the philanthropic community, and is expanding to include charter school and community representatives. An executive director has been hired, and the organization is beginning to be operational. During its CEO search, an interim board subcommittee launched planning grants for potential charter applicants and partnership grants for charter schools and traditional public schools sharing space.

At the same time, there are plenty of challenges ahead. It took seven months for the Center for Charter School Excellence to hire an executive director, possibly reflecting a careful early approach to ensuring quality, but nonetheless slowing implementation of the initiative. Moreover, the



Civic Builders

Civic Builders is a nonprofit real estate development company whose mission is to become the preferred provider of high-quality, low-cost charter school facilities for those New York City charter schools not served by current N.Y. Department of Education infrastructure. The goal of Civic Builders is to maximize financial benefits for charter schools by leveraging substantive capital commitments from foundations, private lenders, landowners, and government agencies. This approach to charter school development enables schools to benefit from an optimal capital structure and professional real estate management, allows philanthropists to see facilities as a strategic opportunity to build infrastructure and create assets, and allows school districts to benefit from a coordinated real estate strategy that considers their capacity needs while fostering public innovation in education reform.

Civic Builders employs the following three strategies to address the facilities needs of charter schools:

1. **Civic developments.** Working as an intermediary between charter schools and the real estate industry, Civic Builders partners with foundations, lenders, and the N.Y. Department of Education to finance the purchase, renovation, and leasing of high-quality, low-cost space for charter schools.
2. **Real estate advisory services.** Civic Builders acts as an advisor to charter schools and helps broker effective real estate solutions with third-party landlords. The goal is to mitigate waste by working with school administrators to help them make better real estate decisions. Civic Builders assists its clients with a range of assignments, from strategic real estate planning to hands-on project management of large-scale renovations.
3. **Innovation and advocacy.** Civic Builders works with foundations, lenders, government agencies, and others to advocate for an environment that promotes the creation of high-quality, low-cost charter school facilities.

chancellor's office approved just five new charter schools in the last round of applications, while 60 new small schools were approved. At that pace, it will be 10 years before the goal of 50 new charter schools is met.²⁸ Whether the chancellor's office emphasizes charters or new small schools, the challenge of starting a large number of schools quickly *and* reforming the massive bureaucracy to support them is daunting. These challenges are surfacing in urban districts and states around the country as the charter school movement moves into a new level of maturation.

If New York City can deliver on its promise to create 50 new charter schools in the next few years plus 150 new small schools, the impact could be significant. The outcomes for students will depend on both the willingness of the state Legislature to amend the charter school law to allow 50 new charters in New York City, and the extent to which the initiative's leaders in the city build on best practices and savvy implementation. The design for the Center for Charter School Excellence is strong—it represents an innovation in technical support for charter schools with its strategy of building a strong supply of charter developers, drawing on the expertise of national school networks and leadership training organizations, building a city network of charter and small schools, and using city resources to address start-up barriers. The initiative is designed to be well-funded through stable private funds and buttressed by the chancellor's broader school system reform plan (dubbed the Children First Initiative). One element of the Children First Initiative is a reorganization of central office resources to support instruction, including a reallocation of central office resources to charters and dramatically improved access to facilities.²⁹

Equally promising is the New York teachers union's lack of opposition to the initiative. Randi Weingarten, head of the New York teachers union, has even suggested that the union might start its own charter school.³⁰



Creating Fertile Ground: Plans for the New York City Center for Charter School Excellence

Goal: Stimulate the supply of excellent charter schools in New York City by providing support services, advocacy, and the strategic use of public and private resources and expertise.

Governance: An independent nonprofit corporation; the chancellor (or designee) sits on the board.

Primary functions:

- Recruit and develop outstanding new charter applicants by issuing Requests for Qualifications, providing planning grants, and tapping into national networks for leadership training and new school development. This is a proactive strategy the center will use to try to seed the growth of a new generation of charter schools.
- Provide assistance through a broader range of activities to support and foster quality in existing New York City charters by:
 - Helping schools access facilities by providing access to New York City's public school buildings; providing capital funding for facilities projects; helping charters navigate New York's complex zoning, building codes, and regulations; and brokering public-private financing; and
 - Assisting charter schools in recruiting strong leaders and teachers by acting as a central clearinghouse for job postings and résumés.
- Coordinate with the New York City Department of Education to promote a coherent new schools policy.
- Administer technical assistance grants for specialized services.
- Create a voluntary association of charter schools to promote quality.
- Analyze the effectiveness of New York City charter schools and advocate on their behalf.

When the initiative was announced in October 2003, private donations of \$40 million—more than one-half of the total funds needed for the initiative over the next five years—had already been committed to the New York City Center for Charter Excellence and the Department's charter school initiatives by the Robertson Foundation, the Robin Hood Foundation, and the Pumpkin Foundation.

Recommendations

What New York City Policymakers and the New York City School District Must Do to Capitalize on the Promise of Charter Schools

❑ ***Move quickly to create more quality public school choices.***

Assuring adequate in-district alternatives to low-performing charter schools should be an urgent priority for New York City and other urban districts. Facing a similar problem and a cap on the number of charter schools allowed, the Chicago School Board recently announced it will begin soliciting proposals from local and national nonprofit organizations to operate on contract with the school district to replace failing or underenrolled schools. New York City and other urban districts might benefit from a similar plan.

Eventually, New York City and other urban districts will also have to address the unspoken truth about a “new schools” strategy: At some point, older schools that are not effective will have to be closed or dramatically improved. An unlimited number of conversion charter schools are allowed under New York law, but only four New York City schools have chosen this route. Three of those four conversion schools are among the highest performing charter schools in the state. Past attempts to build community support for conversions failed under then-Chancellor Levy failed, but should be revisited.

❑ ***Focus on using charter schooling strategically to meet the challenges of No Child Left Behind.***

Charter schools sponsored by the chancellor are required to set aside 10 percent of their enrollment capacity for students transferring under NCLB. Since almost all of the city’s charter schools already aim to serve needy students, district officials have not specifically encouraged proposals for charter schools serving neighborhoods with schools that are failing to

meet NCLB’s Adequate Yearly Progress requirements. But plans to dramatically expand New York City charter schools and to develop other new small school options present a unique opportunity to start prioritizing proposals to serve students in the worst schools first, and then ease the burden on existing high-performing public schools.

❑ ***“Charter friendliness” is important, but not good enough. New York City and other urban districts must make deeper changes to truly integrate charters with other district schools.***

New York City has gone further than most urban districts to embrace charter schools and semi-autonomous small schools, but history has proven that school districts, especially mega-districts like New York City, have a knack for knocking the wind out of reformers’ sails. Old habits, cultures, and interest group politics play a part, but much more mundane central office structural realities also need to be reconfigured to better support entrepreneurialism, equity, and autonomy. District offices—including their accounting processes, technology, and human resource systems—are all designed for a centralized school system. The department is in the process of reorienting its central office functions, but the core of the chancellor’s Children First Initiative is a centralized instructional model. It will be a challenge to orient central staff to serve both centralized and decentralized schools effectively.

District officials say they hope charter schools can be models to show how all schools can operate under performance contracts systemwide. In Chancellor Klein’s words, “At their core, charter schools embody the three ingredients that are necessary for any successful school—leadership, autonomy, and accountability.”³¹

But even with the highest concentration of charter schools in New York state, New York City still operates charter schools largely as a distinct and, for the most part, separate system of city schools. For this to change, the chancellor and district officials will need to begin

to truly integrate charter schools with other New York City public schools. The Department has begun that work by talking with regional district leadership about the possibility of having charter schools in each region of the city and exploring the potential for charter schools to help each region. Charter school accountability requirements have also begun to influence conversations about accountability for other schools, but not in any significant way.

❑ ***Free in-district talent by encouraging district leaders to convert to charter school status or create new schools.***

To meet the ambitious goals New York City has set for new schools, charter advocates should also consider ways to encourage more conversions of effective schools that could benefit from greater autonomy. As Bill Phillips, director of the New York Charter Schools Association, has suggested, meeting the urgent need to develop a new supply of effective schools requires districts to use conversions and start finding ways to “free the talent” currently stifled in existing public schools.

Conversations with school leaders might help districts and state officials discover what is preventing excellent school leaders and teachers from converting or starting new charter schools. More schools might be interested in converting if they could give admission preference to existing students. Outreach to school leaders and parents about the record and promise of New York charter schools could help. A Request for Qualifications specifically targeted to potential conversions could also inspire new action.

Charter school leaders have little interaction with other New York City public school leaders. The department has not articulated a plan for using charter schools as an organizational model for all schools and has not yet undertaken a review of how the central office structures will change to support more autonomous and performance-based schools. There is much work ahead for district leaders—in addition to the challenge of starting 50 new charter schools and 150 new small schools over the next few years.

❑ ***Develop new homegrown schools.***

New York City officials are smart to emphasize recruiting national networks through the Center for

Charter School Excellence, but that strategy may be limited. Existing national networks are challenged to deal with quick expansion in multiple sites, so it is also wise to consider a “build-your-own” strategy by encouraging replications of effective district schools or effective New York City charter schools. A new school incubator could help promising local leaders develop plans for new school start-ups, help existing low-performing schools reinvent themselves, and help high-achieving schools develop replication plans. An incubator facility (or a few in different parts of the city) could also provide a temporary home to charter schools in their first year or two of operation until a permanent facility is found.³² Measures taken by the New York City Department of Education to assist charter schools in finding facilities—such as providing access to unused public buildings, and including charters in capital campaigns, and establishing a nonprofit real estate developer for charter schools—are important first steps, but the department should continue to pursue creative new options for helping charters find housing, such as loan guarantees from the department or city.

What New York State Policymakers Can Do to Support Growth of High-Quality Charter Schools

New York state must support proactive charter/district partnerships through a “supply-friendly” state policy environment, emphasizing incentives for more charter schools to move into urban districts and encouraging more districts to consider chartering a viable school improvement strategy. Specifically, state policymakers should:

❑ ***Level the financial playing field between charters and other public schools.***

If the state is serious about making chartered schools a strong element of the state public school system, it must ensure charter school students receive their fair share of state and local public dollars. The state should make the legislative and regulatory changes needed to ensure that state categorical funds follow students to charter schools. And all districts should be required to provide their local share of special education dollars, as New York City has done.

❑ ***End the legislated limit on the number of new schools chartered.***

Although the cap of 50 schools sponsored by SUNY and 50 by the Board of Regents does not yet prevent qualified applicants from gaining a charter, it soon will. Limits on the number of new schools allowed in New York were a reasonable idea when the law originated, but charter schools have proven that they can succeed, and authorizers have proven that they are performing their charge responsibly. There is no valid reason to continue to legislatively constrain the number of new charter schools in New York.

❑ ***Encourage districts to improve district schools, including converting some into new charters, in response to competition from existing charters.***

New York's charter experience demonstrates that the most challenged urban school districts in the country can use charter schooling to their advantage in addressing the needs of students under their care and the requirements of NCLB. But most school board members and superintendents still view charter schools either as a threat, or with ambivalence. In New York, only two of the state's school districts (New York City and Buffalo) have chosen to sponsor charter schools despite the fact that nearly all districts have low-performing schools or would benefit from the new partnerships, energy, and parent engagement that charter schools can bring.

Some state lawmakers have proposed creating "impact aid" funding for districts with a significant concentration of charter schools to help ease school district leaders' concerns about potential financial hardships as a result of chartering. Such financial assistance might help districts cope with transitions and may be politically helpful in the short term. For charter schools to leverage long-term improvement in existing schools, however, such assistance must be temporary and conditional upon districts proving they are: providing charter schools their fair share of per pupil dollars; including charters in local facilities planning; analyzing the reasons district schools are losing students to charter schools, and developing a plan to respond to those concerns.

❑ ***Promote better analysis and evaluation.***

As of 2004, the only real statewide study of charter school achievement is the Board of Regents' report to the Legislature cited earlier in this report. As the charter school movement continues to mature, there should be more sources of analysis and deeper studies. Although the Regents' report was an enormous endeavor, it provides only a glimpse into the actual value-added achievement of charter schools. More comprehensive analyses should be conducted by respected independent researchers to learn about:

- Student-specific gains as a result of charter school attendance;³³
- Valid, value-added measures that go beyond schools' test scores (for example, safety, retention rates and success after leaving school);
- The effectiveness of different types of schools (for example, schools in operation for fewer than three years, schools by grade level served, schools authorized by different agencies);
- Barriers to the supply of new schools;
- Effective charter school practices; and
- The ways charter schools are translating autonomy into better teaching and learning.

❑ ***Update the first wave of state charter laws to allow for widespread access to charter schools.***

The New York City and Buffalo charter initiatives demonstrate the potential impact of using chartering to improve *all* schools in a community. Most state charter laws, including New York's, were not designed to support or promote systemwide chartering; they were crafted as compromises among interest groups primarily to get a number of charter schools up and running to demonstrate their potential. Now that the potential is clear, the next wave of state charter laws should:

- Promote systemic change by allowing authorized charting agencies to charter enough

schools to reach all students in need of alternatives to traditional district schools; and

- Increase the capacity for charter schools to be successful with the most challenging student populations by providing equitable funding and access to facilities or facilities funding.

Lessons From New York: What Urban School District Leaders Around the Country Can Do to Support and Encourage Charter Schools

For urban district leaders interested in using charter public schools as a strategy for improving student achievement, the New York City charter experience makes it clear that it is not enough to simply solicit applications for new schools and then let them prove themselves. School districts and other

charter school authorizing agencies must also:

- ❑ Reorient their central offices to fairly fund and effectively oversee independent public schools;
- ❑ Find ways to help independent organizations provide specialized support for facilities and technical assistance that school district central offices cannot or should not provide;
- ❑ Integrate charter schools into the overall school improvement strategy by planning how charter schools can replace or provide alternatives to failing schools.
- ❑ Be willing to close schools that do not meet the goals of their charters; and
- ❑ Make sure there are good alternative placements in other public schools for students who will be displaced when a charter school closes.

Conclusion

In New York City and state, charter schools are slowly gaining momentum through performance that speaks for itself, and with quick action by authorizers and charter advocates when schools fail. But as the New York charter experience should demonstrate to districts and states nationwide, meeting the urgent need for systemwide improvement is far beyond the capacity of most existing charter or even new small school supply efforts. The challenge for the next generation of charter school policy and implementation in every state will be to thoughtfully

expand the number of new schools without sacrificing strong accountability, and to help school districts develop internal capacities to support autonomous schools side-by-side with more centrally managed schools.

In the meantime, the growing number of New York City charter schools and their students will continue to inspire with their courage, tenacity, and all-out effort. New York City community and policy leaders should be congratulated for their leadership and skill in creating the opportunity for charter schools to shine.

Endnotes

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