



Transforming Urban School Districts through Choice

Foundation for Education Reform and Accountability

Introduction

The Foundation for Education Reform & Accountability (FERA), based in Albany, New York, has been implementing a school-choice initiative – the Albany Project – that has created high-quality charter schools to serve more than half of the local public school student population in the state’s capital city. FERA believes that a district composed of choice schools can better serve students, parents, and the community than the traditional urban school district system. The Albany Project is demonstrating that the charter school model – freedom from state regulations and education bureaucracy, freedom to innovate, and increased accountability – can better serve all students, not just the small segment of the population fortunate enough to win an enrollment lottery or afford a private school.

The Problem

The city school district of Albany is a tale of two systems. One caters to more affluent non-minority families and provides relatively good schools and academic results; the other provides poorly performing schools to the city’s low-income and minority community, with no clear vision or serious plan for improvement.

While this situation is not uncommon for large urban areas, Albany is a city of fewer than 100,000 residents, with a school-age population of about one-tenth of that. This small size means that the identification of problems and the institution of solutions should not be difficult. Yet, in Albany, the academic failure of district schools is dramatic, with few signs that the district administration is willing to implement real solutions.

The Roe Better Government Network researches and distributes public policy solutions for the benefit of the New England states. The Roe Papers are selected from among the most intriguing and original submissions to Pioneer Institute’s annual Better Government Competition. Pioneer works with each submission’s author to develop their ideas into detailed, actionable policy proposals.

We are appreciative of the Roe Foundation’s generous support for this initiative. Their sustained funding has enabled Pioneer to vet these ideas with policy makers and experts as well as legislators and executive officials.

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Consider the following: the longer students attend Albany district schools, the further behind they fall academically. The district failure rate on the state's 4th grade English Language Arts exam is 56 percent; by 8th grade, the failure rate jumps to 76 percent. In math, the failure rate in 4th grade is 31 percent, and by 8th grade the failure rate is 64 percent. This trend is consistent from the year the state began performance testing, and is now evident across all district schools.

The racial achievement gap is substantial at all grade levels and across all subjects. While 42 percent of white students fail the state's 4th-grade English Language Arts exam, 60 percent of African-American and Latino kids fail. By 8th grade, 45 percent of white students fail the state test, and a staggering 86 percent of African-American and Hispanic kids fail.

The results on the state math exam shows similar numbers: in 4th grade, 17 percent of white students fail the state's test, and 35 percent of African-American and Latino kids fail; by 8th grade, 39 percent of white students fail the state test and 74 percent of African-American and Hispanic kids fail. The most recent state report card for Albany High reveals that a mere 51 percent of African-American students and 58 percent of Latino students graduated with their cohort, compared to almost 80 percent of white students.

Middle- and low-income families have few choices about where to send their children to school in Albany. With the exception of two small magnet elementary schools, all students are subject to assignment according to neighborhood attendance zones. The Albany district's two long-time middle schools, William S. Hackett and Philip Livingston (a new third middle school, Myers Middle School, opened in September 2006), are all

classified under the federal No Child Left Behind Act as "schools planning for restructuring," having failed to make adequate yearly progress for five consecutive years. In March 2007, the state laid the groundwork for the closure of Livingston due to persistent failure.

It comes as little surprise that Albany parents are desperate for high-quality alternatives to existing district-run schools.

The Solution

FERA's Albany Project is providing urban schoolchildren with high-quality school-choice options that meet their needs and prepare students for college and a productive career, enhancing the area's economy and overall quality of life.

The Albany Project grew out of FERA's research work, and their launch of the Brighter Choice Charter School for Boys and the Brighter Choice Charter School for Girls. To build on the lessons of that experience, FERA spearheaded the effort to win state approval for the charter schools that make up the Albany Project. This included selecting the academic models that are being implemented, coordinating searches for school leaders, and recruiting community leaders to serve on the boards of each school. An estimated 50 percent of FERA's current staffing and research effort (with an annual budget of around \$1 million) is dedicated to the Albany Project.

The Brighter Choice Foundation, a FERA group spun off from the Brighter Choice Charter Schools, coordinates the construction and financing of new facilities for new schools. The Brighter Choice Foundation initiates construction through the use of a \$10 million revolving loan fund capitalized with private philanthropy funds. As a building is completed, it is privately financed and the loan fund replenished.

FERA created and then partnered with a nonprofit entity called School Performance that works with the new Albany schools to regularly measure student progress. The core of School Performance's work is a standards-based diagnostic assessment system that gives teachers and school leaders regular feedback about student progress toward key learning standards.

FERA's effort represents a deliberate, coordinated attempt to create a collection of schools that represent the best models of urban education. FERA also has played a leading role in selecting the academic models to be replicated, coordinating national searches for school leaders, and recruiting skill-based nonprofit governing boards for each school. Among the charter school models being replicated are KIPP (Knowledge Is Power Program), Amistad Academy (New Haven, Conn.), International Baccalaureate, and Milwaukee Prep, all school models that have proven track records of success with challenging student populations. Through its work and the contributions of its partners, the Albany Project provides start-up assistance, new facilities, community outreach, public relations efforts, and extensive technical assistance to each school.

This coordinated effort includes partnerships with local nonprofit organizations to provide school services from start-up through maturity. With its partner the Brighter Choice Foundation, FERA matches each new charter school with an appropriate school facility. With its partner School Performance, FERA helps schools implement a comprehensive system of diagnostic assessments and data-driven decision-making tools about curriculum and instruction. With its partner the Brighter Choice Project, FERA emphasizes community outreach, enhances student recruitment, and undertakes public relations efforts.

Under the Albany Project's ambitious agenda, public charter schools will attain a 25 percent market share of the city's students with the next 1½ years, placing Albany among the top school-choice sites in the nation. FERA has been instrumental in designing, securing state approval for, and preparing for the opening of the charter schools that make up the Albany Project. There will be eight high-quality Project charter schools. Six of the eight planned Albany charter schools have opened and begun enrolling students, with the remaining two slated to open within the next 18 months.

Under the current terms of these charters, charter school enrollment in the city will exceed 25 percent by the 2008-09 school year (see Attachment I). Many current Albany Project charter schools are planning to expand the grades they serve upon the renewal of their charters and as a result of these planned expansions the charter school market share in Albany under renewed charters is expected to grow to more than 50 percent by the 2013-14 school year.

Albany's charter schools thus far are serving a disproportionately minority student population, and the Albany Project is on the brink of producing an "upside-down" racial achievement gap, where minority students in charter schools are outscoring white students in district schools. This outcome will have very broad social implications, and could lay the foundation for destroying the long-held beliefs of some people that poverty status and race are predictors of academic ability.

Early indicators suggest that the Project has set a strong foundation for student success. This past year, Brighter Choice's two schools came in #1 in the city on the state math and reading tests, outscoring all other public schools in Albany.

In math, Brighter Choice outscored the district average by 27 points in 3rd grade and by a staggering 40 points in 4th grade. Until this year's student pass rate of 93 percent at Brighter Choice-Boys, no public school in the city had scored above 90 percent in the history of state testing here. Brighter Choice offers preferential enrollment to students who qualify for the federal free- and reduced-priced meals program, and currently serves a student population that is 99 percent low-income and 98 percent minority. Also, in their first year of operation, two new Albany charter middle schools outperformed the local school district average.

The Albany Project has built a portfolio of assessment and data-analysis tools that allow schools to identify and address students' learning needs. School Performance administers five assessment cycles per year, with each cycle including assessments in the core areas of reading, language usage, and math. A video-based teacher-training program also has been developed that presents the most important techniques of effective instruction. Every charter school teacher also has access to more than 150 video clips demonstrating techniques used at top performing schools.

The Albany Project's nonprofit partners rely primarily on grants and philanthropic support. Brighter Choice Foundation facilities projects are developed on a nonprofit basis and then leased back to charter schools at cost with plans for transferring ownership of the building in the future; a similar arrangement would benefit schools in any replication effort. The Brighter Choice Foundation has been successful at creating a privately capitalized \$10 million construction fund and securing very favorable financing packages both from private lenders, with government-sponsored financing programs, and in the bond market. The academic and operational

success of these schools has led to a waiting list of eager parents and students, earning the first-ever investment-grade bond rating for a charter school in New York State. Brighter Choice Foundation's annual operating budget is approximately \$600,000.

The charter schools participating in the project continue to receive their operating revenue from state & local education aid. Charter schools demonstrate the ability to achieve better results than district schools while operating on less funding. Under New York law, local school districts keep approximately 25 percent of the per-pupil amount received for charter students and transfer the remaining 75 percent to charter schools.

While the potential savings from charter schools are debated by the Albany school district, the district's own data for the 2006-07 school year shows that charters are educating 16 percent of district students while receiving less than 10 percent of the district's budget. After payments to charter schools, the district spends \$17,381 per pupil (\$153.3 million on 8,820 students). Charter schools are educating 1,680 students at \$9,821 per pupil, a difference of \$7,560 per pupil or 43 percent less than what the district spends.

As expected, the individual start-up charter schools developed with the assistance of FERA under the Albany Project are maturing. While all of the schools are still expanding, most are well beyond the start-up phase. At start-up, charter schools were primarily focused on door-to-door recruitment in the city of Albany to spread the word about the new schools opening and to encourage families to enroll their children in the new charter schools. Now these schools are well known and fully enrolled, allowing

them to focus on continual improvement of their academic programs.

During their first year of operation, charter schools were working with School Performance to establish useful data-driven evaluation tools and diagnostic assessments. Now that these systems are in place, the schools are administering diagnostic assessments every six weeks and using the results to focus on improving instruction and identifying students in need of intervention or enrichment. In their infancy, Albany's charter schools were competing primarily with the local district schools. After outperforming the local district schools on state assessments, the higher performing Albany charter schools have grown to become competitive with each other, and are beginning to compare themselves against local suburban schools and well-regarded schools throughout the state.

Relevance to Massachusetts

The Albany Project is transforming the quality of urban education in a city with a population of just under 100,000 residents and a school district that serves 10,000 students. In Massachusetts, Lawrence and Lynn would be strong candidates for locations to replicate the Albany Project.

Lawrence is home to 72,000 people, with nearly 13,000 public school students. Students enrolled in district schools are 89.6 percent African-American or Latino and 83.1 are from poverty. The district's most recent state assessment scores show widespread failure (students scoring below proficient). District-wide failure rates are above 50 percent on all seven English language arts and reading assessments and all seven math assessments administered (grades 3-8 and 10).

The city of Lynn's population is approximately 89,000 people, with 14,000 enrolled in district schools. Three quarters (75.1 percent) of students are from poverty and 55 percent are African-American or Latino. District-wide failure (below proficient) rates on the most recent state assessment are 50 percent or above on six out of seven English language arts and reading assessments and all seven math assessments administered.

School choice options in both cities are currently limited, but a foundation for choice is already in place. An Albany-like citywide project could also help build a consensus for reform.

Conclusion

The explicit goal of the Albany Project is to attain scale and uniformly high quality in urban public schools of choice. When fully implemented, the Albany Project will:

- Offer a nationally replicable model for growing and supporting high-quality choice schools that comprise the majority educational system in a single community.
- Create a tremendous expansion in parental choice.
- Demonstrate that freedom from state regulations and education bureaucracy, freedom to innovate, and increased accountability are part of a formula for large-scale education reform
- Pressure the Albany district to improve its low-performing schools
- Present a collection of some of the best school models in the nation – all in one geographic location.
- Dramatically improve student academic performance, especially among low-income and minority students.



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